



6056 ENTERPRISE PROPERTY | SANFORD, NC



ADAM AIRCRAFT PROPERTY | ENGLEWOOD, CO



TUCKER STREET PROPERTY | BURLINGTON, NC



CORNATZER PROPERTY | ADVANCE, NC



6015 ENTERPRISE PROPERTY | SANFORD, NC

BR Diversified Industrial Portfolio I, DST

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

Minimum Purchase: 0.21493% Interest (\$100,000 of equity and \$76,503 of estimated debt)

Maximum Offering Amount: \$46,527,793 of equity

The date of this Memorandum is **August 10, 2022**

Investing in DST Interests involves a high degree of risk. Before investing, you should review the entire Confidential Private Placement Memorandum including the "Risk Factors" beginning on page 27.

BR Diversified Industrial Portfolio I, DST



ADAM AIRCRAFT PROPERTY



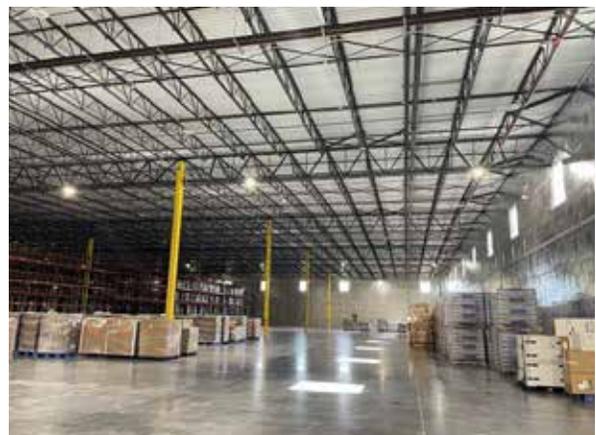
CORNAITZER PROPERTY INTERIOR



ADAM AIRCRAFT PROPERTY INTERIOR



6015 ENTERPRISE PROPERTY INTERIOR



6056 ENTERPRISE PROPERTY INTERIOR

BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST

CONFIDENTIAL OFFERING MEMORANDUM

Class 1 Beneficial Interests in a Delaware Statutory Trust

Minimum Purchase: 0.21493% Interest (\$100,000 of equity and \$76,503 of estimated debt)

Maximum Offering Amount: \$46,527,793 of Interests (100% ownership of the Parent Trust)

The Trust

BR Diversified Industrial Portfolio I, DST (the “**Parent Trust**”) is a recently formed Delaware statutory trust (“**DST**”) that is offering to sell (the “**Offering**”) 100% of the class 1 beneficial interests in the Parent Trust (the “**Interests**”) to Accredited Investors (defined below) pursuant to this Confidential Offering Memorandum (this “**Memorandum**”). Upon approval, purchasers of Interests (“**Purchasers**”) will become beneficial owners of the Parent Trust (“**Beneficial Owners**”). **You should read this Memorandum in its entirety before making an investment decision.**

The Parent Trust owns 100% of the beneficial interests in the following Delaware statutory trusts:

- BR 1302 E. Adam Aircraft Circle, DST (the “**Adam Aircraft Trust**”);
- BR 3020 Tucker Street, DST (the “**Tucker Street Trust**”);
- BR 6015 Enterprise Park Drive, DST (the “**6015 Enterprise Trust**”);
- BR 6056 Enterprise Park Drive, DST (the “**6056 Enterprise Trust**”); and
- BR 2016 Cornatzer Road, DST (the “**Cornatzer Trust**”).

The Adam Aircraft Trust, Tucker Street Trust, 6015 Enterprise Trust, 6056 Enterprise Trust, and Cornatzer Trust are collectively referred to herein as the “**Operating Trusts**,” and each, as an “**Operating Trust**.” The Operating Trusts, together with the Parent Trust, are collectively referred to herein as the “**Trusts**,” and each, as a “**Trust**.”

The Sponsor

The Offering is sponsored by BGR Exchange TRS, LLC (“**BIGRX**” or the “**Sponsor**”), a wholly owned taxable REIT subsidiary (“**TRS**”) of Bluerock Industrial Holdings, LP, a Delaware limited partnership (the “**Operating Partnership**”). The Operating Partnership is the entity through which Bluerock Industrial Growth REIT, Inc. (“**BIGR**”) conducts substantially all of its business and owns substantially all of its assets. BGR was formed to invest in a portfolio of Class A and B industrial properties, including distribution centers, warehouses, logistics and light manufacturing industrial properties, primarily in growth markets across the United States. As of June 30, 2022, BGR had investments in, or was negotiating to acquire, industrial properties with a total acquisition cost totaling approximately \$133 million and a footprint of more than 1.3 million square feet. BGR intends to elect to be taxed as a real estate investment trust (“**REIT**”) for federal income tax purposes, commencing with its 2022 taxable year, and it intends to operate in accordance with the requirements for qualification as a REIT. References in this Memorandum to “we,” “us,” “our,” “ours,” and similar terms are references to the Sponsor.

BIGR and BIGRX are externally managed by an affiliate of Bluerock Real Estate, L.L.C. (“**Bluerock**”) and Bluerock Value Exchange, LLC (“**BVEX**”). BVEX is a national sponsor of syndicated Section 1031 Exchange (as defined below) offerings with a focus on residential and industrial properties that can deliver stable cash flows and that have the potential for value creation. Bluerock principals have a collective 100+ years of investing experience with more than \$48 billion real estate and capital markets experience and manage multiple well-recognized real estate private and public company platforms. Bluerock has more than \$14 billion in acquired and managed assets and offers a complementary suite of public and private investment programs, with both short and long-term goals, to individual investors seeking solutions aimed at providing predictable income, capital growth, and tax benefits. All numerical

data presented herein is as of March 31, 2022, unless otherwise indicated.

The Manager of the Trusts

BR Diversified Industrial Portfolio I DST Manager, LLC, a Delaware limited liability company (the “**Manager**”), which is an affiliate of the Sponsor, will manage each of the Trusts. The Manager will be managed by senior members of the Sponsor’s management team as described below.

The Properties

The Adam Aircraft Property

The Adam Aircraft property (the “**Adam Aircraft Property**”) is a single building comprised of 20,454 rentable square feet, located on an industrial site of 9.53 acres, which includes six acres of rentable outdoor storage), located at 13202 E. Adam Aircraft Circle, Englewood, Colorado 80112, part of the Denver metropolitan area (the “**Denver Metro**”). The Adam Aircraft Property is located in a large business park surrounding the Centennial Airport. The business park predominantly includes light industrial tenants, as well as office, medical, and retail tenants. Built in 2019, the Adam Aircraft Property is leased to two tenants – Herc Rentals, Inc. (NYSE: HRI) (“**Herc Rentals**”) and Towing Holdings, LLC (dba “**Wyatts Towing**”).

Herc Rentals is a full-service equipment rental company, providing customers equipment, services, and solutions for a wide range of industries for the past 50 years. The company employs approximately 4,800 employees and has 277 locations primarily in the United States and Canada. Herc Rentals is a publicly-traded company on the New York Stock Exchange with a market capitalization in excess of \$2 billion. Wyatts Towing is the parent brand of towing companies in Texas and Colorado. Wyatts Towing has grown to be the largest provider of private property impound services in the nation. The company was established in 1965 and serves thousands of property owners, managing their parking lots.

The Adam Aircraft Property is uniquely positioned within the core of the Denver southeast industrial submarket. The Adam Aircraft Property provides clear heights ranging from 20 to 24 feet and has six drive-in doors. The property is a three-minute drive (less than one mile) to the Centennial Airport and can be accessed through major thoroughfares such as Interstate 25, Arapahoe Road, Parker Road, and Colorado E-470. The Adam Aircraft Property is one of the few properties in its submarket that permits outdoor storage use, providing the Adam Aircraft Property with a distinct advantage due to difficult zoning and entitlement restrictions.

The Tucker Street Property

The Tucker Street property (the “**Tucker Street Property**”) is a single building comprised of 101,393 rentable square feet situated on 9.84 acres located at 3020 Tucker Street, Burlington, North Carolina 27215. The Tucker Street Property was built in 1994, with an addition in 2007, and includes four exterior docks, five interior docks, and four exterior levelers. The Tucker Street Property provides its single tenant, American Tire Distributors, with superb access. The Tucker Street Property is located just two miles southwest of Interstate 40. The Tucker Street Property is conveniently located in a popular market for industrial services, just three miles south of Downtown Burlington and three miles east of the Burlington Alamance Regional Airport.

Founded in 1935, American Tire Distributors, has grown to become the largest independent tire wholesaler in North America. The company is headquartered in Huntersville, North Carolina and has 140 additional locations. The company employs more than 46,800 personnel, and brought in more than \$5 billion in revenue in 2019. American Tire Distributors offers household tire brands such as Bridgestone, Continental, Pirelli, and Michelin across its more than 140 distribution centers.

The Tucker Street Property sub-market is well-positioned as a logistics hub due to low business costs and strategic location. The Tucker Street Property is a 20-minutes’ drive from Greensboro, 45-minutes’ drive from Raleigh-Durham, and 1.5-hours’ drive from Charlotte. This connectivity benefits the Tucker Street Property and the local sub-market, with the Tucker Street Property being just a mile from Interstate 40 and Interstate 85.

The 6015 Enterprise Property

The 6015 Enterprise property (the “**6015 Enterprise Property**”) is a newly constructed, Class A, industrial property located at 6015 Enterprise Park Drive, North Carolina 27330. The 6015 Enterprise Property is comprised of 117,659 rentable square feet situated on 20.86 acres. The 6015 Enterprise Property is leased to a single tenant, Liberty Tire Recycling, LLC (“**Liberty Tire Recycling**”). The 6015 Enterprise Property includes 130’ deep truck courts, 50’ by 54’ column spacing with 60’ speed bays, full circulation, 26’ clear heights, ESFR sprinklers, LED warehouse lighting, and excellent access to U.S. Route 1. The 6015 Enterprise Property also benefits from its proximity to demand drivers, such as Interstate 40, Interstate 85, Research Triangle Park, Raleigh-Durham International Airport, and Piedmont Triad International Airport.

Liberty Tire Recycling is the premier tire recycling company in North America with the largest fleet of trucks and service vehicles in the industry. This allows the company to recycle more than 33% of the United States’ scrap tires, having converted 190 million tires into raw materials. The company’s 26 processing plants are responsible for converting scrap automobile, truck and off-road tires into beneficial products such as molder rubber goods, rubber flooring, rubberized asphalt, playground and landscape mulch, and shock-absorbing athletic surfaces.

The 6015 Enterprise Property is located in the Central Carolina Enterprise Park, a well-located and professionally developed approximately 250-acre industrial park. Central Carolina Enterprise Park is strategically located adjacent to U.S. Route 1, with immediate access to U.S. Route 501 and U.S. Route 421, making it an attractive manufacturing and distribution location.

The 6056 Enterprise Property

The 6056 Enterprise property (the “**6056 Enterprise Property**”) is a newly constructed, Class A, industrial property comprised of 117,625 rentable square feet, situated on 10.6 acres, and located at 6056 Enterprise Park Drive, North Carolina 27330. The 6056 Enterprise Property is leased to a single tenant, Pfizer, Inc. (NYSE: PFE) (“**Pfizer**”). The 6056 Enterprise Property includes 127’ deep truck courts, 50’ by 54’ column spacing with 60’ speed bays, full circulation, 26’ clear heights, ESFR sprinklers, LED warehouse lighting, and excellent access to U.S. Route 1. The 6056 Enterprise Property also benefits from its proximity to demand drivers, such as Interstate 40, Interstate 85, Research Triangle Park, Raleigh-Durham International Airport, and Piedmont Triad International Airport.

Headquartered in New York City, Pfizer is a research-based, global biopharmaceutical company that applies science and global resources to provide pharmaceutical products to extend and improve lives in various therapeutic areas. Founded in 1849, Pfizer has become the world’s third largest pharmaceutical company based on prescription drug revenue. With a market capitalization of more than \$200 billion, Pfizer was recently ranked #64 on the Fortune 500.

The 6056 Enterprise Property is located in the Central Carolina Enterprise Park, a well-located and professionally developed approximately 250-acre industrial park. Central Carolina Enterprise Park is strategically located, adjacent to U.S. Route 1 with immediate access to U.S. Route 501 and U.S. Route 421, making it an attractive manufacturing and distribution location.

The Cornatzer Property

The Cornatzer property (the “**Cornatzer Property**”) is comprised of 209,905 rentable square feet, situated on 38.07 acres, located at 2016 Cornatzer Road, Advance, North Carolina 27006. Built in 1967 and expanded in 1985, the Cornatzer Property provides its single tenant, DEX Heavy Duty Truck Parts, LLC (“**DEX Truck Parts**”), with a difficult to replicate layout, offering one drive-in door, 23 dock-high doors, and clear heights ranging from 22’ to 40’. Additionally, the Cornatzer Property provides exceptional yard space, positioned on 38 acres. The Cornatzer Property is a “mission critical” location for the tenant, DEX Truck Parts.

The Cornatzer Property is located in Advance, North Carolina and is accessed by Interstate 40. The Cornatzer Property benefits from its excellent access to Interstate 40, a major arterial highway. The nearest access point to Interstate 40 is located approximately 5.7 miles from the Cornatzer Property via U.S. Route 158. Additionally, the

Cornatzer Property's immediate area is traversed by several primary thoroughfares including NC Highway 801, U.S. Highway 64, and Baltimore Road, among others.

DEX Truck Parts is a subsidiary of Volvo. DEX Truck Parts is the country's largest supplier of renovated, recycled, and surplus heavy duty and all-makes truck parts, covering classes 6, 7, and 8. DEX Truck Parts has more than 3 million parts on hand across more than 30,000 different part types covering all makes and models.

The Adam Aircraft Property, the Tucker Street Property, the 6015 Enterprise Property, the 6056 Enterprise Property, and the Cornatzer Property are collectively referred to herein as the "**Properties**," and each, as a "**Property**."

Bluerock Value Creation Opportunity

BVEX, a national sponsor of syndicated Section 1031 Exchange offerings with a focus on properties that can deliver stable cash flows with the potential for value creation, is the parent of the manager of the Trusts. BVEX and BIGRX believe the Properties are well positioned for additional rent growth and value creation as a result of the high projected demand for industrial properties in desirable locations within high growth markets. Further, BVEX and BIGRX believe that an investment in the Parent Trust will provide investors with an attractive long-term investment opportunity, through the participation in an already-assembled portfolio of real estate assets that are geographically diversified, and which are expected to generate a steady and stable stream of income pursuant to long-term, net leases that are financially backed by a diverse and creditworthy group of lessees. The Properties are located in some of the strongest industrial markets including Raleigh-Durham, North Carolina, and Denver, Colorado. Tenants include significantly capitalized household names such as Pfizer, one of the world's largest pharmaceutical companies with a market capitalization of more than \$200 billion and Herc Rentals, with nearly 280 locations and a market capitalization in excess of \$2 billion.

The Sponsor's investment objectives with respect to the Beneficial Owners' investment in the Properties are to: (i) preserve the capital investment; (ii) make monthly distributions starting at 3.75% per annum in 2022 and projected to range from 3.75% to 4.75% per annum in years two through ten which may be partially tax-deferred as a result of depreciation and amortization expenses; (iii) provide institutional property management oversight to maintain the high quality and high marketability of the Properties to maximize future value; and (iv) realize profit through the ownership and eventual sale, disposition, transfer or merger to facilitate a Section 1031 Exchange (under limited circumstances) or an exchange transaction pursuant to Section 721 of the Internal Revenue Code of 1986, as amended (the "**Code**") with respect to the Properties within approximately seven to ten years. See "*The Properties*." There is no guarantee that these objectives will be successfully achieved, that the Properties' value will be enhanced, or that the Properties will be sold within the planned time period. As of June 30, 2022, all of the Properties were 100% leased.

The Acquisition Closings

The Adam Aircraft Acquisition Closing

On June 29, 2022, the Adam Aircraft Trust acquired the Adam Aircraft Property for total consideration of \$14,900,000 (the "**Adam Aircraft Acquisition Closing**"). Prior to the Adam Aircraft Acquisition Closing, BVEX assigned to BR Diversified Industrial Portfolio I Investment Co, LLC (the "**Depositor**") all of BVEX's rights under the Purchase and Sale Agreement with LSTREAA, LLC, a Colorado limited liability company ("**Adam Aircraft Seller**"), dated April 21, 2022, as amended (the "**Adam Aircraft Original PSA**") (such assignment, together with the Adam Aircraft Original PSA, the "**Adam Aircraft Purchase Contract**").

At the Adam Aircraft Acquisition Closing, the Depositor conveyed the Adam Aircraft Purchase Contract and contributed sufficient cash to the Parent Trust, which, in turn, conveyed the Adam Aircraft Purchase Contract and contributed the cash to the Adam Aircraft Trust (the "**Adam Aircraft Depositor Contribution**"). The Adam Aircraft Depositor Contribution, together with the proceeds from the Loan (defined below), enabled the Adam Aircraft Trust to acquire the Adam Aircraft Property for \$14,900,000 and pay expenses and fees associated with the acquisition. In exchange for the Adam Aircraft Depositor Contribution, the Parent Trust issued to the Depositor certain Class 2 Beneficial Interests in the Parent Trust (the "**Parent Class 2 Beneficial Interests**"). The Adam Aircraft Trust issued to the Parent Trust all of the Class 2 Beneficial Interests in the Adam Aircraft Trust (the "**Adam Aircraft Class 2**").

Beneficial Interests”). Additionally, prior to the Adam Aircraft Acquisition Closing, the Parent Trust has been assigned an obligation on the part of the Depositor to pay to BVEX an Acquisition Fee (defined below) in the amount of \$298,000 (i.e., 2.0% of the purchase price under the Adam Aircraft Original PSA, not inclusive of any credits).

The Tucker Street Acquisition Closing

On June 29, 2022, the Tucker Street Trust acquired the Tucker Street Property for total consideration of \$7,140,000 (the “**Tucker Street Acquisition Closing**”). Prior to the Tucker Street Acquisition Closing, BGR assigned to Depositor all of BGR’s rights under the Purchase and Sale Agreement with BurlingtonCo, LLC, a North Carolina limited liability company (“**Tucker Street Seller**”), dated March 18, 2022, as amended (the “**Tucker Street Original PSA**”) (such assignment, together with the Tucker Street Original PSA, the “**Tucker Street Purchase Contract**”).

At the Tucker Street Acquisition Closing, the Depositor conveyed the Tucker Street Purchase Contract and contributed sufficient cash to the Parent Trust, which, in turn, conveyed the Tucker Street Purchase Contract and contributed the cash to the Tucker Street Trust (the “**Tucker Street Depositor Contribution**”). The Tucker Street Depositor Contribution, together with the proceeds from the Loan (defined below), enabled the Tucker Street Trust to acquire the Tucker Street Property for \$7,140,000 and pay expenses and fees associated with the acquisition. In exchange for the Tucker Street Depositor Contribution, the Parent Trust issued to the Depositor certain Parent Class 2 Beneficial Interests. The Tucker Street Trust issued to the Parent Trust all of the Class 2 Beneficial Interests in the Tucker Street Trust (the “**Tucker Street Class 2 Beneficial Interests**”). Additionally, prior to the Tucker Street Acquisition Closing, pursuant to a side letter, the Tucker Street Trust has been assigned an obligation on the part of the Depositor to pay to BVEX an Acquisition Fee (defined below) in the amount of \$142,800 (i.e., 2.0% of the purchase price under the Tucker Street Original PSA, not inclusive of any credits).

The 6015 Enterprise Acquisition Closing

On June 23, 2022, the 6015 Enterprise Trust acquired the 6015 Enterprise Property for total consideration of \$16,050,000 (the “**6015 Enterprise Acquisition Closing**”). Prior to the 6015 Enterprise Acquisition Closing, BVEX assigned to Depositor all of BVEX’s rights under the Purchase and Sale Agreement with Lee County Growth II LLC and Lee County Growth IV LLC, both North Carolina limited liability companies (“**6015 Enterprise Seller**”), dated May 9, 2022, as amended (the “**6015 Enterprise Original PSA**”) (such assignment, together with the 6015 Enterprise Original PSA, the “**6015 Enterprise Purchase Contract**”).

At the 6015 Enterprise Acquisition Closing, the Depositor conveyed the 6015 Enterprise Purchase Contract and contributed sufficient cash to the Parent Trust, which, in turn, conveyed the 6015 Enterprise Purchase Contract and contributed the cash to the 6015 Enterprise Trust (the “**6015 Enterprise Depositor Contribution**”). The 6015 Enterprise Depositor Contribution, together with the proceeds from the Loan (defined below), enabled the 6015 Enterprise Trust to acquire the 6015 Enterprise Property for \$16,050,000 and pay expenses and fees associated with the acquisition. In exchange for the 6015 Enterprise Depositor Contribution, the Parent Trust issued to the Depositor certain Parent Class 2 Beneficial Interests. The 6015 Enterprise Trust issued to the Parent Trust all of the Class 2 Beneficial Interests in the 6015 Enterprise Trust (the “**6015 Enterprise Class 2 Beneficial Interests**”). Additionally, prior to the 6015 Enterprise Acquisition Closing, the Parent Trust has been assigned an obligation on the part of the Depositor to pay to BVEX an Acquisition Fee (defined below) in the amount of \$321,000 (i.e., 2.0% of the purchase price under the 6015 Enterprise Original PSA, not inclusive of any credits).

The 6056 Enterprise Acquisition Closing

On June 23, 2022, the 6056 Enterprise Trust acquired the 6056 Enterprise Property for total consideration of \$22,000,000 (the “**6056 Enterprise Acquisition Closing**”). Prior to the 6056 Enterprise Acquisition Closing, BVEX assigned to Depositor all of BVEX’s rights under the Purchase and Sale Agreement with Lee County Growth II LLC and Lee County Growth IV LLC, both North Carolina limited liability companies (together, the “**6056 Enterprise Seller**”), dated May 9, 2022, as amended (the “**6056 Enterprise Original PSA**”) (such assignment, together with the 6056 Enterprise Original PSA, the “**6056 Enterprise Purchase Contract**”).

At the 6056 Enterprise Acquisition Closing, the Depositor conveyed the 6056 Enterprise Purchase Contract and contributed sufficient cash to the Parent Trust, which, in turn, conveyed the 6056 Enterprise Purchase Contract and contributed the cash to the 6056 Enterprise Trust (the “**6056 Enterprise Depositor Contribution**”). The 6056 Enterprise Depositor Contribution, together with the proceeds from the Loan (defined below), enabled the 6056 Enterprise Trust to acquire the 6056 Enterprise Property for \$22,000,000 and pay expenses and fees associated with the acquisition. In exchange for the 6056 Enterprise Depositor Contribution, the Parent Trust issued to the Depositor certain Parent Class 2 Beneficial Interests. The 6056 Enterprise Trust issued to the Parent Trust all of the Class 2 Beneficial Interests in the 6056 Enterprise Trust (the “**6056 Enterprise Class 2 Beneficial Interests**”). Additionally, prior to the 6056 Enterprise Acquisition Closing, the 6056 Enterprise Trust has been assigned an obligation on the part of the Depositor to pay to BVEX an Acquisition Fee (defined below) in the amount of \$440,000 (i.e., 2.0% of the purchase price under the 6056 Enterprise Original PSA, not inclusive of any credits).

The Cornatzer Acquisition Closing

On June 15, 2022, the Cornatzer Trust acquired the Cornatzer Property for total consideration of \$11,100,000 (the “**Cornatzer Acquisition Closing**”). Prior to the Cornatzer Acquisition Closing, BVEX assigned to Depositor all of BVEX’s rights under the Purchase and Sale Agreement with BRI 2016 Cornatzer Road, LLC, a Delaware limited liability company (“**Cornatzer Seller**”), dated June 7, 2022, as amended (the “**Cornatzer Original PSA**”) (such assignment, together with the Cornatzer Original PSA, the “**Cornatzer Purchase Contract**”). The Cornatzer Seller is a subsidiary of BGR and an affiliate of the Sponsor and the Master Tenant. The Cornatzer Seller acquired the Cornatzer Property from an unaffiliated seller on December 28, 2021 for a purchase price of \$10,000,000, plus related closing costs. In connection with the negotiation of the Cornatzer Purchase Contract, both BVEX and the Cornatzer Seller were represented by separate independent counsel, and the purchase price was set at the appraised value of the Cornatzer Property as determined by an independent third-party appraiser.

At the Cornatzer Acquisition Closing, the Depositor conveyed the Cornatzer Purchase Contract and contributed sufficient cash to the Parent Trust, which, in turn, conveyed the Cornatzer Purchase Contract and contributed the cash to the Cornatzer Trust (the “**Cornatzer Depositor Contribution**”). The Cornatzer Depositor Contribution, together with the proceeds from the Loan (defined below), enabled the Cornatzer Trust to acquire the Cornatzer Property for \$11,100,000 and pay expenses and fees associated with the acquisition. In exchange for the Cornatzer Depositor Contribution, the Parent Trust issued to the Depositor certain Parent Class 2 Beneficial Interests. The Cornatzer Trust issued to the Parent Trust all of the Class 2 Beneficial Interests in the Cornatzer Trust (the “**Cornatzer Class 2 Beneficial Interests**”). Additionally, prior to the Cornatzer Acquisition Closing, the Parent Trust has been assigned an obligation on the part of the Depositor to pay to BVEX an Acquisition Fee (defined below) in the amount of \$222,000 (i.e., 2.0% of the purchase price under the Cornatzer Original PSA, not inclusive of any credits).

The Adam Aircraft Acquisition Closing, the Tucker Street Acquisition Closing, the 6015 Enterprise Acquisition Closing, the 6056 Enterprise Acquisition Closing, and the Cornatzer Acquisition Closing are collectively referred to herein as the “**Acquisition Closings**,” and each, as an “**Acquisition Closing**.” The Adam Aircraft Depositor Contribution, the Tucker Street Depositor Contribution, the 6015 Enterprise Depositor Contribution, the 6056 Enterprise Depositor Contribution, and the Cornatzer Depositor Contribution are collectively referred to herein as the “**Depositor Contributions**,” and each, as a “**Depositor Contribution**.” The Adam Aircraft Seller, the Tucker Street Seller, the 6015 Enterprise Seller, the 6056 Enterprise Seller, and the Cornatzer Seller are collectively referred to herein as the “**Sellers**,” and each as a “**Seller**.”

Escrows, Financing, and Reserves

To acquire the Properties, the Operating Trusts obtained a loan in the original principal amount of \$35,595,000 (the “**Loan**”) from KeyBank National Association (the “**Lender**”) pursuant to the terms of the “**Loan Documents**” (as defined in that certain Credit Agreement among the Operating Trusts and the Lender). The Loan Documents include the Credit Agreement, the Notes, the Guaranty, each Security Document, the Environmental Indemnity, all Hedging Agreements for Hedging Obligations and all other instruments, agreements and written obligations executed and delivered by any of the Credit Parties in connection with the transactions contemplated by the Credit Agreement (all such capitalized terms are as defined in the Credit Agreement).

The Loan is for the principal amount of \$35,595,000, with an initial 5-year term and a floating interest rate with a current annual interest rate of 4.55%. The interest rate cannot exceed 4.55% pursuant to the terms of a certain ISDA Master Agreement, which the Operating Trusts entered into with the Lender to limit the borrowing Trusts' interest rate exposure under the Loan (absent certain conditions such as interest rate increases attributable to the borrowing Trusts' default under the Loan). The Loan allows for (i) certain ABR Borrowings (defined below), which bear interest at the Adjusted Base Rate (as defined below), and (ii) SOFR Borrowing (defined below), which can bear interest, either at the Adjusted Term SOFR Rate or the Adjusted Daily Simple SOFR Rate (each as defined and further iterated in the Loan Documents). The interest rate for any ABR Borrowing or SOFR Borrowing cannot exceed the Maximum Rate. The borrowing Trusts have elected the Term SOFR Borrowing. The Loan also provides for five automatic one-year extension periods (each, an “**Extension**”) that shall be automatically effective on the then-applicable maturity date, subject to certain criteria and subject to Lender’s sole discretion.

As used herein the following terms have the following meanings:

- “**ABR Borrowing**” refers to whether a loan or borrowing is bearing interest at a rate determined by reference to the Adjusted Base Rate.
- “**Adjusted Base Rate**” means an interest rate per annum equal to the greater of (a) the Base Rate plus the Base Rate Margin or (b) the SOFR Rate Margin.
- “**Base Rate**” means for any day, a rate per annum equal to the greatest of (i) the Prime Rate; (ii) the “Federal Funds Effective Rate” in effect, determined one business day in arrears, plus ½ of 1% per annum and (iii) the then applicable Term SOFR Rate for one month interest periods, plus 1%.
- “**Base Rate Margin**” means 65 basis points.
- “**Maximum Rate**” means if at any time there exists a maximum rate of interest which may be contacted for, charged, taken, received or reserved by Lender in accordance with applicable law.
- “**SOFR Borrowing**” means a “**Term SOFR Borrowing**” or a “**Daily Simple SOFR Borrowing**” which are defined in the Loan Documents and refer to the length of time of the borrowing selected.
- “**SOFR Rate Margin**” means 165 basis points.
- “**Term SOFR Rate**” has the meaning set forth in the definition of “**Adjusted Term SOFR Rate**” as defined in the Loan Documents

The Loan is “non-recourse” to the Operating Trusts except for standard non-recourse carveouts contained within the Loan Documents. Each Property is subject to a first mortgage and other standard collateral rights granted in favor of the Lender, to secure the respective Operating Trust’s obligations under the respective Loan Documents. The Properties are cross-collateralized or cross-defaulted, meaning that the Lender can recover against any of the Properties that secure the Loan. Purchasers will not be required to execute personal guaranties or an environmental indemnity agreement in favor of the Lender. Purchasers of Interests will not be required to execute personal guaranties or an environmental indemnity agreement in favor of the Lender.

As a condition for making the Loan, the Lender required that certain Operating Trusts agree to establish certain “**Lease Reserve Accounts**” if certain trigger events were to occur with respect to the End Tenant leases. As of the date of this Memorandum, no Lease Reserve Accounts have been required to be opened. The Lease Reserve Accounts would be deposit accounts, each of which would be subject at all time to Lender’s sole dominion and control. If a relevant trigger event were to occur, the Lease Reserve Accounts will be established in the following amounts, which the Parent Trust would seek to fund from the Supplemental Trust Reserve (as defined below):

Operating Trust	Lease Reserve Account
Tucker Street Trust	\$80,000
6056 Enterprise Trust	\$70,000
Cornatzer Trust	\$190,000

As required by the Lender, the Trusts also agreed to fund a “**CapEx Reserve**” in an amount equal to \$0.10 per square foot on an annual basis with respect to each Property. Further, on behalf of the Operating Trusts, the Parent Trust will establish (and control) a reserve funded from proceeds of the Offering for permitted costs and expenses of the Properties, in the amount of \$2,500,000 (the “**Supplemental Trust Reserve**”).

In connection with the Loan, the Operating Trusts obtained appraisals for the Properties prepared by Newmark Knight Frank (“**Newmark**”), which appraised the Properties as follows:

Property	Date	“As Is” Value	“As Is” Date
Adam Aircraft Property	May 20, 2022	\$14,900,000	May 11, 2022
Tucker Street Property	June 9, 2022	\$7,150,000	May 10, 2022
6015 Enterprise Property	June 10, 2022	\$18,000,000	May 10, 2022
6056 Enterprise Property	June 9, 2022	\$21,400,000	May 10, 2022
Cornatzer Property	May 26, 2022	\$11,100,000	May 13, 2022

The Property appraisals are collectively referred to herein as the “**Industrial Portfolio I Appraisal**” and reflect an aggregate “As Is” market value of \$72,550,000, which is \$1,360,000 higher than the aggregate purchase price of the Properties.

The Trust Agreements

The Parent Trust Agreement

The Parent Trust is governed by that certain Second Amended and Restated Trust Agreement dated August 10, 2022 (the “**Parent Trust Agreement**”), by and among the Depositor, the Manager, and the Delaware Trust Company, as the Delaware trustee (in its capacity as the Delaware trustee of both the Parent Trust and each of the Operating Trusts, the “**Trustee**”).

Each Purchaser will acquire Interests subject to the Parent Trust Agreement that will govern the terms of the Parent Trust, as well as the rights and obligations of the Beneficial Owners with respect to their investment. The Parent Trust, in turn, owns 100% of each of the Operating Trusts, and the Beneficial Owners’ ownership of the Operating Trusts (and ultimately, the underlying Properties) is only indirect through their ownership of the Parent Trust.

The Manager is the manager of the Parent Trust and the Operating Trusts. The Manager will have the power and authority to manage the investments and affairs of the Parent Trust and has the sole power to determine when it is appropriate to sell the Properties, other than with respect to the FMV Option (defined herein) held by the Operating Partnership, which cannot be exercised until all Beneficial Owners have held their Interest for at least two years.

The Manager will distribute available cash generated by the Parent Trust, after payment of all fees and expenses, pro rata to the Beneficial Owners on a monthly basis, which, under the terms of the Master Leases (defined herein), is expected to be comprised of a base rent each month, less other expenses.

If the Manager determines that (i) the Trust Estate (as defined herein) is in jeopardy of being lost for any reason, (ii) the Purchasers are at risk of losing all or a substantial portion of their investment in the Interests, or (iii) the Manager needs to take a prohibited action as detailed in the Parent Trust Agreement, then the Manager may elect to either (x) to the extent the foregoing circumstances apply to all of the assets comprising the Trust Estate, transfer title to all of the assets comprising the Trust Estate, or convert the Parent Trust to, a newly formed Delaware limited liability company (the “**Parent Springing LLC**”), or (y) to the extent the foregoing circumstances apply to less than all of the Operating Trusts, with respect to the Operating Trust(s) to which such circumstances apply, distribute the interests in such Operating Trust(s) to the Beneficial Owners in partial liquidation of the Parent Trust (the “**Parent Transfer Distribution**”).

The Adam Aircraft Trust Agreement

The Adam Aircraft Trust is governed by that certain Second Amended and Restated Trust Agreement dated August 10, 2022 (the “**Adam Aircraft Trust Agreement**”), between the Parent Trust (as the depositor to the Adam Aircraft Trust), the Manager (in its capacity as manager of the Adam Aircraft Trust), and the Trustee (as Delaware trustee to the Adam Aircraft Trust). The Adam Aircraft Trust Agreement sets forth the rights and duties of the Beneficial Owners, the Adam Aircraft Trust, the Manager, and the Trustee.

The Adam Aircraft Trust will terminate upon the first to occur of (i) the sale of the Adam Aircraft Property or (ii) Adam Aircraft Transfer Distribution (as defined herein). The Manager shall sell all of the Adam Aircraft Trust's right, title and interest in and to the Adam Aircraft Master Lease and the end-user leases, the Adam Aircraft Property and any and all other property and assets upon the Manager's determination (made in its sole discretion) that the sale is appropriate. If the Manager determines that the Adam Aircraft Master Tenant (defined herein) is insolvent or has defaulted in paying rent, that the Adam Aircraft Property is in jeopardy of being lost due to a default or imminent default on the Loan, or in certain other circumstances, and the Manager further determines to transfer title to the Adam Aircraft Property to a newly-formed Delaware limited liability company (the "**Adam Aircraft Springing LLC**") and terminate the Adam Aircraft Trust (the "**Adam Aircraft Transfer Distribution**"). If the Adam Aircraft Trust is terminated pursuant to an Adam Aircraft Transfer Distribution, the Beneficial Owners will become members in the Adam Aircraft Springing LLC, and the Manager, or an entity controlled by the Manager, will become the manager of the Adam Aircraft Springing LLC. *See "Summary of the Trust Agreements."*

The Tucker Street Trust Agreement

The Tucker Street Trust is governed by that certain Second Amended and Restated Trust Agreement dated August 10, 2022 (the "**Tucker Street Trust Agreement**"), between the Parent Trust (as the depositor to the Tucker Street Trust), the Manager (in its capacity as manager of the Tucker Street Trust), and the Trustee (as Delaware trustee to the Tucker Street Trust). The Tucker Street Trust Agreement sets forth the rights and duties of the Beneficial Owners, the Tucker Street Trust, the Manager, and the Trustee.

The Tucker Street Trust will terminate upon the first to occur of (i) the sale of the Tucker Street Property or (ii) Tucker Street Transfer Distribution (as defined herein). The Manager shall sell all of the Tucker Street Trust's right, title and interest in and to the Tucker Street Master Lease and the end-user leases, the Tucker Street Property and any and all other property and assets upon the Manager's determination (made in its sole discretion) that the sale is appropriate. If the Manager determines that the Tucker Street Master Tenant (defined herein) is insolvent or has defaulted in paying rent, that the Tucker Street Property is in jeopardy of being lost due to a default or imminent default on the Loan, or in certain other circumstances, and the Manager further determines to transfer title to the Tucker Street Property to a newly-formed Delaware limited liability company (the "**Tucker Street Springing LLC**") and terminate the Tucker Street Trust (the "**Tucker Street Transfer Distribution**"). If the Tucker Street Trust is terminated pursuant to an Tucker Street Transfer Distribution, the Beneficial Owners will become members in the Tucker Street Springing LLC, and the Manager, or an entity controlled by the Manager, will become the manager of the Tucker Street Springing LLC. *See "Summary of the Trust Agreements."*

The 6015 Enterprise Trust Agreement

The 6015 Enterprise Trust is governed by that certain Second Amended and Restated Trust Agreement dated August 10, 2022 (the "**6015 Enterprise Trust Agreement**"), between the Parent Trust (as the depositor to the 6015 Enterprise Trust), the Manager (in its capacity as manager of the 6015 Enterprise Trust), and the Trustee (as Delaware trustee to the 6015 Enterprise Trust). The 6015 Enterprise Trust Agreement sets forth the rights and duties of the Beneficial Owners, the 6015 Enterprise Trust, the Manager, and the Trustee.

The 6015 Enterprise Trust will terminate upon the first to occur of (i) the sale of the 6015 Enterprise Property or (ii) 6015 Enterprise Transfer Distribution (as defined herein). The Manager shall sell all of the 6015 Enterprise Trust's right, title and interest in and to the 6015 Enterprise Master Lease and the end-user leases, the 6015 Enterprise Property and any and all other property and assets upon the Manager's determination (made in its sole discretion) that the sale is appropriate. If the Manager determines that the 6015 Enterprise Master Tenant (defined herein) is insolvent or has defaulted in paying rent, that the 6015 Enterprise Property is in jeopardy of being lost due to a default or imminent default on the Loan, or in certain other circumstances, and the Manager further determines to transfer title to the 6015 Enterprise Property to a newly-formed Delaware limited liability company (the "**6015 Enterprise Springing LLC**") and terminate the 6015 Enterprise Trust (the "**6015 Enterprise Transfer Distribution**"). If the 6015 Enterprise Trust is terminated pursuant to an 6015 Enterprise Transfer Distribution, the Beneficial Owners will become members in the 6015 Enterprise Springing LLC, and the Manager, or an entity controlled by the Manager, will become the manager of the 6015 Enterprise Springing LLC. *See "Summary of the Trust Agreements."*

The 6056 Enterprise Trust Agreement

The 6056 Enterprise Trust is governed by that certain Second Amended and Restated Trust Agreement dated August 10, 2022 (the “**6056 Enterprise Trust Agreement**”), between the Parent Trust (as the depositor to the 6056 Enterprise Trust), the Manager (in its capacity as manager of the 6056 Enterprise Trust), and the Trustee (as Delaware trustee to the 6056 Enterprise Trust). The 6056 Enterprise Trust Agreement sets forth the rights and duties of the Beneficial Owners, the 6056 Enterprise Trust, the Manager, and the Trustee.

The 6056 Enterprise Trust will terminate upon the first to occur of (i) the sale of the 6056 Enterprise Property or (ii) 6056 Enterprise Transfer Distribution (as defined herein). The Manager shall sell all of the 6056 Enterprise Trust’s right, title and interest in and to the 6056 Enterprise Master Lease and the end-user leases, the 6056 Enterprise Property and any and all other property and assets upon the Manager’s determination (made in its sole discretion) that the sale is appropriate. If the Manager determines that the 6056 Enterprise Master Tenant (defined herein) is insolvent or has defaulted in paying rent, that the 6056 Enterprise Property is in jeopardy of being lost due to a default or imminent default on the Loan, or in certain other circumstances, and the Manager further determines to transfer title to the 6056 Enterprise Property to a newly-formed Delaware limited liability company (the “**6056 Enterprise Springing LLC**”) and terminate the 6056 Enterprise Trust (the “**6056 Enterprise Transfer Distribution**”). If the 6056 Enterprise Trust is terminated pursuant to an 6056 Enterprise Transfer Distribution, the Beneficial Owners will become members in the 6056 Enterprise Springing LLC, and the Manager, or an entity controlled by the Manager, will become the manager of the 6056 Enterprise Springing LLC. See “*Summary of the Trust Agreements.*”

The Cornatzer Trust Agreement

The Cornatzer Trust is governed by that certain Second Amended and Restated Trust Agreement dated August 10, 2022 (the “**Cornatzer Trust Agreement**”), between the Parent Trust (as the depositor to the Cornatzer Trust), the Manager (in its capacity as manager of the Cornatzer Trust), and the Trustee (as Delaware trustee to the Cornatzer Trust). The Cornatzer Trust Agreement sets forth the rights and duties of the Beneficial Owners, the Cornatzer Trust, the Manager, and the Trustee.

The Cornatzer Trust will terminate upon the first to occur of (i) the sale of the Cornatzer Property or (ii) Cornatzer Transfer Distribution (as defined herein). The Manager shall sell all of the Cornatzer Trust’s right, title and interest in and to the Cornatzer Master Lease and the end-user leases, the Cornatzer Property and any and all other property and assets upon the Manager’s determination (made in its sole discretion) that the sale is appropriate. If the Manager determines that the Cornatzer Master Tenant (defined herein) is insolvent or has defaulted in paying rent, that the Cornatzer Property is in jeopardy of being lost due to a default or imminent default on the Loan, or in certain other circumstances, and the Manager further determines to transfer title to the Cornatzer Property to a newly-formed Delaware limited liability company (the “**Cornatzer Springing LLC**”) and terminate the Cornatzer Trust (the “**Cornatzer Transfer Distribution**”). If the Cornatzer Trust is terminated pursuant to an Cornatzer Transfer Distribution, the Beneficial Owners will become members in the Cornatzer Springing LLC, and the Manager, or an entity controlled by the Manager, will become the manager of the Cornatzer Springing LLC. See “*Summary of the Trust Agreements.*”

For the purpose of this Memorandum “**Trust Estate**” shall mean all the assets of a Trust. The Adam Aircraft Trust Agreement, the Tucker Street Trust Agreement, the 6015 Enterprise Trust Agreement, the 6056 Enterprise Trust Agreement, and the Cornatzer Trust Agreement are collectively referred to herein as the “**Operating Trust Agreements**,” and each, as an “**Operating Trust Agreement.**” The Operating Trust Agreements and the Parent Trust Agreement are collectively referred to herein as the “**Trust Agreements**,” and each, as a “**Trust Agreement.**” The Parent Transfer Distribution, the Adam Aircraft Transfer Distribution, the Tucker Street Transfer Distribution, the 6015 Enterprise Transfer Distribution, the 6056 Enterprise Transfer Distribution, and Cornatzer Transfer Distribution are collectively referred to herein as the “**Transfer Distributions**,” and each, as a “**Transfer Distribution.**” The Parent Springing LLC, the Adam Aircraft Springing LLC, the Tucker Street Springing LLC, the 6015 Enterprise Springing LLC, the 6056 Enterprise Springing LLC, and the Cornatzer Springing LLC are collectively referred to herein as the “**Springing LLCs**,” and each, as a “**Springing LLC.**”

The Leases and the Tenants

In connection with the Offering, the Adam Aircraft Trust leased the Adam Aircraft Property to an affiliate of the Sponsor, BGR 13202 E. Adam Aircraft Circle Leaseco, LLC, a recently formed Delaware limited liability company (the “**Adam Aircraft Master Tenant**”), pursuant to a master lease agreement (the “**Adam Aircraft Master Lease**”). The Adam Aircraft Master Tenant sub-leases the Adam Aircraft Property to Herc Rentals and Wyatts Towing (together, the “**Adam Aircraft End Tenant**”). The Adam Aircraft Master Tenant has entered into a property management agreement (the “**Adam Aircraft Property Management Agreement**”) with the Bluerock Property Management, LLC, a Delaware limited liability company (the “**Property Manager**”), an affiliate of the Sponsor, for the management of the Adam Aircraft Property.

In connection with the Offering, the Tucker Street Trust leased the Tucker Street Property to an affiliate of the Sponsor, BGR 3020 Tucker Street Leaseco, LLC, a recently formed Delaware limited liability company (the “**Tucker Street Master Tenant**”), pursuant to a master lease agreement (the “**Tucker Street Master Lease**”). The Tucker Street Master Tenant sub-leases the Tucker Street Property to American Tire Distributors (“**Tucker Street End Tenant**”). The Tucker Street Master Tenant has entered into a property management agreement (the “**Tucker Street Property Management Agreement**”) with the Property Manager for the management of the Tucker Street Property.

In connection with the Offering, the 6015 Enterprise Trust leased the 6015 Enterprise Property to an affiliate of the Sponsor, BGR 6015 Enterprise Park Drive Leaseco, LLC, a recently formed Delaware limited liability company (the “**6015 Enterprise Master Tenant**”), pursuant to a master lease agreement (the “**6015 Enterprise Master Lease**”). The 6015 Enterprise Master Tenant sub-leases the 6015 Enterprise Property to Liberty Tire Recycling, LLC (the “**6015 Enterprise End Tenant**”). The 6015 Enterprise Master Tenant has entered into a property management agreement (the “**6015 Enterprise Property Management Agreement**”) with the Property Manager for the management of the 6015 Enterprise Property.

In connection with the Offering, the 6056 Enterprise Trust leased the 6056 Enterprise Property to an affiliate of the Sponsor, BGR 6056 Enterprise Park Drive Leaseco, LLC, a recently formed Delaware limited liability company (the “**6056 Enterprise Master Tenant**”), pursuant to a master lease agreement (the “**6056 Enterprise Master Lease**”). The 6056 Enterprise Master Tenant sub-leases the 6056 Enterprise Property to Pfizer (the “**6056 Enterprise End Tenant**”). The 6056 Enterprise Master Tenant has entered into a property management agreement (the “**6056 Enterprise Property Management Agreement**”) with the Property Manager for the management of the 6056 Enterprise Property.

In connection with the Offering, the Cornatzer Trust leased the Cornatzer Property to an affiliate of the Sponsor, BGR 2016 Cornatzer Road Leaseco, LLC, a newly formed Delaware limited liability company (the “**Cornatzer Master Tenant**”), pursuant to a master lease agreement (the “**Cornatzer Master Lease**”). The Cornatzer Master Tenant sub-leases the Cornatzer Property to DEX Truck Parts (the “**Cornatzer End Tenant**”). The Cornatzer Master Tenant has entered into a property management agreement (the “**Cornatzer Property Management Agreement**”) with the Property Manager for the management of the Cornatzer Property.

The Adam Aircraft Master Lease, the Tucker Street Master Lease, the 6015 Enterprise Master Lease, the 6056 Enterprise Master Lease, and the Cornatzer Master Lease are collectively referred to herein as the “**Master Leases**,” and each, as a “**Master Lease**.” The Adam Aircraft Master Tenant, the Tucker Street Master Tenant, the 6015 Enterprise Master Tenant, the 6056 Enterprise Master Tenant, and the Cornatzer Master Tenant are collectively referred to herein as the “**Master Tenants**,” and each, as a “**Master Tenant**.” The Adam Aircraft End Tenant, the Tucker Street End Tenant, the 6015 Enterprise End Tenant, 6056 Enterprise End Tenant, and the Cornatzer End Tenant are collectively referred to herein as the “**End Tenants**,” and each, as an “**End Tenant**.” The Adam Aircraft Property Management Agreement, the Tucker Street Property Management Agreement, the 6015 Enterprise Property Management Agreement, the 6056 Enterprise Property Management Agreement, and the Cornatzer Property Management Agreement are collectively referred to herein as the “**Property Management Agreements**,” and each, as a “**Property Management Agreement**.”

Master Lease payments by the Master Tenants to the Operating Trusts pursuant to the Master Leases will be the source of distributions by the Operating Trusts to the Parent Trust pursuant to the Operating Trust Agreements,

and thereby serve as the Parent Trust's principal source of funds to meet its financial obligations including making distributions to Beneficial Owners.

Section 1031 Exchanges

A tax-deferred exchange (a "**Section 1031 Exchange**") under Section 1031 of the Code generally allows the seller of investment and business real property to defer federal and state capital gains taxation on the sale by exchanging certain real property for another real property of like kind. Acquisition of the Interests is designed for, but not limited to, Purchasers seeking to participate in a Section 1031 Exchange. The Parent Trust has not requested, and does not plan to request, a private letter ruling from the Internal Revenue Service (the "**IRS**") that the Interests will be treated as a direct acquisition of the Properties by the Purchasers for purposes of Code Section 1031. However, tax counsel to the Parent Trust has provided a tax opinion that the acquisition of an Interest by a Purchaser should be treated as a direct acquisition of the Properties by a Purchaser for purposes of Code Section 1031. This opinion, however, is limited in scope and does not opine on all matters necessary for the prospective Purchaser's acquisition to qualify under Code Section 1031.

"Best Efforts" Offering

This Offering of Interests is being made through the Managing Broker-Dealer (defined below), on a "best efforts" basis through the broker-dealers participating in the Offering (the "**Selling Group Members**"), who are members of the Financial Industry Regulatory Authority ("**FINRA**"). The Trust, in its sole discretion, may terminate or modify this Offering, reject purchases of Interests in whole or in part, waive conditions to the purchase of Interests, and allow investments below the minimum purchase price. Proceeds received from any Purchasers pursuant to accepted subscriptions for Interests will be held until such time as the Sponsor conducts an initial closing of such subscriptions (the "**Initial Closing**"). There is no minimum raise requirement in this Offering, and the Sponsor can hold the Initial Closing at any time once one or more subscriptions for Interests have been accepted by the Trust. The Offering will terminate on the earlier of (i) the date on which the Maximum Offering Amount (defined below) of Interests is sold or (ii) August 31, 2023 (the "**Offering Termination Date**"). The Offering Termination Date may, however, be further extended in the Sponsor's sole discretion. See "*Plan of Distribution.*" Notwithstanding the foregoing, in no event shall the number of initial record holders of Interests exceed the threshold for registration under Section 12(g) of the Securities Exchange Act of 1934 (the "**Exchange Act**") or any successor provision.

FMV Option

The Beneficial Owners will grant the Operating Partnership an option to acquire the Interests (the "**FMV Option**"). If the Operating Partnership exercises the FMV Option, Beneficial Owners, other than Cash Investors (as defined below) (each such Beneficial Owner, a "**Contributing Investor**"), will receive an amount of units in the Operating Partnership ("**OP Units**") with an aggregate value equal to such Beneficial Owner's pro rata share of the appraised value of the Properties, as determined by an independent appraisal firm selected by the Manager in its sole discretion (the "**FMV Option Appraised Value of the Property**") less any indebtedness encumbering such Beneficial Owner's Interest or the Beneficial Owner's pro rata share of any indebtedness encumbering the Properties, which will be assumed or paid off by the Operating Partnership (the "**Exchange FMV**"), less the amount of the Call Option Fee (defined herein) (the "**Exchange Consideration**").

If the Operating Partnership exercises the FMV Option, Beneficial Owners may elect to have the Operating Partnership purchase its Interests for cash (each such Beneficial Owner, a "**Cash Investor**") with the cash purchase price for a Cash Investor's Interest (the "**Cash Amount**") equaling such Cash Investor's pro rata share of the Exchange FMV, less a 2% cash redemption fee (the "**Cash Redemption Fee**"). However, the total Cash Amount for all Cash Investors shall not exceed 50% of the Exchange FMV (the "**Cash Redemption Cap**"), subject to the discretion of the Operating Partnership. If the Cash Redemption Cap is reached, then the total available cash proceeds will be pro-rated among the Cash Investors based on Percentage Share (as defined in the relevant Trust Agreement), and Cash Investors may receive both cash and OP Units in exchange for such Cash Investors' Interests. Because the Operating Partnership has sole discretion over whether to exercise the FMV Option, you should not assume the FMV Option will be exercised. It is possible that the consideration you receive in connection with the exercise of the FMV Option by the Operating Partnership may be less than the amount you paid for your Interest. The Operating Partnership may

exercise its FMV Option at the Parent Trust level or at the level of one or more Operating Trusts. See “*Summary of the Trust Agreements.*”

BIGR currently has four classes of non-traded common stock (the “**Common Stock**”) authorized as of June 30, 2022 and one class of non-traded cumulative redeemable preferred stock. The Operating Partnership has one corresponding class of operating partnership units for each class of stock. As described herein, you may receive Class A-4 OP Units if the FMV Option is exercised by the Operating Partnership. Additional information regarding the Operating Partnership and BIGR is contained in a private placement memorandum relating to a private offering from time to time of the Common Stock of BIGR (such private placement memorandum, as the same may be supplemented or amended from time to time, and including the documents incorporated by reference therein, is referred to herein as the “**BIGR Memorandum**”), a copy of which is available upon request to Bluerock Investor Relations via email at IR@bluerock.com or by phone at 888-558-1031. This Memorandum and the BIGR Memorandum are provided solely for informational purposes and are being furnished to you to assist you in considering an investment in Interests.

No public market exists for the Interests or the OP Units (which you may receive if the FMV Option were to be exercised), and no public market for either of these is expected to develop. Notwithstanding that a holder of OP Units in the Operating Partnership will have the right to exchange its OP Units for shares of the corresponding class of Common Stock in BIGR after a one-year hold period, such Common Stock is not currently listed on any national exchange, and although the board of directors of BIGR anticipates evaluating plans to list its Common Stock for trading on a national securities exchange, there is no guarantee that such listing will occur. Interests, OP Units and Common Stock may not be resold or transferred except through registration or exemption from the registration requirements of the Securities Act (as defined herein) and applicable state securities laws. In addition, because the Interests are in a Trust that has incurred debt (or holds Properties subject to debt) pursuant to the Loan Document, the Lender may impose further limitations on transfers.

Each Purchaser will be required to execute such documents and signatures as the Manager may reasonably require in connection with the exercise of the FMV Option or the cash purchase, described above. Pursuant to Section 5.1 of the Trust Agreement, each Purchaser will grant the Manager a special and limited power of attorney as the attorney-in-fact for the Purchaser, with power and authority to act in the name and on behalf of the Purchase to execute, acknowledge, and swear to in the execution, acknowledgment and filing of documents relating to the FMV Option. For the Contributing Investors, the Manager will provide a tax protection agreement (a “**Tax Protection Agreement**”) in which the Manager: (i) will agree not to directly or indirectly sell, exchange, transfer, or otherwise dispose of the relevant Property or any interest therein (without regard to whether such disposition is voluntary or involuntary) in a transaction within three years of the date of the exercise of the FMV Option that would cause a Contributing Investor to recognize any gain under Code Section 704(c) (such transaction, a “**Triggering Event**”), and (ii) for a period of two years following the occurrence of a Triggering Event, will agree to pay a Contributing Investor’s damages equal to the aggregate federal, state and local income taxes incurred by such Contributing Investor in connection with such Triggering Event. Upon receipt of any and all documents and signatures required by the Manager or OP (such date of final receipt, the “**Receipt Date**”), the Manager shall distribute (i) to any Contributing Investor the OP Units within ten (10) business days of the Receipt Date and (ii) to any Cash Investor the Cash Amount within ten (10) business days of the Receipt Date.

An investment in an Interest is highly speculative and involves substantial risks including, but not limited to:

- the lack of liquidity of, or a public market for, the Interests or OP Units;
- the holding of a beneficial interest in the Parent Trust with no voting rights with respect to the management or operations of the Trusts or in connection with the sale of the Properties;
- risks associated with owning, financing, operating and leasing industrial properties and real estate generally;
- the impact of an epidemic in the areas in which the Properties are located, or a Pandemic (defined below), either of which could severely disrupt the global economy;
- economic risks with a fluctuating U.S. and world economy;
- performance of the Master Tenants under the Master Leases;
- the Parent Trust indirectly depends on the Master Tenants for revenue, and the Master Tenants will depend on the End Tenants for revenue. Any default by the Master Tenants or the End Tenants will adversely affect the Parent Trust’s operations;

- reliance on the Master Tenants and the Property Manager (and in certain events a property sub-manager, if one is engaged) engaged by the Master Tenants, to manage the Properties;
- risks associated the Operating Partnership funding the Demand Notes (defined below) that capitalizes the Master Tenants;
- risks relating to the terms of the financing for the Properties, including the use of leverage;
- the existence of various conflicts of interest among the Sponsor, the Trusts, the Master Tenants, the Manager, the Property Manager, BIGR, the Operating Partnership, and their affiliates;
- material tax risks, including treatment of the Interests for purposes of Code Section 1031 and the use of exchange funds to pay acquisition costs, which may result in taxable boot;
- the Interests not being registered with the Securities and Exchange Commission (the “SEC”) or any state securities commissions;
- risks relating to the costs of compliance with laws, rules and regulations applicable to the Properties;
- risks related to competition from properties similar to and near the Properties;
- the Adam Aircraft Property is located in a “special wind zone,” which increases the risk of damage to such Property; and
- the possibility of environmental risks related to the Properties.

Purchasers must carefully consider the risk factors beginning on page 27 of this Memorandum. Neither the SEC nor any state securities commission has reviewed, approved or disapproved of this Memorandum or the Interests, nor have they passed upon the accuracy or adequacy of the information set forth in this Memorandum. Any representation to the contrary is a criminal offense.

	Cash Price To Purchasers	Sales Commissions and Expenses ⁽¹⁾	Proceeds to the Trust ⁽²⁾
Per 0.21493% Interest (minimum purchase) ⁽³⁾	\$100,000	\$8,400	\$91,600
Maximum Offering Amount	\$46,527,793	\$3,908,335	\$42,619,459

The date of this Memorandum is August 10, 2022.

- (1) Bluerock Capital Markets LLC, a Massachusetts limited liability company, a member of FINRA and an affiliate of the Sponsor, will serve as Managing Broker-Dealer for the Offering (the “**Managing Broker-Dealer**”) and will receive sales commissions (the “**Sales Commissions**”) of up to 5.0% of the purchase price of the Interests sold in the Offering (“**Total Sales**”) by the Selling Group Members, which it will re-allow to the Selling Group Members; provided, however, in the event a commission rate lower than 5.0% is negotiated with a Selling Group Member, the Managing Broker-Dealer will receive the lower agreed upon rate. In addition, the Managing Broker-Dealer will receive, on a non-accountable basis, and will re-allow to Selling Group Members on a non-accountable basis, allowances for marketing and due diligence expenses of up to 1.25% of Total Sales (“**Marketing/Due Diligence Expense Allowances**”). The Managing Broker-Dealer will also receive a Managing Broker-Dealer Fee of up to 1.4% of Total Sales (the “**Managing Broker-Dealer Fee**”) which it may at its sole discretion partially re-allow to the Selling Group Members. The Sponsor and its affiliates will be entitled to reimbursement for expenses incurred in connection with the Offering, on an accountable basis, of 0.75% of the Maximum Offering Amount (as defined below), including, but not limited to, the costs of organizing the Trust and other entities, estimated marketing, legal, finance, accounting and printing fees and expenses incurred in connection with this Offering (the “**Organization and Offering Expenses**”). The total aggregate amount of Organization and Offering Expenses, Sales Commissions, Marketing/Due Diligence Expense Allowances and the Managing Broker-Dealer Fee (collectively, “**Sales Commissions and Expenses**”) will not exceed 8.40% of Total Sales. The Trust may, in its discretion, accept purchases of Interests net of all or a portion of the Sales Commissions otherwise payable from Purchasers purchasing through a Registered Investment Advisor (“**RIA**”) with whom the Purchaser has agreed to pay a fee for investment advisory services in lieu of commissions, and affiliates of the Trust, including the Sponsor, may purchase the Interests net of Sales Commissions and the Marketing/Due Diligence Expense Allowances. See “*Plan of Distribution*” and “*Estimated Use of Proceeds*.”
- (2) The Trust is offering a maximum of \$46,527,793 of Interests (the “**Maximum Offering Amount**”), representing 100% of the outstanding Interests in the Parent Trust. The proceeds shown are after deducting Sales Commissions and Expenses, but before deducting fees and expenses incurred in connection with the Depositor Contribution (defined above) and the closing of the Loan, including those payable to the Sponsor and its affiliates. See “*Estimated Use of Proceeds*” and “*Compensation and Fees*.”
- (3) The minimum cash purchase price of \$100,000 and deemed debt assumption of \$76,503 represents a 0.21493% ownership interest in the Trust. The Trust may waive the minimum purchase requirement in its sole discretion.

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POTENTIAL PURCHASERS SHOULD CAREFULLY CONSIDER THE FOLLOWING:

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

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

This Memorandum constitutes an offer of Interests only to the person whose name appears in the appropriate space on the cover page of this Memorandum. Furthermore, the delivery of this Memorandum does not constitute an offer, or solicitation of an offer, to purchase an Interest to anyone in any jurisdiction in which such an offer or solicitation is not authorized.

The Sponsor has prepared this Memorandum solely for the benefit of persons interested in acquiring Interests. You may not reproduce or distribute this Memorandum, in whole or in part, or disclose any of its contents without the prior written consent of the Parent Trust or the Sponsor. You agree, by accepting delivery of this Memorandum, that, upon the request of the Parent Trust or the Sponsor, you will immediately return this Memorandum to the Sponsor along with all other documents provided to you in connection with the Offering if you do not purchase any of the Interests or if the Offering is withdrawn or terminated.

This Memorandum contains summaries of certain agreements and other documents. While the Sponsor believes these summaries are accurate, you should refer to the actual agreements and documents for more complete information about the rights, obligations and other matters in the agreements and documents. The Sponsor will make the agreements and documents relating to this investment available to you and/or your advisors upon request, if such requested agreements and documents are readily available to the Sponsor.

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A WARNING ABOUT FORWARD-LOOKING STATEMENTS

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

MARKET DATA

The market data and forecasts used in this Memorandum were obtained from independent industry sources as well as from research reports prepared for other purposes. Neither the Parent Trust, nor the Sponsor, nor their affiliates have independently verified the data obtained from these sources and they cannot assure you of the accuracy or completeness of the data. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements in this Memorandum.

All brand names, trademarks, service marks, and copyrighted works appearing in this Memorandum are the property of their respective owners. This Memorandum may contain references to registered trademarks, service marks, and copyrights owned by the third-party information providers. None of the third-party information providers is endorsing the offering and shall not in any way be deemed an issuer or underwriter of, the Interests, and shall not have any liability or responsibility for any statements made in this Memorandum or for any financial statements, financial projections or other financial information contained in, or attached as an exhibit to, this Memorandum.

NOTICE TO INVESTORS IN ALL STATES

The Interests are being offered only to persons who are “accredited investors” (“Accredited Investors”) as that term is defined in Rule 501 promulgated under the Securities Act of 1933, as amended (the “Securities Act”) and applicable state securities laws.

The Interests will not be registered under the Securities Act or the securities laws of any state. We will offer and sell the Interests in reliance on exemptions from the registration requirements of these laws. The Interests will be subject to restrictions on transferability and resale and you will not be able to transfer or resell Interests or any beneficial interest therein unless the Interests are registered pursuant to or exempted from such registration requirements. You must be prepared to bear the economic risk of an investment in the Interests for an indefinite period of time and be able to withstand a total loss of your investment.

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 the consideration paid. The Sponsor believes that the Offering described in this Memorandum is not required to be registered or qualified. Many of these laws granting the right of rescission also provide that suits for such violations must be brought within a specified time, usually one year from discovery of facts constituting such violation. Should any Purchaser institute an action claiming that the Offering conducted as described herein was required to be registered or qualified, the contents of this Memorandum will be deemed to constitute notice of the facts of the alleged violation.

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT: ANY DISCUSSION OF FEDERAL TAX ISSUES CONTAINED OR REFERENCED IN THIS MEMORANDUM IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE PARENT TRUST OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THIS MEMORANDUM. PROSPECTIVE PURCHASERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

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SUMMARY OF THE OFFERING

The following summary provides selected limited information regarding the Offering and should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Memorandum. You should read this entire Memorandum, including “Risk Factors,” before making a decision to invest in an Interest. In this Memorandum, unless the context suggests otherwise, references to “we,” “us” and “our” mean the Trusts and the Sponsor and, where the context permits, its affiliates that may provide services in connection with the Offering, management of the Trusts, and acquisition, financing, leasing, management and disposition of the Properties.

The Interests:

We are offering to Accredited Investors up to \$46,527,793 in Interests in the Parent Trust, which is the owner of the Properties via its ownership of the Operating Trusts. The Interests being sold in this Offering will represent 100% of the outstanding beneficial interests in the Parent Trust, if the Maximum Offering Amount of Interests is sold. The minimum purchase price is \$100,000 in cash, which represents a 0.21493% beneficial ownership interest in the Parent Trust. Although Purchasers will not assume any liability for the Loan, for purposes of determining liabilities assumed for federal income tax purposes (including in connection with a Section 1031 Exchange), each Purchaser should be deemed to have assumed \$76,503 of mortgage debt for each 0.21493% beneficial ownership Interest that he, she or it acquires. The price of an Interest will include a pro rata portion of the value of the Properties, Organization and Offering Expenses Allowance, Sales Commissions, Marketing/Due Diligence Expense Allowances, Managing Broker-Dealer Fee, Loan-Related Costs (defined below), Other Closing Costs (defined below), the Sponsor’s Acquisition Fee (defined below) and the Supplemental Trust Reserve. See “*Estimated Use of Proceeds*” and “*Compensation and Fees*.”

Investment Objectives and Risks:

The Sponsor’s investment objectives for Beneficial Owners are to (i) preserve the capital investment; (ii) make monthly distributions starting at 3.75% per annum in 2022 and projected to range from 3.75% to 4.75% per annum in years two through ten which may be partially tax-deferred as a result of depreciation and amortization expenses; (iii) provide institutional property management oversight to maintain the high quality and high marketability of the Properties to maximize future value; and (iv) realize profit through the ownership and eventual sale, disposition, transfer or merger to facilitate a Section 1031 Exchange (under limited circumstances) or an exchange transaction pursuant to Section 721 of the Code with respect to the Properties within approximately seven to ten years. See “*Business Plan*.” There is no guarantee that the objectives will be successfully achieved, that the Properties’ value will be enhanced, or that the Properties will be sold within the planned time period. An investment in the Interests involves substantial risks. See “*Risk Factors*.”

The Properties:

Adam Aircraft Property Overview

The Adam Aircraft Property is a single building comprised of 20,454 rentable square feet, located on an industrial site of 9.53 acres, which includes six acres of rentable outdoor storage), located at 13202 E. Adam Aircraft Circle, Englewood, Colorado 80112, part of the Denver Metro. The Adam Aircraft Property is located in a large business park surrounding the Centennial Airport. The business park predominantly includes light industrial tenants, as well as office, medical, and retail tenants. Built in

2019, the Adam Aircraft Property is leased to two tenants – Wyatts Towing and Herc Rentals. The Adam Aircraft Property provides clear heights ranging from 20 to 24 feet and has six drive-in doors.

The Adam Aircraft Property is uniquely positioned within the core of the Denver southeast industrial submarket. The Adam Aircraft Property is a three-minute drive (less than one mile) to the Centennial Airport and can be accessed through major thoroughfares such as Interstate 25, Arapahoe Road, Parker Road, and Colorado E-470. The Adam Aircraft Property is one of the few properties in its submarket that permits outdoor storage use, providing the Adam Aircraft Property with a distinct advantage due to difficult zoning and entitlement restrictions.

Tucker Street Property Overview

The Tucker Street Property is a single building comprised of 101,393 rentable square feet situated on 9.84 acres located at 3020 Tucker Street, Burlington, North Carolina 27215. The Tucker Street Property was built in 1994, with an addition in 2007, and includes four exterior docks, five interior docks, and four exterior levelers. The Tucker Street Property provides its single tenant, American Tire Distributors, with superb access. The Tucker Street Property is located just two miles southwest of Interstate 40. The Tucker Street Property is conveniently located in a popular market for industrial services, just three miles south of Downtown Burlington and three miles east of the Burlington Alamance Regional Airport.

The Tucker Street Property sub-market is well-positioned as a logistics hub due to low business costs and strategic location. The Tucker Street Property is a 20-minutes' drive from Greensboro, 45-minutes' drive from Raleigh-Durham, and 1.5-hours' drive from Charlotte. This connectivity benefits the Tucker Street Property and the local sub-market, with the Tucker Street Property being just one mile from Interstate 40 and Interstate 85.

6015 Enterprise Property Overview

The 6015 Enterprise Property is a newly constructed, Class A, industrial property located at 6015 Enterprise Park Drive, North Carolina 27330. The 6015 Enterprise Property is comprised of 117,659 rentable square feet situated on 20.86 acres. The 6015 Enterprise Property is leased to a single tenant, Liberty Tire Recycling. The 6015 Enterprise Property includes 130' deep truck courts, 50' by 54' column spacing with 60' speed bays, full circulation, 26' clear heights, ESFR sprinklers, LED warehouse lighting, and excellent access to U.S. Route 1. The 6015 Enterprise Property also benefits from its proximity to demand drivers, such as Interstate 40, Interstate 85, Research Triangle Park, Raleigh-Durham International Airport, and Piedmont Triad International Airport.

The 6015 Enterprise Property is located in the Central Carolina Enterprise Park, a well-located and professionally developed approximately 250-acre industrial park. Central Carolina Enterprise Park is strategically located adjacent to U.S. Route 1, with immediate access to U.S. Route 501 and U.S. Route 421, making it an attractive manufacturing and distribution location.

6056 Enterprise Property Overview

The 6056 Enterprise Property is a newly constructed, Class A, industrial property comprised of 117,625 rentable square feet, situated on 10.6 acres, and located at 6056 Enterprise Park Drive, North Carolina 27330. The 6056 Enterprise Property is leased to a single tenant, Pfizer. The 6056 Enterprise Property includes 127' deep truck courts, 50' by 54' column spacing with 60' speed bays, full circulation, 26' clear heights, ESFR sprinklers, LED warehouse lighting, and excellent access to U.S. Route 1. The 6056 Enterprise Property also benefits from its proximity to demand drivers, such as Interstate 40, Interstate 85, Research Triangle Park, Raleigh-Durham International Airport, and Piedmont Triad International Airport.

The 6056 Enterprise Property is located in the Central Carolina Enterprise Park, a well-located and professionally developed approximately 250-acre industrial park. Central Carolina Enterprise Park is strategically located, adjacent to U.S. Route 1 with immediate access to U.S. Route 501 and U.S. Route 421, making it an attractive manufacturing and distribution location.

Cornatzer Property Overview

The Cornatzer Property is comprised of 209,905 rentable square feet, situated on 38.07 acres, located at 2016 Cornatzer Road, Advance, North Carolina 27006. Built in 1967 and expanded in 1985, the Cornatzer Property provides its single tenant, DEX Truck Parts, with a difficult to replicate layout, offering one drive-in door, 23 dock-high doors, and clear heights ranging from 22' to 40'. Additionally, the Cornatzer Property provides exceptional yard space, positioned on 38 acres. The Cornatzer Property is a "mission critical" location for the tenant, DEX Truck Parts.

The Cornatzer Property is located in Advance, North Carolina and is accessed by Interstate 40. The Cornatzer Property benefits from its excellent access to Interstate 40, a major arterial highway. The nearest access point to Interstate 40 is located approximately 5.7 miles from the Cornatzer Property via U.S. Route 158. Additionally, the Cornatzer Property's immediate area is traversed by several primary thoroughfares including NC Highway 801, U.S. Highway 64, and Baltimore Road, among others.

Bluerock Value Creation Strategy:

BVEX, a national sponsor of syndicated Section 1031 Exchange offerings with a focus on properties that can deliver stable cash flows with the potential for value creation, is the parent of the manager of the Trusts. BVEX and BIGRX believe the Properties are well positioned for additional rent growth and value creation as a result of the high projected demand for industrial properties in desirable locations within high growth markets. Further, BVEX and BIGRX believe that an investment in the Parent Trust will provide investors with an attractive long-term investment opportunity, through the participation in an already-assembled portfolio of real estate assets that are geographically diversified, and which are expected to generate a steady and stable stream of income pursuant to long-term, net leases that are financially backed by a diverse and creditworthy group of lessees. The Properties are located in some of the strongest industrial markets including Raleigh-Durham, North Carolina, and Denver, Colorado. Tenants include significantly capitalized household names such as Pfizer,

one of the world's largest pharmaceutical companies with a market capitalization of more than \$200 billion and Herc Rentals with nearly 280 locations and a market capitalization in excess of \$2 billion. Please see "*Business Plan*."

Acquisition Closings:

The Adam Aircraft Acquisition Closing

The Adam Aircraft Trust acquired the Adam Aircraft Property from the Adam Aircraft Seller at the Adam Aircraft Acquisition Closing on June 29, 2022 for total consideration of \$14,900,000. Prior to the Adam Aircraft Acquisition Closing, the Parent Trust took an assignment of and then subsequently contributed to the Adam Aircraft Trust its rights under the Adam Aircraft Purchase Contract, to enable the Adam Aircraft Trust to acquire the Adam Aircraft Property. The Adam Aircraft Trust partially financed its acquisition, including all expenses, fees and costs, with the cash portion of the Adam Aircraft Depositor Contribution. The cash portion of the Adam Aircraft Depositor Contribution included proceeds of bridge financings (the "**Adam Aircraft Bridge Financing**"). The Adam Aircraft Bridge Financing was obtained by the Depositor and is not secured by any lien on or direct interest in the Adam Aircraft Trust, the Adam Aircraft Property, the Adam Aircraft Master Lease, the Adam Aircraft Master Tenant, any of the Adam Aircraft Class 2 Beneficial Interests, or any beneficial interests in any of the Trusts.

The Tucker Street Acquisition Closing

The Tucker Street Trust acquired the Tucker Street Property from the Tucker Street Seller at the Tucker Street Acquisition Closing on June 29, 2022 for total consideration of \$7,140,000. Prior to the Tucker Street Acquisition Closing, the Parent Trust took an assignment of and then subsequently contributed to the Tucker Street Trust its rights under the Tucker Street Purchase Contract, to enable the Tucker Street Trust to acquire the Tucker Street Property. The Tucker Street Trust partially financed its acquisition, including all expenses, fees and costs, with the cash portion of the Tucker Street Depositor Contribution. The cash portion of the Tucker Street Depositor Contribution included proceeds of bridge financings (the "**Tucker Street Bridge Financing**"). The Tucker Street Bridge Financing was obtained by the Depositor and is not secured by any lien on or direct interest in the Tucker Street Trust, the Tucker Street Property, the Tucker Street Master Lease, the Tucker Street Master Tenant, any of the Tucker Street Class 2 Beneficial Interests, or any beneficial interests in any of the Trusts.

The 6015 Enterprise Acquisition Closing

The 6015 Enterprise Trust acquired the 6015 Enterprise Property from the 6015 Enterprise Seller at the 6015 Enterprise Acquisition Closing on June 23, 2022 for total consideration of \$16,050,000. Prior to the Tucker Street Acquisition Closing, the Parent Trust took an assignment of and then subsequently contributed to the 6015 Enterprise Trust its rights under the 6015 Enterprise Purchase Contract, to enable the 6015 Enterprise Trust to acquire the 6015 Enterprise Property. The 6015 Enterprise Trust partially financed its acquisition, including all expenses, fees and costs, with the cash portion of the 6015 Enterprise Depositor Contribution. The cash portion of

the 6015 Enterprise Depositor Contribution included proceeds of bridge financings (the “**6015 Enterprise Bridge Financing**”). The 6015 Enterprise Bridge Financing was obtained by the Depositor and is not secured by any lien on or direct interest in the 6015 Enterprise Trust, the 6015 Enterprise Property, the 6015 Enterprise Master Lease, the 6015 Enterprise Master Tenant, any of the 6015 Enterprise Class 2 Beneficial Interests, or any beneficial interests in any of the Trusts..

The 6056 Enterprise Acquisition Closing

The 6056 Enterprise Trust acquired the 6056 Enterprise Property from the 6056 Enterprise Seller at the 6056 Enterprise Acquisition Closing on June 23, 2022 for total consideration of \$22,000,000. Prior to the Tucker Street Acquisition Closing, the Parent Trust took an assignment of and then subsequently contributed to the 6056 Enterprise Trust its rights under the 6056 Enterprise Purchase Contract, to enable the 6056 Enterprise Trust to acquire the 6056 Enterprise Property. The 6056 Enterprise Trust partially financed its acquisition, including all expenses, fees and costs, with the cash portion of the 6056 Enterprise Depositor Contribution. The cash portion of the 6056 Enterprise Depositor Contribution included proceeds of bridge financings (the “**6056 Enterprise Bridge Financing**”). The 6056 Enterprise Bridge Financing was obtained by the Depositor and is not secured by any lien on or direct interest in the 6056 Enterprise Trust, the 6056 Enterprise Property, the 6056 Enterprise Master Lease, the 6056 Enterprise Master Tenant, any of the 6056 Enterprise Class 2 Beneficial Interests, or any beneficial interests in any of the Trusts.

The Cornatzer Acquisition Closing

The Cornatzer Trust acquired the Cornatzer Property from the Cornatzer Seller at the Cornatzer Acquisition Closing on June 15, 2022 for total consideration of \$11,100,000. Prior to the Cornatzer Acquisition Closing, the Parent Trust took an assignment of and then subsequently contributed to the Cornatzer Trust its rights under the Cornatzer Purchase Contract, to enable the Cornatzer Trust to acquire the Cornatzer Property. The Cornatzer Trust partially financed its acquisition, including all expenses, fees and costs, with the cash portion of the Cornatzer Depositor Contribution. The cash portion of the Cornatzer Depositor Contribution included proceeds of bridge financings (the “**Cornatzer Bridge Financing**”). The Cornatzer Bridge Financing was obtained by the Depositor and is not secured by any lien on or direct interest in the Cornatzer Trust, the Cornatzer Property, the Cornatzer Master Lease, the Cornatzer Master Tenant, any of the Cornatzer Class 2 Beneficial Interests, or any beneficial interests in any of the Trusts.

The Adam Aircraft Bridge Financing, the Tucker Street Bridge Financing, the 6015 Enterprise Bridge Financing, the 6056 Enterprise Bridge Financing, and the Cornatzer Bridge Financing are collectively referred to herein as the “**Bridge Financings**,” and each, as a “**Bridge Financing**.”

The Sponsor and the Master Tenant:

The Offering is sponsored by BIGRX, a subsidiary of the Operating Partnership (Bluerock Industrial Holdings, LP) and BGR (Bluerock Industrial Growth REIT, Inc.). BGR was formed to invest, through its

interests in the Operating Partnership, in a portfolio of Class A and B industrial properties including distribution centers, warehouses, logistics and light manufacturing industrial properties, primarily in growth markets across the United States. As of June 30, 2022, BGR had investments in, or was negotiating to acquire, industrial properties with a total acquisition cost totaling approximately \$133 million and a footprint of more than 1.3 million square feet.

BGR and BGRX are externally managed by an affiliate of Bluerock (Bluerock Real Estate, L.L.C.) and BVEX (Bluerock Value Exchange, LLC). BVEX is a national sponsor of syndicated Section 1031 Exchange offerings with a focus on residential and industrial properties that can deliver stable cash flows and that have the potential for value creation. Bluerock principals have a collective 100+ years of investing experience with more than \$48 billion real estate and capital markets experience and manage multiple well-recognized real estate private and public company platforms. Bluerock has more than \$14 billion in acquired and managed assets and offers a complementary suite of public and private investment programs, with both short and long-term goals, to individual investors seeking solutions aimed at providing predictable income, capital growth, and tax benefits.

Each Operating Trust master leased its respective Property to its respective Master Tenant pursuant to its respective Master Lease. The Adam Aircraft Master Tenant is managed by BGR 13202 E. Adam Aircraft Circle Leaseco Manager, LLC, the Tucker Street Master Tenant is managed by BGR 3020 Tucker Street Leaseco Manager, LLC, the 6015 Enterprise Master Tenant is managed by BGR 6015 Enterprise Park Drive Leaseco Manager, LLC, the 6056 Enterprise Master Tenant is managed by BGR 6056 Enterprise Park Drive Leaseco Manager, LLC, and the Cornatzer Master Tenant is managed by BGR 2016 Cornatzer Road Leaseco Manager, LLC, respectively, all Delaware limited liability companies and all affiliates of the Sponsor. Each Master Lease is subject to the existing leases with End Tenants who sublease their respective Property from the Master Tenant. A sample copy of a Master Lease is attached to this Memorandum as Exhibit A. All of the Master Leases are available upon request.

The Parent Trust:

Each Purchaser will acquire beneficial ownership interests in the Parent Trust subject to the terms of the Parent Trust Agreement, and will thereupon become a Beneficial Owner of the Parent Trust. The Parent Trust Agreement will govern the rights and obligations of the Beneficial Owners with respect to the Parent Trust. A copy of the Parent Trust Agreement is attached to this Memorandum as Exhibit B.

The Parent Trust has two classes of Interests: (1) the Interests; and (2) the Parent Class 2 Beneficial Interests. In connection with the Acquisition Closings, the Parent Trust issued to the Depositor all of the Parent Class 2 Beneficial Interests, which initially constitutes 100% of the issued and outstanding beneficial interests in the Parent Trust.

Pursuant to this Offering, the Parent Trust is offering the Interests for sale to prospective Purchasers. As the Interests are sold to Purchasers, up to 100% of the Depositor's Parent Class 2 Beneficial Interests will be

redeemed by the Parent Trust on a one-for-one basis until the Maximum Offering Amount has been achieved and all the Interests have been sold.

The Parent Trust may and shall retain and utilize the first \$2,500,000 of the net proceeds received by the Parent Trust from the sale of Interests to fund the Supplemental Trust Reserve. Thereafter, the net proceeds will be used by the Parent Trust, in accordance with the Parent Trust Agreement, including by distributing funds to the Depositor and causing Depositor to repay the Bridge Financings including a blended carry cost of approximately 5.79% per annum (the “Carry Costs”). After the Bridge Financing has been repaid in full, the Parent Trust will retain and utilize any remaining net proceeds to fund any reimbursements, compensation and fees owed to the Sponsor and/or its affiliates in connection with the Offering.

With regard to the foregoing, the term “net proceeds” from the sale of Interests will be equal to the purchase price of each Interest, less the Sales Commissions, Marketing/Due Diligence Expense Allowances, Managing Broker-Dealer Fee and Organization and Offering Expenses allocable to each such sale. See “*Estimated Use of Proceeds*” and “*Compensation and Fees*.”

FMV Option:

If the Operating Partnership exercises the FMV Option under a Trust Agreement, Beneficial Owners will have the option to exchange their Interests for OP Units or cash. See “*Summary of the Trust Agreement*” and “*Risk Factors*.” The Exchange FMV will be determined by multiplying: (i) a Beneficial Owner’s percentage of Interests in a Trust by (ii) the value of the Property/ies, as determined by an independent appraisal firm selected by the Manager in its sole discretion (the appraisal being determined without any discounts but taking into account that each Property is subject to a long-term master lease) (FMV Option Appraised Value of the Property), less any liabilities allocable to the relevant Property. In connection with the exercise of the FMV Option, the Manager will receive the “**Call Option Fee**” (a fee from the Trust equal to 1.0% of the FMV Option Appraised Value of the Property). For the avoidance of doubt, the Call Option Fee will only be payable if the FMV Option is exercised. The exchange of Interests for OP Units is intended to be structured as a tax-deferred contribution and exchange under Code Section 721.

A Beneficial Owner may elect to have the Operating Partnership acquire the Beneficial Owner’s interests in a Trust for cash rather than exchange such interests for OP Units following the exercise by the Operating Partnership of the relevant FMV Option (such electing Beneficial Owners are the Cash Investors). If a Cash Investor elects to exercise its rights to have the Operating Partnership acquire the Beneficial Owner’s interests in a Trust for cash, the Cash Investor must follow the procedure described in the relevant Trust Agreement. The cash purchase price for a Cash Investor’s interest (the Cash Amount) will be equal to the Exchange FMV, reduced by the Cash Redemption Fee. The total Cash Amount for all Cash Investors cannot the Cash Redemption Cap, subject to the discretion of the Operating Partnership. If the Cash Redemption Cap is reached, then the total available cash proceeds will be pro-rated among the Cash Investors based on Percentage Share (as defined in the relevant Trust Agreement), and Cash Investors may receive both cash and OP Units in exchange for

such Cash Investors' interest. For the avoidance of doubt, the Cash Redemption Fee will only apply to the Cash Amount.

Management of the Trusts:

BR Diversified Industrial Portfolio I DST Manager, LLC, serves as the Manager of the Trusts. The Manager has the power and authority to manage substantially all of the affairs and limited investment activities the Trusts, the primary responsibility for performing administrative actions in connection with the Trusts, and the sole power to determine when it is appropriate to sell the Properties, all of such power and authority limited to the extent such powers and authority are materially consistent with the powers and authority conferred upon the trustee in Revenue Ruling 2004-86. The Manager is managed by senior members of the BVEX management team. See "*The Manager.*"

If the Manager determines that (i) all or any of the Trusts' assets are in jeopardy of being lost due to any reason, (ii) the Purchasers are at risk of losing all or a substantial portion of their investment in their Interests, or (iii) it needs to take a prohibited action as detailed in the Trust Agreements, then the Manager may elect to either (1) to the extent the foregoing circumstances apply to all of the assets comprising the Trust Estate, transfer title to all of the assets comprising the Trust Estate, or convert to a Springing LLC (defined below), or (2) to the extent the foregoing circumstances apply to less than all of the Operating Trusts, with respect to the Operating Trust(s) to which such circumstances apply, the Manager shall distribute the interests in such Operating Trust(s) to the Beneficial Owners in partial liquidation of the Parent Trust. See "*Summary of the Trust Agreements.*"

An Operating Trust will terminate upon the first to occur of (i) the sale of its Property or (ii) a Transfer Distribution (defined below). The Manager shall sell all of the Operating Trust's right, title and interest in and to Trust Estate upon its determination (in its sole discretion) that the sale of the Trust Estate is appropriate; provided, however, that absent unusual circumstances, it is currently anticipated that the Operating Trusts will hold their respective Trust Estate for at least two years.

For purposes of this Memorandum, a Transfer Distribution shall be deemed to occur in the event that the Manager determines that a Master Tenant is insolvent or has defaulted in paying rent, that a Trust Estate is in jeopardy of being lost due to a default or imminent default on its respective Loan, or in certain other circumstances, and the Manager further determines to transfer title to such Trust Estate to a Springing LLC and terminate such Operating Trust. If an Operating Trust is terminated pursuant to a Transfer Distribution, the Beneficial Owners will become members in a Springing LLC, and the Manager, or an entity controlled by the Manager, will become the manager of such Springing LLC. See "*Summary of the Trust Agreements.*"

Master Leases:

Each Operating Trust master leased the entirety of its respective Property to its respective Master Tenant under its respective Master Lease. Each Master Tenant will operate its respective Property pursuant to the terms of its respective Master Lease and its respective leases with the End Tenants. Each Master Lease is, with certain exceptions regarding Landlord Costs (defined below), an "absolute net" lease, allocating to the applicable Master Tenant all expenses and debt service obligations associated with the

applicable Property; provided, however, each Operating Trust is obligated under its respective Master Lease to reimburse its respective Master Tenant for any expenses incurred to make repairs to maintain its respective Property and for expenditures with respect to (1) repairs and replacements of the structure, foundations, roofs, exterior walls, parking lots and improvements to meet the needs of tenants; (2) leasing commissions; (3) certain hazardous substances costs; (4) any repairs identified in the PCA Reports (defined below), or similar engineering report, performed in connection with the acquisition of such Property; and (5) other improvements or replacements to such Property that would be considered Capital Expenditures (as defined in the Master Leases) or are required by law (collectively, “**Landlord Costs**”). Each Master Tenant has the right to utilize certain reserves, including a portion of the Parent Trust’s Supplemental Trust Reserve to the extent available and as permitted under the Parent Trust Agreement, its respective, Master Lease and the Loan Documents. Each Master Lease commenced substantially contemporaneously with, and in all cases prior to, the Offering and shall continue for a base term expiring on June 23, 2032, unless sooner terminated pursuant to the terms of the Master Lease.

The Master Tenant for the Adam Aircraft Property is BGR 13202 E. Adam Aircraft Circle Leaseco, LLC a recently formed Delaware limited liability company capitalized with a non-interest bearing demand note from the Operating Partnership in the amount of \$250,000 (the “**Adam Aircraft Demand Note**”), but does not have other substantial assets except its leasehold interest in the Adam Aircraft Property under its applicable Master Lease. The Master Tenant for the Tucker Street Property is BGR 3020 Tucker Street Leaseco, LLC a recently formed Delaware limited liability company capitalized with a non-interest bearing demand note from the Operating Partnership in the amount of \$250,000 (the “**Tucker Street Demand Note**”), but does not have other substantial assets except its leasehold interest in the Tucker Street Property under the Master Lease. The Master Tenant for the 6015 Enterprise Property is BGR 6015 Enterprise Park Drive Leaseco, LLC a recently formed Delaware limited liability company capitalized with a non-interest bearing demand note from the Operating Partnership in the amount of \$250,000 (the “**6015 Enterprise Demand Note**”), but does not have other substantial assets except its leasehold interest in the 6015 Enterprise Property under the Master Lease. The Master Tenant for the 6056 Enterprise Property is BGR 6056 Enterprise Park Drive Leaseco, LLC a recently formed Delaware limited liability company capitalized with a non-interest bearing demand note from the Operating Partnership in the amount of \$315,000 (the “**6056 Enterprise Demand Note**”), but does not have other substantial assets except its leasehold interest in the 6056 Enterprise Property under the Master Lease. The Master Tenant for the Cornatzer Property is BGR 2016 Cornatzer Road Leaseco, LLC a recently formed Delaware limited liability company capitalized with a non-interest bearing demand note from the Operating Partnership in the amount of \$250,000 (the “**Cornatzer Demand Note**”), but does not have other substantial assets except its leasehold interest in the Cornatzer Property under the Master Lease. The Adam Aircraft Demand Note, the Tucker Street Demand Note, the 6015 Enterprise Demand Note, the 6056 Enterprise Demand Note, and the Cornatzer Demand Note are collectively referred to herein as the “**Demand Notes**,” and each, as a “**Demand Note**.” See “*Risk Factors – Risks Relating to the Master Tenant*”

and the Master Lease – The Sponsor’s Affiliate May Be Unable to Fulfill its Obligations Under the Demand Note.”

Pursuant to each Master Lease, the Master Tenant must pay to the Trust the following amounts as “Rent” on a monthly basis: (1) an amount equal to “**Base Rent**” as set forth and identified in the Master Lease; and (2) other miscellaneous amounts payable by each Master Tenant to the Trust Pursuant to each Master Lease. See *Appendix I: Financial Forecast* for the anticipated results of operations for the Trust and Rent pro forma financial projections.

Additionally, each Master Lease sets forth projections for certain uncontrollable costs with respect to each Property (the “**Projected Uncontrollable Costs**”); in the event that (a) the Projected Uncontrollable Costs for any calendar year exceed the actual uncontrollable costs, the relevant Master Tenant would be required to pay the relevant Trust the amount of such excess; and (b) the actual uncontrollable costs for any calendar year exceed the Projected Uncontrollable Costs, each Master Tenant would be responsible for the payment of such excess, but would be entitled to a reimbursement by offsetting such amount against Rent.

In part to ensure that each Property’s operating cash flow for a period is sufficient to pay all of the associated expenses of the Property and the full Base Rent, the Property Manager may elect to be paid less than the full amount of the Property Management Fee (as defined below) to which it is entitled under the Property Management Agreement, in which event the Property Manager may also elect to defer or accrue such amounts, without interest, to be paid at a later point in time.

The following table sets forth the Base Rent. See “*Summary of the Master Lease.*”

Rent Amount Pursuant to the Adam Aircraft Master Lease

<u>Lease Period</u>	<u>Base Rent</u>
Year 1	\$597,165
Year 2	\$611,813
Year 3	\$621,340
Year 4	\$623,680
Year 5	\$627,189
Year 6	\$658,282
Year 7	\$666,088
Year 8	\$692,035
Year 9	\$697,035
Year 10	\$726,160

Rent Amount Pursuant to the Tucker Street Master Lease

<u>Lease Period</u>	<u>Base Rent</u>
Year 1	\$339,519
Year 2	\$308,614

Year 3	\$303,063
Year 4	\$298,956
Year 5	\$513,174
Year 6	\$758,200
Year 7	\$763,491
Year 8	\$789,386
Year 9	\$791,338
Year 10	\$862,580

Rent Amount Pursuant to the 6015 Enterprise Master Lease

<u>Lease Period</u>	<u>Base Rent</u>
Year 1	\$849,413
Year 2	\$854,084
Year 3	\$860,924
Year 4	\$864,919
Year 5	\$853,769
Year 6	\$899,302
Year 7	\$903,645
Year 8	\$932,302
Year 9	\$933,170
Year 10	\$967,068

Rent Amount Pursuant to the 6056 Enterprise Master Lease

<u>Lease Period</u>	<u>Base Rent</u>
Year 1	\$1,194,664
Year 2	\$1,197,252
Year 3	\$1,198,157
Year 4	\$1,193,788
Year 5	\$1,174,255
Year 6	\$1,224,959
Year 7	\$1,221,759
Year 8	\$1,251,037
Year 9	\$1,242,397
Year 10	\$1,093,219

Rent Amount Pursuant to the Cornatzer Master Lease

<u>Lease Period</u>	<u>Base Rent</u>
Year 1	\$569,028
Year 2	\$580,816
Year 3	\$587,165

Year 4	\$590,790
Year 5	\$591,336
Year 6	\$617,735
Year 7	\$597,929
Year 8	\$513,232
Year 9	\$514,501
Year 10	\$533,360

Property Management:

The Master Tenants entered into the Property Management Agreements with the Property Manager. See “*Summary of Property Management Agreements.*” A sample copy of a Property Management Agreement is attached to this Memorandum as Exhibit C (all of the Property Management Agreements are materially the same and are available upon request). The Property Manager, for the applicable properties, will receive a property management fee (the “**Property Management Fee**”) of up to 5% of the monthly Gross Receipts (as defined in the Property Management Agreement). In addition, the Property Manager will be reimbursed for certain expenses. The Property Management Fee and any expense reimbursements shall be paid solely by the Master Tenant. The Property Manager intends to defer \$20,000 of the Property Management Fee for the first year following the Closing and to recoup such fee in the fifth year following the Closing.

Asset Management:

The Manager (BR Diversified Industrial Portfolio I DST Manager, LLC) will also provide asset management services to the Operating Trusts (Manager in this capacity is the “**Asset Manager**”). The Asset Manager will: (1) provide management services to the Adam Aircraft Trust with respect to the Adam Aircraft Property, to the Tucker Street Trust with respect to the Tucker Street Property, to the 6015 Enterprise Trust with respect to the 6015 Enterprise Property, to the 6056 Enterprise Trust with respect to the 6056 Enterprise Property, and to the Cornatzer Trust with respect to the Cornatzer Property and (2) implement all decisions and policies of the Adam Aircraft Trust, the Tucker Street Trust, the 6015 Enterprise Trust, the 6056 Enterprise Trust, and the Cornatzer Trust. Further, through its affiliate, the Asset Manager has heretofore arranged for financing for each of the Adam Aircraft Property, the Tucker Street Property, the 6015 Enterprise Property, the 6056 Enterprise Property, and the Cornatzer Property.

Financing and Lender-Controlled Reserves:

In connection with the Acquisition Closings, the Operating Trusts obtained the Loan, in the original principal amount of \$35,595,000, from the Lender. As required by the Lender, the Trusts agreed to fund the CapEx Reserve. The Operating Trusts may also be required to fund Lease Reserve Accounts if certain trigger events specified in the Loan Documents occur at certain of the Properties (the Lease Reserve Accounts together with the CapEx Reserve are referred to herein as “**Lender Reserve**”).

The Loan Documents provide for a \$35,595,000 loan in the aggregate with a 5-year term and a variable interest rate defined as either the Term SOFR Rate or the Daily Simple SOFR Rate as may be adjusted pursuant to the Loan Documents with a current annual interest rate of 4.55%. The interest rate cannot exceed 4.55% pursuant to the terms of a certain ISDA Master

Agreement, which the Operating Trusts entered into with the Lender to limit the borrowing Trusts' interest rate exposure under the Loan (absent certain conditions such as interest rate increases attributable to the borrowing Trusts' default under the Loan). The Loan also provides for five Extensions that shall be effective on the then-applicable maturity dates unless (i) there is a default under the Loan, (ii) if the Borrower or Guarantor (each as defined in the Loan Documents) are in breach of certain conditions, (iii) the applicable extension fee has not been paid, or (iv) the Lender has elected in its sole discretion to prohibit the Extension.

The Loan is "non-recourse" to the Operating Trusts except for standard non-recourse carveouts contained within the Loan Documents. Each Property is subject to a first mortgage and other standard collateral rights granted in favor of the Lender, to secure the respective Operating Trust's obligations under the respective Loan Documents. The Properties are cross-collateralized or cross-defaulted, meaning that the Lender can recover against any of the Properties that secure the Loan.

Purchasers, as Beneficial Owners in the Parent Trust, will not be required to execute personal guarantees for any portion of any Loan or an environmental indemnity agreement in favor of the Lender, and will not incur any personal liability with respect to the operation of the Properties or under any of the Loan Documents, including liability for environmental claims. However, because each Property will secure its respective Operating Trust's obligations under the Loan, Beneficial Owners could lose some or the entire value of their Interests if one or more Operating Trusts were to underperform, thereby causing a default under the Loan and the Lender was to foreclose on the Properties. See "*Risk Factors – Risks Related to Financing of the Properties.*"

Purchasers of Interests should be deemed for federal income tax purposes, including for purposes of Code Section 1031, to have assumed their pro rata portion of the principal amount of the Loan. See "*Federal Income Tax Consequences.*"

Before investing, you should carefully consider the potential liabilities described under "*Acquisition and Contribution of the Properties and Financing Terms*" and the risk factors set forth under "*Risk Factors - Risks Related to Financing of the Properties.*"

Trust-Controlled Reserves:

In addition to the Lender Reserves, the Parent Trust on behalf of the Operating Trusts will establish and control Supplemental Trust Reserve in the amount of \$2,500,000. Such Supplemental Trust Reserve is to be initially funded from Offering proceeds and may be used for certain repairs and maintenance related to each Property, costs and expenses of each Property (including Landlord Costs and amounts as may be required under the applicable Lender Reserve), and may be drawn upon by the applicable Master Tenant in the discretion of the Manager and subject to the applicable Master Lease.

Purchaser Suitability Requirements:

You should purchase Interests only if you have substantial financial means and you have no need for liquidity in your investment. Only Accredited Investors who meet certain minimum financial and other requirements as described in the "*Who May Invest*" section of this Memorandum may

acquire Interests in this Offering, including (i) a minimum net worth requirement (\$1,000,000 for individuals, including spouse or spousal equivalent), excluding the value of your primary residence), (ii) a minimum annual income requirement for the past two years (\$200,000 per year for an individual; or \$300,000 per year, including spouse or spousal equivalent), (iii) an individual who is licensed and in good standing as a (a) General Securities Representative (Series 7), (b) Licensed Investment Adviser Representative (Series 65), or (c) Licensed Private Securities Offerings Representative (Series 82), or (iv) a “knowledgeable employee” as defined under the Investment Company Act of 1940, of the Parent Trust or the Trustee or an affiliated management person of the Parent Trust, such as the Sponsor. Prospective Purchasers of an Interest who are not individuals will be required to meet other accreditation tests. **Interests are not suitable investments for qualified plans, individual retirement accounts, tax-exempt entities or foreign persons.** See “*Who May Invest.*”

Plan of Distribution:

The Selling Group Members will make offers and sales of Interests on a “best efforts” basis. The commissions and expense reimbursements to the Selling Group Members are described in “Estimated Use of Proceeds” and “Plan of Distribution” below.

Offering Termination Date:

The Offering will terminate on the Offering Termination Date which is the earlier of (i) the date on which the Maximum Offering Amount of Interests is sold or (ii) August 31, 2023. The Offering Termination Date may, however, be further extended in the Sponsor’s sole discretion.

Purchases of Interests:

Prospective Purchasers must follow the instructions set forth in, and complete, a purchase agreement and questionnaire, attached hereto as Exhibit E (the “**Purchase Agreement**”). The Parent Trust may accept or reject a prospective Purchaser’s Purchase Agreement in its sole discretion. If the Parent Trust does not accept a Purchase Agreement within 30 days of its submission, then it will be deemed rejected. In the event a Purchase Agreement is rejected, the full amount of any check or wired funds sent by the Prospective Purchaser will be returned.

Compensation to Sponsor and its Affiliates:

The Sponsor and its affiliates will receive substantial compensation and fees from the sourcing, due diligence and completion of the acquisition of the Properties, and in connection with the Offering and sale of Interests and the management, financing, leasing, operation and disposition of the Properties, which may include but are not limited to rents from the Properties in excess of the amounts the Master Tenants are required to pay to the Operating Trusts under the Master Leases, the Property Management Fees, the Asset Management Fees, Loan related costs, the Acquisition Fee, a portion of the Carry Costs, and the Disposition Fees (defined below). See “*Compensation and Fees.*”

Reports:

The Parent Trust will prepare and send to each Purchaser unaudited, quarterly financial and operational reports and an annual report containing a cash basis audited trust-level year-end balance sheet and income statement. In addition, the Parent Trust will send to each Purchaser such tax information as may be necessary for the preparation of the Purchaser’s tax returns. See “*Reports.*”

Federal Income Tax Consequences:

In connection with the Offering, we have obtained from our tax counsel, Baker & McKenzie LLP (“**Tax Counsel**”), a legal opinion (the “**Tax Opinion**”) stating that:

- the Parent Trust and the Operating Trusts should be treated as investment trusts described in Treasury Regulation Section 301.7701-4(c) that are classified as “trusts” under Treasury Regulation Section 301.7701-4(a);
- the Beneficial Owners should be treated as “grantors” of the Parent Trust and the Operating Trusts;
- as “grantors” of the Trusts the Beneficial Owners should be treated as owning an undivided fractional interest in the Properties for federal income tax purposes;
- the Interests should not be treated as securities for purposes of Code Section 1031;
- the Interests should not be treated as certificates of trust or beneficial interests for purposes of Code Section 1031;
- the Master Leases should each be treated as a true lease and not a financing for federal income tax purposes;
- the Master Leases should each be treated as a true lease and not a deemed partnership for federal income tax purposes;
- the discussions of the federal income tax consequences contained in this Memorandum are correct in all material respects; and
- certain judicially created doctrines should not apply to change the foregoing conclusions.

A copy of the Tax Opinion is attached as Exhibit D to this Memorandum.

The opinion is written to support the promotion or marketing of the Offering, and each Purchaser should seek advice based on the Purchaser’s particular circumstances from an independent tax advisor.

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

Each Purchaser must consult with his, her or its tax advisor concerning the identification requirements under Code Section 1031 and other requirements for successfully completing a qualifying like-kind exchange under Code Section 1031.

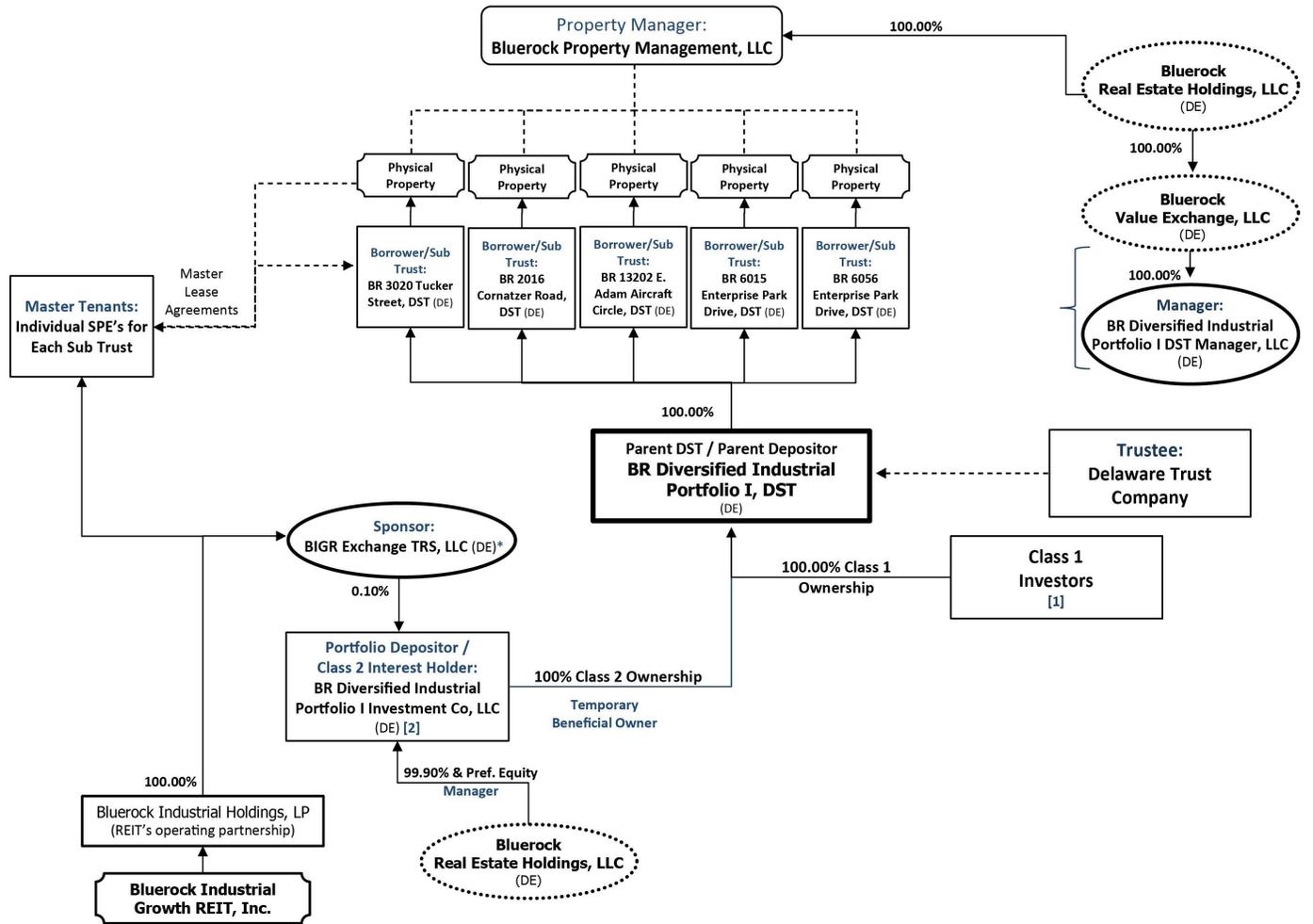
THE PURCHASERS WILL ACQUIRE THEIR INTERESTS WITHOUT ANY REPRESENTATIONS OR WARRANTIES FROM THE PARENT TRUST, THE SPONSOR, THE MANAGER OR ANY OF THEIR AFFILIATES OR REPRESENTATIVES, AGENTS, OR COUNSEL REGARDING THE TAX IMPLICATIONS OF THE TRANSACTION. EACH PURCHASER MUST CONSULT HIS, HER OR ITS OWN INDEPENDENT ATTORNEYS, ACCOUNTANTS AND OTHER TAX ADVISORS REGARDING THE TAX IMPLICATIONS OF A PURCHASE OF AN INTEREST, INCLUDING WHETHER SUCH PURCHASE WILL QUALIFY AS PART OF A PROPOSED TAX-

DEFERRED EXCHANGE UNDER CODE SECTION 1031, IF ONE IS CONTEMPLATED.

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

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FREQUENTLY ASKED QUESTIONS

We have summarized certain aspects of the Offering below. The responses to these frequently asked questions do not contain all of the information a prospective Purchaser should consider before making a decision to purchase an Interest. Read this Memorandum in its entirety and consult with your legal, tax and financial advisors about making an investment in an Interest.

Frequently Asked Questions Regarding the Offering and the Interests

Who is the Sponsor?

The Sponsor is a wholly owned TRS of the Operating Partnership. The Operating Partnership is the entity through which BGR conducts substantially all of its business and owns substantially all of its assets. BGR was formed to invest, through its interests in the Operating Partnership, in a portfolio of Class A and B industrial properties including distribution centers, warehouses, logistics and light manufacturing industrial properties, primarily in growth markets across the United States. As of June 30, 2022, BGR had investments in, or was negotiating to acquire, industrial properties with a total acquisition cost totaling approximately \$133 million and a footprint of more than 1.3 million square feet. Additionally, BGR and BGRX are affiliates of Bluerock and BVEX. BVEX, a subsidiary of Bluerock, is a national sponsor of syndicated Section 1031 Exchange offerings with a focus on residential and industrial properties that can deliver stable cash flows and that have the potential for value creation. Bluerock principals have a collective 100+ years of investing experience with more than \$48 billion real estate and capital markets experience and manage multiple well-recognized real estate private and public company platforms. Bluerock has more than \$14 billion in acquired and managed assets and offers a complementary suite of public and private investment programs, with both short and long-term goals, to individual investors seeking solutions aimed at providing predictable income, capital growth, and tax benefits. All numerical data presented herein is as of March 31, 2022, unless otherwise indicated.

How are the Properties Owned?

Each Operating Trust owns its respective Property in fee simple. The Operating Trust purchased its respective Property from the applicable Seller. This Offering is for Interests in the Parent Trust, which owns all of the beneficial interest in the Operating Trusts. Each of the Properties is master leased by the respective Operating Trust to the respective Master Tenant, and each respective Master Tenant sub-leases the respective Property to the End Tenants. Each Trust is managed by the Manager.

What is a Delaware Statutory Trust?

The Parent Trust is a DST (a Delaware Statutory Trust). An offering of DST interests is used to syndicate real estate while preserving Purchasers' ability to exchange their relinquished property for Interests in the Parent Trust in connection with a Section 1031 Exchange, and upon a sale of all of the Properties, engage in a subsequent like-kind exchange (assuming the tax status of the DST remains unchanged). The DST structure provides certain advantages over a tenant-in-common structure. Some of the advantages of owning property under the DST structure are (1) more favorable financing terms; (2) no personal liability for beneficiaries under the financing of the property; and (3) lower transaction costs including lower administrative costs. The primary disadvantage of the DST structure is that the manager of the trust is limited in the actions it may take to address issues that may arise in connection with the ownership of the property. Additionally, while a tenant-in-common structure requires investor consent for certain material actions, in a DST structure, the Beneficial Owners have no right to participate in the Parent Trust's management.

What exactly am I purchasing?

You are purchasing an Interest in the Parent Trust, which owns 100% of the beneficial interests in:

- the Adam Aircraft Trust, which owns the Adam Aircraft Property;

- the Tucker Street Trust, which owns the Tucker Street Property;
- the 6015 Enterprise Trust, which owns the 6015 Enterprise Property;
- the 6056 Enterprise Trust, which own the 6056 Enterprise Property; and
- the Cornatzer Trust, which owns the Cornatzer Property.

For federal income tax purposes, an Interest should constitute an interest in replacement property and you will be treated as having assumed your pro rata share of the Operating Trusts' debt for purposes of calculating the amount of your replacement property for purposes of Code Section 1031.

Can one DST own an interest in five subsidiary DSTs, and how do I identify the Properties for my Section 1031 Exchange?

Yes, one DST can own an interest in five subsidiary DSTs. Because the Offering consists of five Properties for purposes of Section 1031, each must be specifically identified for a Section 1031 Exchange. See “*Federal Income Tax Consequences.*” You must contact your qualified intermediary and tax advisor for the appropriate identification procedure. In addition to the foregoing, present interpretations of Code Section 1031 allow the Manager to sell a single Property and distribute the proceeds to the Purchasers, who would then, in turn, be entitled to perform a Section 1031 Exchange with regard to such proceeds.

What is the Springing LLC?

A Transfer Distribution occurs in the event that a Manager determines that a Master Tenant is insolvent or has defaulted in paying rent, that its respective Property is in jeopardy of being lost due to a default or imminent default on the Loan, or in certain other circumstances, and such Manager further determines to address such risks by transferring title to its respective Property to the Springing LLC, a newly-formed Delaware limited liability company, and terminating the applicable Trust. If the Parent Trust is terminated pursuant to a Transfer Distribution, the Beneficial Owners will become members in the Springing LLC, and the Manager, or an entity controlled by or affiliated with the Manager, will become the manager of the Springing LLC.

How are the Master Tenants Capitalized?

The Master Tenants are all newly-formed Delaware limited liability companies that are affiliates of the Sponsor, capitalized as set forth in the table below.

Master Tenant	Amount of Demand Note
Adam Aircraft Master Tenant	\$250,000
Tucker Street Master Tenant	\$250,000
6015 Enterprise Master Tenant	\$250,000
6056 Enterprise Master Tenant	\$315,000
Cornatzer Master Tenant	\$250,000

Will there be Debt on the Properties?

Yes. Code Section 1031 generally requires taxpayers to offset debt on their relinquished property with equal or greater debt on their replacement property (or additional cash from another source). Purchasers who are exchanging relinquished property with a larger amount of debt than the proportionate amount of the Loan they are deemed to have

assumed for tax purposes in connection with the acquisition of an Interest may recognize taxable gain (although additional cash from another source may offset the reduction in debt).

Am I responsible for any out-of-pocket costs associated with my purchase of the Interests?

Yes. You are responsible for all costs associated with your independent accountant, tax advisor, financial advisor and attorney in connection with the purchase of Interests. Please note that these costs should not be funded from the Section 1031 Exchange escrow held by your qualified intermediary, if applicable.

How do I find a qualified intermediary?

If you do not currently have a qualified intermediary, the Sponsor can provide a list of qualified intermediaries familiar with this type of sophisticated transaction upon request.

What if I want to sell my Interest before the Properties are sold?

The Interests are being offered and sold pursuant to exemptions from the registration provisions of federal and state securities laws. Accordingly, the Interests are subject to restrictions on transfer (and the Trust Agreements and the Loan Documents contain additional transfer restrictions). If you are able to sell your Interest, you or your purchaser(s) will bear the costs, if any, of the sale or transfer.

Will I be subject to state income tax in the state in which the Properties are located?

Some states have income thresholds that must be exceeded to be subject to income tax, but each state has its own filing requirements and tax code. You should consult with your own tax professional regarding individual state filings.

Is there an additional form that must be returned to the IRS when I transfer business property in a Section 1031 Exchange?

Yes. The IRS requires that you file Form 8824 with your annual tax filings for the year that you transfer the property. State and local governmental entities may also require additional filings. You should consult with your own tax professional regarding such filings.

Frequently Asked Questions Regarding the FMV Option and the OP Units

The following questions and answers are intended to give details about the OP Units which Beneficial Owners may receive if the Operating Partnership, or its successor or assignee, exercises the FMV Option. The information below is applicable to you only if your Interest is exchanged at the option of the Operating Partnership for OP Units pursuant to the FMV Option. You will have no control over whether the FMV Option will be exercised, and the Operating Partnership will be acting in its own best interests, including taking into account the timing of the exercise, when making any decision to exercise the FMV Option.

What is BGR?

BGR is a private, non-traded REIT. BGR was formed to invest, through its interests in the Operating Partnership, in a portfolio of Class A and B industrial properties including distribution centers, warehouses, logistics and light manufacturing industrial properties, primarily in growth markets across the United States. As of June 30, 2022, BGR had investments in, or was negotiating to acquire, industrial properties with a total acquisition cost totaling approximately \$133 million and a footprint of more than 1.3 million square feet. BGR intends to elect to be taxed as a REIT for federal income tax purposes, commencing with its 2022 taxable year and it intends to operate in accordance with the requirements for qualification as a REIT.

What is the Operating Partnership?

The Operating Partnership is the entity through which BIGR conducts substantially all of its business and owns (either directly or indirectly through subsidiaries, partnerships or joint ventures) substantially all of its assets.

What is a REIT?

In general, a REIT is a company that:

- (i) pays dividends to investors of at least 90% of its taxable income for each year;
- (ii) is not subject to the federal “double taxation” treatment of income that results from investments in a corporation because a REIT is not generally subject to federal corporate income taxes on its net income that it distributes to its shareholders, provided certain requirements are satisfied;
- (iii) combines the capital of many investors to acquire or provide financing for real estate properties; and
- (iv) offers the benefit of a diversified real estate portfolio under professional management.

See “*Material U.S. Federal Income Tax Considerations*” in the BIGR Memorandum for a discussion of the benefits and requirements of qualifying as a REIT that Purchasers should consider before they participate in the Offering.

What is an UPREIT and a Code Section 721 Contribution?

An “umbrella partnership real estate investment trust” (an “**UPREIT**”) is a REIT structure in which the REIT holds all or substantially all of its properties through a subsidiary entity that is a partnership for federal income tax purposes (generally, a limited partnership in which the REIT holds the general partnership interest). BIGR operates as an UPREIT, with the Operating Partnership as its subsidiary partnership. An advantage of the UPREIT structure is that it allows property owners to contribute properties to the Operating Partnership in exchange for OP Units on a tax-deferred basis, whereas a sale of a property to BIGR would generally be a taxable transaction to the selling property owner, which gives BIGR an advantage in acquiring desired properties from persons who may not otherwise sell their properties because of unfavorable tax results. This is because, generally, such a contribution will qualify as a tax-deferred contribution under Section 721. Code Section 721(a) generally provides that neither a contributing partner (i.e., a Purchaser) nor a transferee partnership (i.e., the Operating Partnership) will recognize gain or loss, for federal income tax purposes, upon a contribution of property (i.e., the Interest) to a partnership in exchange for a partnership interest (i.e., OP Units). The Interests should qualify as “property” for purposes of Code Section 721(a). For a discussion of the federal income tax consequences of the contribution of Interests to the Operating Partnership in exchange for OP Units, see “*Federal Income Tax Consequences—Tax Consequences Relevant to OP Units—The Operating Partnership—Tax consequences relating to contributed assets.*”

What are OP Units?

The Operating Partnership has five separate classes of ownership units, four of which correspond to BIGR’s four classes of Common Stock, and one separate class of cumulative redeemable preferred interests. In this document, the classes of the ownership units corresponding to BIGR’s classes of Common Stock as defined and referred to as the “**OP Units**” and the holders of such units as the “**OP Unitholders**.” Each OP Unit is intended to be the substantial economic equivalent of one share of the corresponding class of Common Stock. Each OP Unit is entitled to the same distributions as made with respect to shares of Common Stock, and, as described below, are redeemable for Common Stock on a one-for-one basis. However, OP Units are a different investment from Common Stock in many respects, including tax treatment, voting rights, and redemption rights.

While the OP Units are intended to be the substantial economic equivalent of one share of the corresponding class of Common Stock, should a Beneficial Owner require that the Operating Partnership redeem such Beneficial Owner’s OP Units (as discussed herein) and the Operating Partnership elects to redeem such OP Units for Common

Stock, the Beneficial Owner will receive the corresponding class of Common Stock. Shares of the various classes of Common Stock are identical in all respects except their respective eligibility to receive a special stock dividend, which varies by class of Common Stock. BGR's Class A-4 Common Stock, which is the class of Common Stock which Beneficial Owners would potentially receive as a result of a conversion of the OP Units they would receive if BGR exercised the FMV Option are not eligible for the special stock dividend.

Each Beneficial Owner that becomes an OP Unitholder will become a limited partner in the Operating Partnership and, along with our other limited partners, will have the rights and obligations set forth in the Operating Partnership's Amended and Restated Limited Partnership Agreement dated November 9, 2021 (the "**OP Partnership Agreement**"), a copy of which is available upon request. See the discussion under the caption "*The Operating Partnership Agreement*" in the BGR Memorandum for additional information regarding the OP Units and the Operating Partnership.

As a holder of OP Units, subject to certain restrictions described below in "*Description of OP Units—Rights and Obligations of OP Unitholders*," you may require the Operating Partnership to redeem some or all of your OP Units for the corresponding class of Common Stock. A redemption generally will be a fully taxable transaction to you. For further information, see "*What are the federal income tax consequences of redeeming OP Units for shares of the Common Stock or for cash?*" below.

What are the principal benefits of ownership of OP Units?

The principal benefits of owning OP Units include the following:

- (i) potential access to a diversified portfolio of income-producing, institutional-quality, Class A and class B institutional-type properties located in high growth markets;
- (ii) diversification benefits and returns with respect to OP Units that are substantially equivalent to those of Common Stock;
- (iii) a redemption program with respect to OP Units that may provide Beneficial Owners with more liquidity than other forms of real property ownership;
- (iv) the ability to redeem OP Units in stages (as OP Units are not required to be redeemed all at once), allowing a Beneficial Owner to better manage taxable gain recognition;
- (v) the potential for a Beneficial Owner's heirs to receive a step-up in the tax basis of OP Units to fair market value, effectively eliminating the federal income tax on any capital gain inherent in your OP Units at the time of their transfer to their heirs; and
- (vi) the ability to utilize OP Units as an estate planning tool since multiple heirs can make independent decisions with respect to the sale of their inherited OP Units (unlike an investment in property where a single decision must often be made collectively).

Are OP Unitholders liable for any debts of the Operating Partnership?

OP Unitholders, as limited partners in the Operating Partnership, are not individually liable for any debts, liabilities, contracts or obligations of the Operating Partnership in excess of their capital contributions to the Operating Partnership unless they enter into a separate guarantee agreement with respect to such debt. However, the debts, liabilities, contracts or obligations of the Operating Partnership could adversely affect your returns even though you are not directly liable for them.

If the FMV Option is exercised, how many OP Units or how much cash will I receive in exchange for my Interest?

If the FMV Option is exercised, Beneficial Owners will contribute (for federal income tax purposes) their Interests, subject to any indebtedness secured by their Interests or the Properties, to the Operating Partnership in exchange for each Beneficial Owner's choice of OP Units or cash, subject to the FMV Option Fee and/or Cash Redemption Fee and Cash Redemption Cap, as applicable. If a Beneficial Owner elects to become a Contributing Investor, such Beneficial Owner will receive an amount of OP Units with an aggregate value equal to the Exchange FMV, less the amount of the Call Option Fee.

The number of OP Units the Beneficial Owner receives pursuant to the exercise of the FMV Option may vary, depending, in part, on (i) the FMV Option Appraised Value of the Property and (ii) the fair market value of the OP Units, both of which are subject to fluctuation and may change over time, including in the period between the purchase of the Beneficial Owner's Interest and any exercise of the FMV Option. A Beneficial Owner has no right to require an appraisal of the fair market value of the OP Units.

The FMV Option Appraised Value of the Property will be determined by an independent appraisal firm selected by the Manager in its sole discretion. Such appraisal will be completed within one year prior to the date the FMV Option is exercised. The appraisal will be determined without any discounts but taking into account that each relevant Property is subject to a long-term master lease. The Operating Partnership retains the right, in its sole and absolute discretion, to exercise the FMV Option. In the event a Beneficial Owner receives OP Units in connection with the exercise of the FMV Option, the Beneficial Owner will bear the benefits and burdens of any variation in the amount of OP Units received.

If a Beneficial Owner elects to become a Cash Investor instead of a Contributing Investor, the Cash Investor will receive the Cash Amount in exchange for its Interests, which will be equal to such Cash Investor's pro rata share of the Exchange FMV, less Cash Redemption Fee, subject to the Cash Redemption Cap.

What impact, if any, would the occurrence of a Liquidity Event with respect to the Common Stock prior to the exercise of the FMV Option have on the amount of OP Units I receive?

If a Liquidity Event (described below) with respect to the Common Stock occurs prior to the Operating Partnership's election to exercise the FMV Option, the amount and type of consideration a Beneficial Owner receives in connection with such exercise of the FMV Option may be different, or even materially different, from the amount of OP Units such Beneficial Owner would have received had no Liquidity Event occurred. Since the number of OP Units a Beneficial Owner receives pursuant to the exercise of the FMV Option may vary depending on the closing price per share of the OP's Class A common stock for the single trading day prior to the date of the exercise, a change in the price per share of the OP's Class A common stock, including any change as a result of a Liquidity Event, may alter the number of OP Units or type of consideration a Beneficial Owner receives in connection with an exercise of the FMV Option. The type of consideration to be issued or paid to the Beneficial Owners will be such type and with such value as may be reasonably determined by the board, general partner, manager or other managing body of BIGR, the Operating Partnership, or such other entity as may be entitled to exercise the FMV Option. The Beneficial Owner will bear the benefits or burdens of any variation in the amount of OP Units or type and amount of other consideration received, including the effect on the yield the Beneficial Owner receives from his, her, or its investment.

What are BIGR's intentions with respect to a Liquidity Event?

BIGR's Common Stock does not currently trade on an exchange. However, one of BIGR's investment objectives is to begin the process of evaluating an initial public offering, with a concurrent listing of its common stock on a national securities exchange (an "IPO") by December 2023. There is no guarantee that an IPO will ever occur. In addition to an IPO, BIGR may also pursue (i) a sale, merger or other transaction with respect to BIGR in which BIGR's stockholders either receive, or have the option to receive, cash, securities redeemable for cash and/or securities of a publicly traded company or (ii) the sale of all or substantially all of BIGR's assets where BIGR's stockholders either receive, or have the option to receive, cash or other consideration (collectively, a "Liquidity Event").

For more information about BGR's portfolio, operating and financial information, including financial statements, please contact the company at IR@bluerock.com.

If I receive OP Units, will I receive current distributions on such units?

Distributions to holders of OP Units are currently made monthly. However, future distributions will be made at intervals, and in amounts, as determined by BGR in its sole and absolute discretion. Specifically with respect to Beneficial Owners that acquire OP Units, distributions with respect to such OP Units are expected to be made with the same frequency as those paid with respect to the Common Stock and in amounts per OP Unit that match the amounts per share of the applicable class of Common Stock, so that a holder of one OP Unit will receive substantially the same amount of annual cash flow distributions as the amount of annual distributions paid to the holder of one share of the applicable class of Common Stock (before taking into account certain tax withholdings certain states may require with respect to OP Units). The distributions paid to stockholders of BGR will be determined by its board of directors and will typically depend on the amount of distributable funds, current and projected cash requirements, tax considerations and other factors, as more fully described in the BGR Memorandum. The timing and amounts of these distributions, if any, may change, as determined by the BGR board of directors. However, in order to qualify as a REIT, BGR must make distributions of at least 90% of its taxable income for each year. See "*Material U.S. Federal Income Tax Considerations*" in the BGR Memorandum for a discussion of the benefits and requirements of qualifying as a REIT that Purchasers should consider before they participate in the Offering.

Does the present distribution yield on the Common Stock necessarily reflect the yield I will earn on my investment upon my receipt, if any, of OP Units?

Each OP Unit is intended to be the substantial economic equivalent of one share of the corresponding class of Common Stock. The Operating Partnership intends to make distributions to the holders of OP Units such that a holder of one OP Unit will receive substantially the same amount of annual cash flow distributions as the amount of annual distributions paid to a holder of one share of the Common Stock (before taking into account certain tax withholdings certain states may require with respect to the OP Units). The amount of any distribution paid in a period, if any, will be determined by the board of directors of BGR in its sole discretion. Assuming that BGR does not adjust the per share amount of its annual distribution, the distribution yield on shares of the Common Stock will fluctuate if there is a change in the price of such shares.

As a result, to the extent that the value of OP Units at the time of receipt pursuant to an exercise of the FMV Option (which is determined based upon the per share price of the Common Stock at that time) is different from the present per share value of the Common Stock, the present distribution yield on the Common Stock may not reflect the yield you would earn in the future on your OP Units, whether or not the Common Stock distribution changes or remains the same.

If I receive OP Units pursuant to the exercise of the FMV Option, may I redeem them for shares of Common Stock?

If you receive OP Units as a result of the exercise of the FMV Option, you may require the Operating Partnership to redeem some or all of your OP Units after a one-year holding period. In such a case, the Operating Partnership will redeem your OP Units for, in BGR's sole discretion, cash or shares of the corresponding class of Common Stock effected through the exchange for each OP Unit redeemed. If the Operating Partnership elects to redeem a Beneficial Owner's OP Units for Common Stock, the Beneficial Owner shall receive a number of equal to the number of OP Units multiplied by the Conversion Factor as of the date of the redemption (as defined in the OP Partnership Agreement) which is currently equal to 1.0 (the "**REIT Shares Amount**"). If the Operating Partnership elects to redeem a Beneficial Owner's OP Units for cash, the Beneficial Owner shall receive cash in an amount equal to the Value (as defined in the OP Partnership Agreement) of the REIT Shares Amount.

What are the federal income tax consequences of redeeming OP Units for shares of the Common Stock or for cash?

An OP Unitholder should recognize taxable gain or loss upon a redemption of its OP Units in either case for shares of the Common Stock or, at the option each Beneficial Owner, for cash. The gain or loss recognized will be equal to the difference between (i) the sum of (A) the cash, *plus* (B) the fair market value of the Common Stock received, *plus* (C) the amount of the Operating Partnership liabilities allocable to such OP Unitholder at the time of the redemption and (ii) the OP Unitholder's adjusted tax basis in its OP Units. Prospective Purchasers should consult their own tax advisors regarding their individual tax consequences. See *"Federal Income Tax Consequences—Tax Consequences Relevant to OP Units—Limitations on Deductibility of Losses—Sale, redemption, exchange or abandonment of OP Units."*

Are OP Units or shares of Common Stock listed for trading on any national securities exchange or over-the-counter market?

Neither OP Units nor shares of Common Stock are listed for trading on any national securities exchange or over-the-counter market. However, after receiving your OP Units, and subject to restrictions described herein, you may request that the Operating Partnership redeem your OP Units for shares of the Common Stock. Although BGR anticipates evaluating an IPO by December 2023, there is no guarantee that an IPO or a listing of the Common Stock will occur within a specific time frame or at all. See *"If I receive OP Units pursuant to the exercise of the FMV Option, may I redeem them for shares of Common Stock?"* above.

What are the federal income tax consequences of a Liquidity Event for OP Unitholders?

The federal income tax consequences of a Liquidity Event to OP Unitholders vary based upon the circumstances giving rise to the Liquidity Event. If the Liquidity Event involves the merger of the Operating Partnership or BGR with another entity, the merger may be a tax-free, a partially tax-free, or a fully taxable transaction for OP Unitholders depending on a number of factors, including the amount of cash consideration received by, and the reduction in the amount of liabilities allocable to, such OP Unitholders, and the entity with whom the merger would take place. If the Liquidity Event involves the sale of all of the Operating Partnership's properties followed by a liquidating distribution of the cash proceeds, the Liquidity Event may be a taxable transaction for OP Unitholders. In such a case, OP Unitholders would be subject to tax on their allocable share of the Operating Partnership's Partnership Tax Items (as defined below) resulting from the sale of all of its properties, and would recognize gain or loss in an amount equal to the difference between the amount of cash received as a liquidating distribution and the adjusted tax basis of their OP Units. If the Liquidity Event occurs prior to the exercise of the FMV Option, it is possible that the consideration payable upon a subsequent exercise of the FMV Option would not provide for deferral of tax on the exchange of the Interests for such consideration, resulting in the potential recognition of gain by the Beneficial Owners upon exercise of the FMV Option.

If I receive OP Units, how do I report income on such units for federal and state income tax purposes?

In general, a partnership is treated as a "pass-through" entity for federal income tax purposes and is not itself subject to federal income taxation. Each OP Unitholder will be required to pay federal income tax and, in certain cases, state and local income taxes, on such OP Unitholder's allocable share of the Operating Partnership's income, gains, losses, deductions and expenses ("**Partnership Tax Items**"). Such allocable share may differ from the amount of cash distributions such OP Unitholder receives from the Operating Partnership. Each year, the Operating Partnership will provide each OP Unitholder with a Schedule K-1, which sets forth such OP Unitholder's allocable share of the Operating Partnership's Partnership Tax Items. Each OP Unitholder must report this income to the IRS on its own tax return. Additionally, each OP Unitholder will receive a Schedule K-1 for certain states in which the Operating Partnership holds property and will generally be required to file a tax return in each such state. The Operating Partnership may withhold on a portion of an OP Unitholder's distributions with respect to such OP Unitholder's non-resident state tax obligations. Any withholding tax paid on behalf of an OP Unitholder will be treated as if a like amount of cash had been distributed by the Operating Partnership to such OP Unitholder.

The rules applicable to the filing of composite returns are different from jurisdiction to jurisdiction. For example, certain jurisdictions allow partners to elect-out of a composite return while other jurisdictions require each partner's consent to be included in such a return. In addition, composite return rules may vary depending on the status of the partner. For example, states may limit the availability of composite returns to partners who are natural persons, or specifically deny C corporations the option of joining composite returns.

Following the exercise of the FMV Option, the Operating Partnership may require Beneficial Owners to provide certain information for tax purposes. You should consult your tax advisor regarding the requirements for reporting any income associated with your OP Units to the IRS and any state or other taxing authority.

During my ownership of OP Units, what type of information will I receive regarding my investment?

If you become an OP Unitholder, you will receive (or have access to) periodic updates from us, including:

- (i) a statement regarding your distributions each quarter;
- (ii) three REIT quarterly financial reports;
- (iii) a REIT annual report with audited financials;
- (iv) an annual IRS Schedule K-1; and
- (v) as applicable, annual Schedule K-1s for states in which the Operating Partnership holds property.

If you redeem your OP Units for shares of Common Stock, you will subsequently receive a Form 1099 in place of a Schedule K-1, and you will continue to receive (or have made available to you) items (i) through (iii) listed immediately above.

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RISK FACTORS

The purchase of an Interest involves a number of risks. Do not acquire an Interest if you cannot afford to lose your entire investment. Carefully consider the risks described below, as well as the other information in this Memorandum before making a decision to purchase an Interest. Consult with your legal, tax and financial advisors about an investment in an Interest. The risks described below are not the only risks that may affect an investment in an Interest. Additional risks and uncertainties that we do not presently know or have not identified may also materially and adversely affect the value of an Interest, the Properties or the performance of your investment.

Legal Counsel to the Trusts, the Sponsor and Their Affiliates Does Not Represent the Purchasers. Each Purchaser must acknowledge and agree in the Purchase Agreement that legal counsel, including Baker & McKenzie LLP, Kaplan Voekler Cunningham & Frank PLC, and Nelson Mullins Riley & Scarborough LLP, represents the Trusts, the Sponsor, the Manager, the Master Tenant, the Depositor, and their affiliates and does not represent, and will not be deemed under the applicable codes of professional responsibility, to have represented or to be representing, any or all of the Purchasers.

Delaware Statutory Trust Structure Risks

Beneficial Owners Possess Limited Control and Rights. The Trusts will be operated and managed solely by the Trustee and the Manager. Purchasers, as Beneficial Owners, will have no right to participate in any aspect of the operation or management of the Trusts. The Trustee and the Manager will not consult with the Beneficial Owners when making any decisions with respect to the Trusts and the Properties, including whether to sell the Properties or effectuate a Transfer Distribution. The Beneficial Owners waive any right to file a petition in bankruptcy on behalf of the Trusts or to consent to any filing of an involuntary bankruptcy proceeding involving the Trusts. The Manager will collect the rents due from the Master Tenants under the Master Leases and make distributions therefrom in accordance with the terms of the Trust Agreements. The Manager will seek to sell the Properties in accordance with the provisions of the Trust Agreements, which provide that the Manager has sole discretion and authority to determine when it is appropriate to sell the Properties; provided, however that the Operating Partnership has been granted the FMV Option, which it may elect to exercise in its sole discretion and will be acting in its own best interests when making any decision to exercise the FMV Option. The Trustee may remove the Manager only for cause (fraud or gross negligence causing material damage to, or diminution in value of, the Properties), but only if the Lender consents (to the extent there is an outstanding Loan).

Beneficial Owners Do Not Have Legal Title. The Beneficial Owners will not have legal title to the Properties. The Beneficial Owners will not have any right to seek an in-kind distribution of the Properties or divide or partition the Properties. The Beneficial Owners do not have the right to sell or cause the sale of the Properties. The Manager will be responsible for making decisions with regard to, among other things, selling the Properties.

The Trustee and the Manager Have Limited Duties to Beneficial Owners. The Trustee and the Manager will not owe any duties to the Beneficial Owners other than those duties set forth in the Trust Agreements. In performing its duties under the Trust Agreements, the Trustee will only be liable to the Beneficial Owners for its own willful misconduct, bad faith, fraud or gross negligence. Similarly, the Manager will only be liable to the Beneficial Owners for its own fraud or gross negligence.

The Trustee and the Manager Have Limited Powers, and the Trusts May Therefore Face Increased Termination Risk. In order to comply with the tax law regarding investment trusts and Section 1031 Exchanges, the Trust Agreements expressly prohibit the Trustee and the Manager from taking a number of actions, including the following: (a) selling, transferring or exchanging the Properties except as required or permitted under the Trust Agreements; (b) reinvesting any monies of the Trusts, except to make permitted modifications or repairs to the Properties or in short-term liquid assets; (c) renegotiating the terms of the Loan or entering into new financing, except in the case of the bankruptcy or insolvency of the Master Tenants or another tenant; (d) renegotiating the Master Leases or entering into new leases, except in the case of the Master Tenants' bankruptcy or insolvency; (e) making modifications to the Properties (other than minor non-structural modifications) unless required by law; (f) accepting any capital from a Beneficial Owner (other than capital from a Purchaser that will be used to fund a Supplemental

Trust Reserve or repurchase the Depositor's Parent Class 2 Beneficial Interests and thereby reduce the Depositor's ownership interest in the Trust); or (g) taking any other action that would in the opinion of Tax Counsel to the Trusts cause the Trusts to be treated as a business entity for federal income tax purposes.

As a result, the Trusts may be required to effectuate a Transfer Distribution in order to take the actions necessary to preserve and protect one or more Properties. See "*Summary of the Trust Agreements.*" While the Properties will remain subject to the Loan after such conversion or transfer, the Beneficial Owners will no longer be considered to own, for federal income tax purposes, a direct ownership interest in the Properties.

Management and Indemnification. The Manager will have administrative authority with respect to the Trusts. The Trust Agreements provide for indemnification by the Beneficial Owners of the Trustee against liabilities not attributable to the Trustee's own willful misconduct, bad faith, fraud or gross negligence, and of the Manager against liabilities not attributable to the Manager's own fraud or gross negligence. Such indemnity and limitation of liability may limit rights that Beneficial Owners would otherwise have to seek redress against the Trustee and the Manager.

Rev. Rul. 2004-86. The utilization of a DST (like the Trusts) to acquire and hold property for purposes of a Section 1031 Exchange is based primarily on Rev. Rul. 2004-86, which sets forth terms under which a trust will be treated as an "entity" that is taxable as a "trust" rather than taxable as a partnership. It is possible that the IRS could modify or revoke Rev. Rul. 2004-86 or, in the alternative, determine that one or more of the Trusts does not comply with the requirements of that ruling. A determination that one or more Trusts is not taxable as a trust (within the meaning of Treasury Regulation Section 301.7701-4) could have a significant adverse impact on the Beneficial Owners.

Sale. The Manager shall sell the Trust Estate upon its determination (in its sole discretion) that the sale of the Trust Estate are appropriate; provided, however, that absent unusual circumstances, it is currently anticipated that the Trusts will hold their respective Trust Estate for at least two years. The Operating Partnership will be acting in its own best interests when making any decision to exercise the FMV Option. This sale will occur without regard to the tax position, preferences or desires of any of the Beneficial Owners, and the Beneficial Owners will have no right to approve (or disapprove) of the sale of the Trust Estate. The Beneficial Owners will not have the right to sell the Trust Estate. A Beneficial Owner may or may not be able to defer the recognition of gain for federal, state or local income tax purposes when a sale occurs.

Transfer to Newly-Formed Delaware Limited Liability Company. If the Manager determines that it is necessary to effectuate a Transfer Distribution, the applicable Trust will transfer its respective Property to a Springing LLC, a newly-formed Delaware limited liability company. A Springing LLC will be treated as a partnership for federal income tax purposes, and the Beneficial Owners will become members in the Springing LLC. Unlike interests in the Parent Trust, membership interests in a Springing LLC will not be treated as interests in real property for federal income tax purposes (including for purposes of Code Section 1031). Thus, if an Operating Trust transfers its respective Property to a Springing LLC in a Transfer Distribution, it is unlikely that any of the Beneficial Owners will thereafter be able to defer the recognition of gain on a subsequent disposition of their membership interests in a Springing LLC or the Properties under Code Section 1031.

The transfer of a Property to a Springing LLC will occur under the circumstances set forth in the applicable Trust Agreement without regard to the costs incurred as a result of such transfer. It is possible that such transfer will result in the imposition of (i) state and/or local transfer, sales or use taxes; or (ii) federal income tax (although no federal income tax would be imposed under current law).

In the Event of an Adverse Effect on the Income of the Parent Trust, the Parent Trust Is Not Permitted to Obtain Additional Funds Through Additional Borrowings or Additional Capital, and Therefore Could Be Required to Effectuate a Transfer Distribution so as to Seek to Raise Capital through a Springing LLC. If, after a Transfer Distribution, additional funds are not available from any source, a Springing LLC may be forced to dispose of all or a portion of one or more Properties on terms that may not be favorable to the Beneficial Owners. Further, apart from potential adverse economic consequences of a Transfer Distribution, a Transfer Distribution may have adverse tax consequences for the Beneficial Owners. See "*Federal Income Tax Consequences.*"

The Parent Trust Agreement Restricts Beneficial Owners' Rights To Information. The Parent Trust Agreement eliminates certain rights to information the Beneficial Owners would have otherwise had under the Delaware Statutory Trust Act (the "**DST Act**"). While the Sponsor believes this is reasonable, necessary and prudent to protect the interests of legitimate Purchasers in the Parent Trust from "greenmail" or other attacks by parties such as so-called "vulture investors" that are potentially harmful to the investment program, this nevertheless means that a Purchaser will have less access to information from the Parent Trust than a Purchaser would be entitled to under the DST Act, including contact information for other Beneficial Owners.

The Purchase Agreement Contains an Exclusive Jurisdiction Provision. Section 19 of the Purchase Agreement requires Purchasers to agree to resolve any disputes arising out of, in connection with, or from the Purchase Agreement, or the transaction covered by the Purchase Agreement, within the County of New York, in the State of New York. As such, in the event of a dispute, Purchasers will not be able to select a jurisdiction other than New York in which to resolve it.

Real Estate Risks

Accuracy of Anticipated Results of Operations. The anticipated results of operations for the Parent Trust as set forth in this Memorandum, including the pro forma financial projections attached as Appendix I: Financial Forecast, are based upon current estimates of income and expenses relating to the operation of the Properties, should be considered speculative and are qualified in their entirety by the assumptions, information, limitations and risks disclosed in this Memorandum. If the assumptions on which these estimates are based do not prove correct, the Beneficial Owners who own Interests in the Parent Trust will have difficulty in achieving their anticipated results. The anticipated results of operations assume occupancy levels and certain net rental rates. There can be no assurance that the Properties can achieve stabilization or maintain the occupancy level or rate increases anticipated. Some of the other underlying assumptions inevitably may not materialize and unanticipated events and circumstances may occur. Therefore, the actual results achieved during the life of the ownership of the Properties may vary from those anticipated, and the variation may be material. As a result, the rate of return to the Parent Trust and the Beneficial Owners may be lower than that projected. Any return to the Beneficial Owners on their investment will depend on the ability of the Master Tenants, the Property Manager (and in certain cases a property sub-manager, if one is engaged) to operate their respective Properties profitably and ultimately sell the Properties at a profit, which, in turn, will depend upon economic factors and conditions beyond their control.

Risks of Real Estate Ownership. The investment by Beneficial Owners will be subject to the risks generally incident to the ownership of real property, including changes in national and local economic conditions, changes in the investment climate for real estate investments, changes in the demand for or supply of competing properties, changes in local market conditions and neighborhood characteristics, the availability and cost of mortgage funds, the obligation to meet fixed and maturing obligations (if any), unanticipated holding costs, the availability and cost of necessary utilities and services, changes in real estate tax rates and other operating expenses, changes in governmental rules and fiscal policies, changes in zoning and other land use regulations, environmental controls, acts of God (which may result in uninsured losses), and other factors beyond the control of the Trusts. Any negative change in the general economic conditions in the United States could adversely affect the financial condition and operating results of the Trusts.

The Trusts also will be subject to those risks inherent in the ownership of income-producing real property, such as occupancy, operating expenses and rental schedules, which in turn may be adversely affected by general and local economic conditions, the supply of and demand for properties of the type selected for investment, the financial condition of tenants and sellers of properties, zoning laws, federal and local rent controls and real property tax rates. Certain expenditures associated with real estate equity investments are fixed (principally mortgage payments, if any, real estate taxes, and maintenance costs) and are not necessarily decreased by events adversely affecting the income from such investments. The ability of the Trusts to meet their obligations will depend on factors such as these and no assurance of profitable operations can be given.

The Properties are Subject to Risks Relating to its Local Real Estate Market. Weakness or declines in the local economy and real estate market could cause vacancy rates at the Properties to increase and could adversely

affect the Trusts' ability to generate leasing revenues and/or sell the Properties under favorable terms. The factors which could affect economic conditions in the market generally include business layoffs, industry slowdowns, relocations of businesses, changing demographics, infrastructure quality and any oversupply of or reduced demand for real estate. Declines in the condition of the market could diminish the value of your investment and the Properties. See also below, "*Public Health Risk May Affect Performance.*"

Risks of Investing in Industrial Properties; Competition. The industrial space is a highly competitive business. Ownership of the Properties could be adversely affected by competitive properties in the real estate market, which could affect the operations of the Properties and the ultimate value of the Properties. Success in owning the Properties, therefore, will depend in part upon the ability of the Master Tenants, and the Property Manager (i) to retain current tenants at favorable rental rates; (ii) to attract other quality tenants upon the termination of existing leases if the existing tenants fail to renew or as otherwise needed; and (iii) to provide an attractive and convenient living environment for the tenants.

Although the Properties will be leased to the Master Tenants throughout the term of the Trusts, the Master Tenants are newly-formed entities with limited financial resources. The financial performance of the Properties therefore will be dependent to a significant degree on the ability of the Master Tenants, the Property Manager to retain current tenants, to attract new tenants and, as planned, to increase rental rates, all of which may in turn depend on factors both within and beyond the control of the Manager, the Trusts, the Master Tenants, and the Property Manager. These factors include changing demographic trends and e-commerce patterns, the availability and rental rates of competing industrial space, and general and local economic conditions. The number of competitive industrial properties in a particular area, and any increased volatility in general and local economic conditions, could have a material adverse impact on the Master Tenants and the Property Manager's ability to lease their respective Properties and the rents they are able to obtain. The loss of a tenant or the inability to maintain favorable rental rates with respect to the Properties would adversely affect the value of the Properties and/or the ability of the applicable Master Tenant to pay rent, which could result in the Lender declaring the Loan in default and foreclosing on the applicable Property. This could result in the Purchasers losing the entire value of their Interests. The occurrence of a casualty resulting in damage to one or more Properties could also decrease or interrupt the payment of tenant rentals, which could adversely affect the applicable Master Tenant's performance under its respective Master Lease and therefore the Trusts' ability to meet its obligations as they come due, including to make distributions to Beneficial Owners. Furthermore, each Property's leases with its end-user tenants may also permit them to terminate their leases if the leased premises are partially or completely damaged or destroyed by fire or other casualty. Such leases will also permit the end-user tenants to partially or completely abate rental payments during the time needed to rebuild or restore such damaged premises, which may also adversely affect the Properties' financial performance.

Competition from Industrial Properties in the Surrounding Geographic Area. A number of industrial properties of similar size and age are located in the Properties' industrial market. The Appraisals have identified five or six comparable industrial properties, each located within the same area as the Properties. In addition, there are other industrial properties in the surrounding region that may be more attractive to tenants. Competing industrial properties may reduce demand for the Properties, increase vacancy rates, decrease rental rates and adversely impact the value of the Properties. There also may be additional real property available in the general vicinity of the Properties that could support the development of additional competing industrial properties. It is possible that End Tenants will move to existing or new industrial properties in the surrounding area, which could adversely affect the financial performance of the Properties. Competition from nearby industrial properties could make it more difficult to attract new tenants and/or to maintain or grow rental rates, and ultimately, sell the Properties at an attractive price. The Properties could 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 Properties. As such, there is no assurance that the Property Manager (and in certain cases a property sub-manager, if one is engaged) will be able to retain or attract residents to the Properties at the same or higher rents given the current or future competition for tenants.

Agreements Affecting the Properties May Impact the Operations and Performance of the Properties. Industrial properties, such as the Properties, may be subject to various easements, declarations, restrictions, encroachments, and other agreements of record with neighboring landowners, and local governmental entities that

may restrict certain land and/or property uses, impose certain fees or obligations, and otherwise impact the operation and performance of such properties. See “*The Properties - Agreements Affecting the Properties*” for a discussion of any such agreements which may be material to a possible investment pursuant to this Memorandum.

Public Health Risk May Affect Performance. Public health concerns related to any outbreak of an infectious disease, including but not limited to, severe acute respiratory syndrome, avian flu, H1N1/09 flu, COVID-19 or any other serious public health concern (in each case, a “**Pandemic**”), could have a negative impact on the economy and the business activities in which the Parent Trust may engage. The Trusts’ business activities and economic performance could also be negatively impacted by federal, state or local government laws and regulations in response to a Pandemic, including but not limited to restrictions on travel, quarantines, or restrictions on landlords’ abilities to evict non-paying tenants. The full impact will depend on subsequent developments, including, among other factors, the duration and spread of the Pandemic, government orders restricting business and/or tenant operations, national and local unemployment levels, staff shortages and uncertainty with respect to the accessibility of additional liquidity or to the capital markets, any one or all of which make it very difficult to predict the economic performance of the Properties and a Purchaser’s participation in the Offering. Even if federal, state or local governments intervene and provide aid to industries negatively affected by a Pandemic, there can be no assurance that such aid would mitigate any material economic reduction in value of the Interests.

With regard to the Offering, Purchasers are advised that they could experience one or more of the following adverse consequences as a result of a Pandemic: (1) jurisdictional differences in governing law with regard to any governmental response to the Pandemic; (2) revenue or cash flow uncertainty caused by a decrease in rent collections; (3) default on a Loan encumbering the Properties; and (4) uncertainty regarding the exit strategy for the Parent Trust and other market participants.

The Financial Performance of the Properties Will Depend Upon Ability of the Property Manager to Attract and Retain Tenants Who Will Meet Their Rental Obligations on a Timely Basis, Care for Their Living Space and Preserve or Enhance the Reputation of the Properties. The financial performance of the Properties and the related ability of the Property Manager to meet the financial projections contained herein will depend upon many factors, a significant one being the End Tenants’ timely payment of rent under their leases and care they take with respect to their respective Property. If any of the End Tenants become unable to make rental payments when due, decide not to renew their leases or decide to terminate their leases, this could result in a significant reduction in rental revenues, which could adversely affect the ability of the Master Tenants to make payments under the Master Leases, including payment of Base Rent which the Parent Trust requires to make its payments required under the Loan, which therefore could adversely affect the value of the Properties and/or result in the Lender declaring one or both of the Loan in default and foreclosing on the applicable Property or Properties. This could result in the Purchasers losing the entire value of their Interests. In addition, the failure by the End Tenants to properly care for their Properties or to preserve or enhance the reputation of the Properties could lead to increased repair and maintenance costs or otherwise adversely affect the value of the Properties. Failure on the part of a tenant to comply with the terms of their lease may give the applicable Master Tenant the right to terminate the applicable lease, repossess the applicable premises and enforce payment obligations under such lease. However, the cost and effort involved in pursuing these remedies and collecting damages from a defaulting tenant could be greater than the value of the lease. There can be no assurance that a Master Tenant will be able to successfully pursue and collect from defaulting tenants or re-let the premises to new tenants without incurring substantial costs, if at all. If other tenants are found, the Property Manager may not be able to enter into new leases on favorable terms. The financial projections assume a minimum occupancy rate and certain net rental rates for the Properties to enable the Master Tenants to comply with their obligations under their respective Master Leases, but there can be no assurance that the any or all of the Properties will maintain the minimum occupancy rate or that the minimum net rental rates will be achieved. The Loan Documents provide that the Lender must approve any change of the Master Tenants or Property Manager, which may make it difficult and/or costly to make a desired change in the management of the Properties.

Leases for the Properties Are Not Perpetual, and the Property Manager May Be Unable to Renew the Leases or Re-Let the Properties as Leases Expire. The existing leases for the Properties have lease terms ranging from 54 to 191 months. Consequently, the Properties’ performance may in large measure depend upon the effectiveness of the Property Manager’s marketing efforts to attract replacement tenants and/or to maintain the

projected occupancy rate for the Properties. Also, such efforts may be costly and require significant time. If End Tenants decide not to renew their leases upon expiration or decide to exercise an available right to terminate their leases, the Property Manager may not be able to re-let their units quickly or at the same or higher rates. Even if the End Tenants do renew or the Properties are re-let, the terms of renewal or re-leasing may be less favorable than current lease terms. If the Property Manager cannot promptly renew the leases or re-let the Properties, or if the rental rates upon renewal or re-leasing are significantly lower than expected rates, then the Properties' financial operations and condition will be adversely affected and this, in turn, may adversely affect the Properties' cash flow, the ability of the Master Tenants to pay all rents due under the Master Leases and the ability of the Parent Trust to make its required payments under the Loan and/or to pay distributions to the Beneficial Owners.

Changes in Laws Could Adversely Affect the Properties. Various Federal, state and local regulations, such as fire and safety requirements, environmental regulations, the Americans with Disabilities Act of 1990, non-discrimination and equal housing laws, land use restrictions and taxes affect the Properties. If the Properties do not comply with these requirements, the Trusts may incur governmental fines or private damage awards. New, or amendments to existing, laws, rules, regulations or ordinances could require significant unanticipated expenditures or impose restrictions on the operation, redevelopment or sale of the Properties. Such laws, rules, regulations or ordinances may adversely affect the ability of the Trusts to operate or sell the Properties. See also above, "*Public Health Risk May Affect Performance.*"

Risks Relating to the Master Tenant and the Master Lease

Limited Capital of the Master Tenants. The financial stability of the Master Tenants may affect the financial performance of the Properties. The Sponsor is under no obligation to contribute capital to the Master Tenants. The Master Tenants' capitalization is supported solely by the Demand Notes from the Operating Partnership. If the Master Tenants requires funds in excess of Properties net operating cash flow to pay the Rent required under the Master Leases (subject to limited deferral rights) or satisfy its other obligations under the Master Leases, it will need to call upon the Operating Partnership to contribute the amount of its Demand Note(s). However, no assurance can be given that the amount of the Demand Notes will be sufficient to enable the Master Tenants to fund its obligations under the Master Leases, or that the Operating Partnership will be able to fund the Demand Notes if called upon by the Master Tenants to do so, in which case the Master Tenants could default under the Master Leases, which also would be a default under the Loan, which could result in suspension or termination of distributions to Beneficial Owners and/or a foreclosure of one or both of the Properties by the Lender. In addition, the costs and time involved in enforcing the Trusts' rights under the Master Leases may be significant. Moreover, if an Operating Trust were to terminate its Master Lease for non-payment, there is no assurance that it could find a new Master Tenant to operate its Property on terms better or equal to those in its Master Lease. If such Operating Trust were unable to enter into a new master lease for its Property on the same terms or better terms, the returns to Purchasers would likely be materially adversely affected. In addition, if an Operating Trust was unable to enter into a new master lease, it would likely become necessary for such Operating Trust to effectuate a Transfer Distribution, in order to engage in leasing activities, which would likely give rise to adverse tax consequences to Purchasers. Absent insolvency or a bankruptcy by a Master Tenant, the Trustee may not be empowered to execute such a replacement Master Lease. Such events, could cause the Purchasers to lose their entire investment in the Properties and suffer adverse tax consequences.

The Sponsor's Affiliate May Be Unable to Fulfill its Obligations Under the Demand Notes. The Operating Partnership has made the Demand Notes in favor of the Master Tenants in order to capitalize the Master Tenants. However, there can be no assurance that the Operating Partnership will be able to meet its obligations pursuant to such Demand Notes. If the Operating Partnership is required to perform on other outstanding or future demand notes, guaranties or other obligations, or itself experiences an adverse financial event, it is possible that the Operating Partnership may not have sufficient funds or resources to perform its obligations under its Demand Notes and/or may be unable or unwilling to fulfill its obligations to the Master Tenants of the Properties. In the event of the insolvency or bankruptcy of the Operating Partnership, the Master Tenants would be required to compete with any other creditor claims that may be asserted against the same assets of those entities and any secured creditor claims would be superior to those of each Master Tenant under its Demand Note, which is unsecured. The assets of the Operating Partnership and its affiliates are subject to the various risks of real estate ownership, syndication and management, including, but not limited, to market value fluctuations and uncertainty of profitability of business

operations. The ultimate value of their assets will depend upon their ability to successfully implement their respective business plans, which in turn depends upon competition, market forces and many other factors. If the Operating Partnership is unable to pay its Demand Notes when called upon, the Master Tenants may have insufficient funds to meet its obligations as they come due, including without limitation paying the Base Rent as and when due under the Master Leases, upon which the Trusts rely in order to be able to service the Loan. Thus, any failure of the Master Tenant to receive payment under its Demand Note in order to pay the Rent when due under the Master Leases could materially and adversely affect returns to the Purchasers, cause the Trusts to terminate the Master Leases, and/or may cause a default under the Loan which could result in foreclosure and a complete loss of the Properties and the entire investment of the Purchasers.

Performance of the Master Tenants Under the Master Leases. The ability of the Trusts to meet their obligations is dependent upon the performance of the Master Tenants and their payment of Rent and other payments required under the Master Leases.

Risks Relating to an Investment in the Properties

Valuation. In connection with the Loan, the Operating Trusts obtained Industrial Portfolio I Appraisal (prepared by Newmark), which appraised the Properties as follows:

Property	Date	“As Is” Value	“As Is” Date
Adam Aircraft Property	May 20, 2022	\$14,900,000	May 11, 2022
Tucker Street Property	June 9, 2022	\$7,150,000	May 10, 2022
6015 Enterprise Property	June 10, 2022	\$18,000,000	May 10, 2022
6056 Enterprise Property	June 9, 2022	\$21,400,000	May 10, 2022
Cornatzer Property	May 26, 2022	\$11,100,000	May 13, 2022

The Industrial Portfolio I Appraisal reflects an aggregate “As Is” market value of \$72,550,000, which is \$1,360,000 higher than the purchase price of the Properties. The net aggregate purchase price of \$71,190,000 for the Properties is lower than the \$82,122,793 aggregate purchase price of the Interests, which includes \$46,527,793 in equity for the Interests, assuming the Maximum Offering Amount is sold, and \$35,595,000 for the Loan. See “*Estimated Use of Proceeds.*” Thus, the Parent Trust will be subject to immediate dilution and the Beneficial Owners may recover less than their invested capital upon any eventual sale of the Properties. There can be no assurance that the value of the Properties will appreciate, or appreciate at a rate sufficient to provide a positive return on investment.

Physical Condition of the Properties; No Representations to Purchasers. The Parent Trust will not make any warranties or representations to the Purchasers regarding the condition of the Properties.

Condition of the Properties

The Property Condition Assessments (each a “**PCA Report**”, and collectively the “**PCA Reports**”) for each Property in the Operating Trusts was prepared by Partner Engineering and Science, Inc. (“**Partner**”). At your request, Sponsor will provide you with a copy of the PCA Reports. Partner identified all properties as in good condition and have also identified immediate repair needs totaling \$37,350 in the aggregate. The immediate repair needs include: paving and concrete, exterior walls, and roof repairs. The Trusts will only be responsible for \$34,350 of immediate needs because of the nature of the net leases. The tenants will be responsible for the remainder of the costs of the immediate repair needs.

Property	Overall Condition	Reporting Firm	Date of Report	Long-term Capital Needs	Immediate Repair Needs
Adam Aircraft	Good	Partner	May 13, 2022	Asphalt seal coat and striping, gravel regrade, and exterior	\$13,650

				cleaning and maintenance.	
3020 Tucker Street	Good	Partner	April 8, 2022	Asphalt seal coat and striping, exterior maintenance, and metal roofing.	\$20,700
6015 Enterprise Park	Good	Partner	April 25, 2022	Asphalt seal coat and striping, and exterior maintenance	\$0
6056 Enterprise Park	Good	Partner	April 25, 2022	Asphalt seal coat and striping, and exterior maintenance	\$0
Cornatzer Property	Good	Partner	May 26, 2022	Asphalt seal coat and striping, exterior maintenance, and roofing	\$3,000

Following completion of the sale of the Maximum Offering Amount, the Trusts would have approximately \$2,500,000 in the Supplemental Trust Reserve versus \$648,775 estimated capital repair items estimated by the PCA Reports over a 12-year hold period that the Trusts will be responsible for because of the nature of net leases.

There can be no assurance of the accuracy of the PCA Reports with regard to future capital expenditure requirements of the Properties, or that the Sponsor has budgeted adequately in the financial forecast for all such repairs, replacements, and other expenditures that are or become necessary. If the funds in the Parent Trust's Supplemental Trust Reserve are insufficient (including due to the possibility that reimbursements and other compensation items due the Sponsor may be or have been drawn from resources credited, held or controlled by the Operating Trust, including permitted access to the Supplemental Trust Reserve), the Operating Trust's Rent could be used by the Operating Trust to reserve for or pay such expenses (instead of being used by the Parent Trust to pay distributions to Purchasers), or those expenses and costs could possibly be so significant as to require additional capital to be infused which could not be done except through a Transfer Distribution, which would likely have material and adverse tax consequences for Purchasers. In addition, there can be no assurance that the preparers would be held liable for any losses in connection with deficiencies in the Properties that were not identified in the PCA Reports. Furthermore, there can be no assurance that financial wherewithal of such preparers would be sufficient to cover any loss that may arise, should they be held liable. At your request, Sponsor will provide you with a copy of the PCA Reports.

Partner issued reliance letters entitling the Parent Trust, among others, to rely on the PCA Reports and to enforce any claims against the preparers of the PCA Reports if they failed to identify any particular Property deficiency. However, such letter would not necessarily entitle a Purchaser to rely on the PCA Reports or enforce legal claims against parties that prepared the PCA Reports or its underlying information. In addition, there can be no assurance that the preparers would be held liable for any losses in connection with deficiencies at each of the Properties that were not identified in the PCA Reports. Furthermore, there can be no assurance that financial wherewithal of such preparers would be sufficient to cover any loss that may arise, should they be held liable. At your request, Sponsor will provide you with a copy of the PCA Reports.

Environmental Problems Are Possible and Can Be Costly. Federal, state and local laws and regulations relating to the protection of the environment may require a current or previous owner or operator of real estate to

investigate and clean up hazardous or toxic substances or petroleum product releases at or affecting the Properties. The owner or operator may have to pay a governmental entity or third parties for property damage and for investigation and clean-up costs incurred by such parties in connection with any such contamination. These laws typically impose clean-up responsibility and liability without regard to whether the owner or operator knew of or caused the presence of the contaminants. Even if more than one person may have been responsible for the contamination, each person covered by the environmental laws may be held responsible for all of the clean-up costs incurred. In addition, third parties may sue the owner or operator of a site for damages and costs resulting from environmental contamination emanating from that site.

Summary of Environmental Reports

Property assessments were conducted in accordance with an agreement governing the nature, scope, intent and purpose of the work and in general accordance with ASTM Practice E1527-13 and E1527-21 Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process and Client Agreement, the ESA Standard, and any additional requirements identified in the agreement under which the work was performed (each such assessment a “Phase I Environmental Site Assessment” and together “Phase I Environmental Site Assessments”).

The purpose of the Phase I Environmental Site Assessments is to assess the existing environmental conditions at and around each Property and render an opinion as to the identified or potential presence of recognized environmental conditions (“RECs”) at the Properties.

Partner was engaged to perform Phase I Environmental Site Assessments on behalf of the Sponsor. A summary of the findings are outlined in the below table. Further explanation of the reports’ findings are set forth below:

Property	Reporting Firm	Date of Report	Recognized Environmental Conditions	Further Action Required
Adam Aircraft	Partner	May 13, 2022	None	None
3020 Tucker Street	Partner	April 8, 2022	None	Address possible microbial growth through routine maintenance
6015 Enterprise	Partner	April 25, 2022	None	None
6056 Enterprise	Partner	April 25, 2022	None	None
Cornatzer	Partner	May 26, 2022	None	Operations and Maintenance (“O&M”) programs should be implemented in order to safely manage the suspect ACMs and LBP located at the subject property

Adam Aircraft Property Environmental Report Summary

The Adam Aircraft Property has been evaluated for environmental hazards on behalf of the Sponsor pursuant to a non-invasive Phase I Environmental Site Assessment Report, dated May 13, 2022 (the “**Adam Aircraft Phase I Report**”) prepared by Partner, based on a site visit conducted on May 5, 2022. The Adam Aircraft Phase I Report, which consisted of a walk-through observation of the accessible areas and interviews with facility personnel and local agency representatives, interviews with relevant personnel, limited observations of surrounding properties, and a records review including regulatory databases and historical use information revealed no evidence of RECs, controlled environmental conditions (“**CRECs**”), or historical recognized environmental conditions (“**HRECs**”), and no further investigation was recommended.

At your request, Sponsor will provide you with a copy of the Adam Aircraft Phase I Report.

Tucker Street Property Environmental Report Summary

The Tucker Street Property has been evaluated for environmental hazards on behalf of the Sponsor pursuant to a non-invasive Phase I Environmental Site Assessment Report, dated April 8, 2022 (the “**Tucker Street Phase I Report**”) prepared by Partner, based on a site visit conducted on March 31, 2022. The Tucker Street Phase I Report, which consisted of a walk-through observation of the accessible areas and interviews with facility personnel and local agency representatives, interviews with relevant personnel, limited observations of surrounding properties, and a records review including regulatory databases and historical use information revealed no evidence of RECs, CRECs, or HRECs, and no further investigation was recommended. There were the following business environmental risks (“**BER**”) identified during the course of the assessment:

Possible microbial growth, less than 5 square feet, was observed on the base of the drywall in sprinkler riser room #2. Rain was present during the site reconnaissance and water could be seen dripping from the roof of the building and into the riser room. Additional water stained ceiling tiles were observed in various areas throughout the office area. Each location was small and appeared dry, the source of the water appeared to be from HVAC condensate leaks.

As a result, Partner recommends that the roof leak should be repaired and confirmation that the source of the water in the breakroom and bathrooms has been repaired should be obtained. Subsequently the possible microbial growth and water damaged materials can be addressed as part of routine maintenance.

At your request, Sponsor will provide you with a copy of the Tucker Street Phase I Report.

6015 Enterprise Property Environmental Report Summary

The 6015 Enterprise Property has been evaluated for environmental hazards on behalf of the Sponsor pursuant to a non-invasive Phase I Environmental Site Assessment Report, dated April 25, 2022 (the “**6015 Enterprise Phase I Report**”) prepared by Partner, based on a site visit conducted on April 19, 2022. The 6015 Enterprise Phase I Report, which consisted of a walk-through observation of the accessible areas and interviews with facility personnel and local agency representatives, interviews with relevant personnel, limited observations of surrounding properties, and a records review including regulatory databases and historical use information revealed no evidence of RECs, CRECs, or HRECs, and no further investigation was recommended.

At your request, Sponsor will provide you with a copy of the 6015 Enterprise Phase I Report.

6056 Enterprise Property Environmental Report Summary

The 6056 Enterprise Property has been evaluated for environmental hazards on behalf of the Sponsor pursuant to a non-invasive Phase I Environmental Site Assessment Report, dated April 25, 2022 (the “**6056 Enterprise Phase I Report**”) prepared by Partner, based on a site visit conducted on April 19, 2022. The 6056 Enterprise Phase I Report, which consisted of a walk-through observation of the accessible areas and interviews with facility personnel

and local agency representatives, interviews with relevant personnel, limited observations of surrounding properties, and a records review including regulatory databases and historical use information revealed no evidence of RECs, CRECs, or HRECs, and no further investigation was recommended.

At your request, Sponsor will provide you with a copy of the 6056 Enterprise Phase I Report.

Cornatzer Property Environmental Report Summary

The Cornatzer Property has been evaluated for environmental hazards on behalf of the Sponsor pursuant to a non-invasive Phase I Environmental Site Assessment Report, dated May 26, 2022 (the “**Cornatzer Phase I Report**”) prepared by Partner, based on a site visit conducted on May 23, 2022. The Cornatzer Phase I Report, which consisted of a walk-through observation of the accessible areas and interviews with facility personnel and local agency representatives, interviews with relevant personnel, limited observations of surrounding properties, and a records review including regulatory databases and historical use information revealed no evidence of RECs, CRECs, or HRECs, and no further investigation was recommended. There were the following environmental issues, that do not qualify as a REC, identified during the course of the assessment:

The subject property is reportedly equipped with two septic systems that have historically received effluent from the industrial processes completed at the subject property, which included battery wash water. In addition, textile operations were completed at the subject from 1968 through 2010, which may have included the use of other chemicals which would have been discharged to the septic systems.

A prior subsurface investigation determined that the two septic systems connect to one leach field located on the southern portion of the property. Six borings were advanced in the septic leach field. No volatile organic compounds (“**VOCs**”) were detected in any of the soil samples analyzed. Hexavalent chromium was detected above the Inactive Hazardous Sites Branch (“**IHSB**”) protection of groundwater and industrial health-based preliminary soil remediation goals (“**PSRGs**”) and the North Carolina Underground Storage Tank maximum soil contaminant concentration soil to groundwater standard in one sample collected in the leach field area. That sample was re-analyzed to confirm the hexavalent chromium concentration. Although the sample was reanalyzed out of hold time, the concentration detected was 0.8 mg/kg; well below the associated standards. Minor detections of acetone were detected in the two groundwater samples collected at/near the septic leach field (SB-1 and SB-2), but the detections were well below the North Carolina Administrative Code Title 15A Subchapter 2L Water Quality Standards (2L standards). Oil and grease was not detected in the two groundwater samples collected from the septic leach field.

Based on the scale of investigation, as well as the findings and conclusions of prior investigation activities, the past industrial operations previously discharging to a septic system/leach field does not appear to have adversely impacted the subject property. As such, these elements are not considered to represent a recognized environmental condition.

Due to the age of the subject property building, there is a potential that asbestos containing materials (“**ACMs**”) and/or lead-based paint (“**LBP**”) are present. Readily visible suspect ACMs and painted surfaces were observed in good condition. Should these materials be replaced, the identified suspect ACMs and LBP would need to be sampled to confirm the presence or absence of asbestos prior to any renovation or demolition activities to prevent potential exposure to workers and/or building occupants.

As a result, Partner recommends O&M programs should be implemented in order to safely manage the suspect ACMs and LBP located at the Cornatzer Property.

At your request, Sponsor will provide you with a copy of the Cornatzer Phase I Report.

Governmental Laws and Regulations May Impose Significant Costs. Real property and the operations conducted on real property are subject to federal, state and local laws and regulations relating to protection of the environment and human health. The Properties could be subject to liability in the form of fines, penalties or damages

for noncompliance with these laws or regulations. These laws and regulations generally govern wastewater discharges, air emissions, the operation and removal of underground and above-ground storage tanks, the use, storage, treatment, transportation and disposal of solid and hazardous materials, the presence of toxic building materials, and other health and safety-related concerns. Some of these laws may impose joint and several liability on the tenants, owners or operators of real property for the costs to investigate or remediate contaminated properties, regardless of fault, whether the contamination occurred prior to purchase, or whether the acts causing the contamination were legal.

Construction of Improvements. Under applicable tax rules, if the Operating Trusts were to cause or allow the construction of more than minor, non-structural improvements to the Properties, this activity could require a Transfer Distribution, which may have adverse tax consequences for the Beneficial Owners.

Risk of Mold Contamination. Mold contamination has been linked to a number of health problems, which could result in litigation by tenants seeking various remedies, including damages and the ability to terminate their leases. Recently there have been an increasing number of lawsuits against property owners and managers alleging personal injury and property damage caused by the presence of toxic molds. Some of these lawsuits have resulted in substantial monetary judgments or settlements. Insurance carriers generally exclude mold-related claims from standard policies and price mold endorsements at prohibitively high rates. The assessment of the Properties in connection with the Phase I Environmental Site Assessments included an evaluation of any apparent mold growth (“AMG”). The Tucker Street Phase I Report, which was based on a walk-through observation of the accessible areas and interviews with facility personnel and local agency representatives, interviews with relevant personnel, limited observations of surrounding properties, and a records review including regulatory databases and historical use information, found there to be possible microbial growth in the sprinkler room #2. Partner recommends for this possible growth be addressed through routine maintenance. The Sponsor has determined the nature of the issue and has obtained a “Moisture Management Plan” from Partner dated July 11, 2022. The Sponsor intends to remediate the possible growth through the removal of surface AMG upon acquisition. As such, no further evaluation is recommended. No assurance can be given either that an undetected mold condition does not presently exist at the Properties or that a mold condition will not arise in the future. A mold condition would create the risk of substantial damages, legal fees, and possible loss of tenants.

The Supplemental Trust Reserve May Be Inadequate. The Master Tenants, subject to the express terms of their respective Loan Documents, Master Leases and the Parent Trust Agreement, may have access to a portion of the Parent Trust’s Supplemental Trust Reserve for Landlord Costs and other Property-specific costs and expenses. To the extent that expenses of the Properties increase or unanticipated expenses arise, and the available reserves are insufficient to meet such expenses, the applicable Operating Trust may be forced to use some or all of the Rent payment received from the applicable Master Tenant to pay such obligations of such Operating Trust, or to effect a Transfer Distribution in order to raise the necessary capital through a Springing LLC for such purposes, because the Operating Trust itself is prohibited from raising additional capital. Further, to the extent that the aggregate of the Organization and Offering Expenses, Loan-Related Costs, and Other Closing Costs exceed the amounts projected, then any such shortfall will be funded first from savings in other categories and may be funded next from any other available reserves of such Operating Trust, including as may be available from the Supplemental Trust Reserve. In addition, construction of more than minor, non-structural improvements out of reserves established by the applicable Operating Trust may require such Operating Trust to effectuate a Transfer Distribution, which may have adverse tax consequences for the Beneficial Owners.

Energy Shortages and Allocations. There may be shortages or increased costs of fuel, natural gas or electric power, or allocations thereof, by suppliers or governmental regulatory bodies in the area where the Properties are located. We are unable to predict the extent, if any, to which such shortages, increased prices, or allocations will occur or the degree to which such events might influence the ability of the Properties to meet stated goals. If such shortages occurred or such costs increased, however, they could materially and adversely affect the income derived by the applicable Operating Trust from its respective Property, the value of such Property and the value of the Interests.

Risks Related to Financing of the Properties

Risks of Leverage. The Operating Trusts own their respective Properties subject to the Loan and Lender's rights under the Loan Documents. This use of leverage may increase the return on Purchaser's invested capital. However, the use of leverage also presents an additional element of risk in the event that the cash receipts from the operation of one or more Properties are insufficient to meet the principal and interest payments on such indebtedness. In order to comply with tax requirements for Section 1031 Exchanges, the Operating Trusts are not permitted to obtain new financing and Beneficial Owners are not permitted to make additional capital contributions to the Parent Trust, even if required and used to service the Loan. Thus, if the cash flow from one or more Properties is insufficient to allow the applicable Master Tenant to make the required payments under its respective Master Lease, including payments the Trust requires to service the Loan, the Lender may foreclose on the Properties, and the Beneficial Owners' equity in the Properties may be reduced or lost entirely. A Transfer Distribution may make it possible to delay or avoid a foreclosure (because a Springing LLC is not restricted from refinancing the applicable Property or raising new capital) but may, itself, cause adverse tax consequences for the Beneficial Owners. See "*Federal Income Tax Consequences.*" Moreover, the cost of any refinancing of a Property after a Transfer Distribution, in the form of interest charges and financing fees imposed by lenders or affiliates of the Sponsor might significantly reduce the profits or increase losses resulting from operation of such Property or Purchaser's investment in the Parent Trust.

Although the Trustee can remove the Manager in certain limited circumstances, the Lender require that there be an adequately capitalized successor Manager. This requirement may limit the ability of the Trustee to remove a Manager, since the exercise of such right would give rise to a default under the Loan Documents absent the Lender's consent. The Operating Trusts cannot incur any additional borrowings or refinance the Properties.

Scheduled Debt Payments Could Adversely Affect the Properties' Financial Condition. In the future, the Properties' cash flow could be insufficient to meet required payments under the Loan Documents or to pay cash flow to the Trusts at expected levels. As a result of any shortfall, the Manager may be forced to cause the Parent Trust to postpone capital expenditures necessary for the maintenance of their respective Properties, suspend distributions to Beneficial Owners, or may require a sale or Transfer Distribution. There can be no assurance that the Manager will be able to sell their Properties upon acceptable terms, if at all, or that after a Transfer Distribution, a Springing LLC would be able to raise additional or sufficient capital to avert a Loan default and possible foreclosure of a Property by the Lender. In either case, Beneficial Owners could lose the entire value of their Interests.

Events of Default. Other than a standard non-recourse carve-out guaranty provided by the Guarantor (as defined in the Loan Documents), the Loan is "non-recourse," meaning that the Lender may only seek recovery from the liquidation of its collateral (principally, for each respective Property) for any amounts that remain due under the Loan after a default. However, the Loan Documents contain certain provisions that would allow the Lender to proceed against the applicable Trust to repay amounts due on the Loan, in addition to foreclosing on the Properties and the other collateral for the Loan. Thus, if such events occur, "springing" liability to any Trust may result, including an amount equal, in certain instances, to the full amount of the Loan. The events under the Loan Documents for which the Trusts may have liability beyond the value of the Lender's collateral include, but are not limited to the following:

- failure to pay rents or security deposits owed to Lender upon an Event of Default under the Loan Documents;
- failure to maintain insurance policies required by the Loan Documents;
- failure to apply insurance proceeds as required by the Loan Documents;
- failure to comply with the provisions of the Loan Documents relating to the delivery of books and records, statements, schedules and reports;
- failure to apply rents to the ordinary and necessary expenses of owning or operating the Properties;
- waste or abandonment of the Properties;
- grossly negligent or reckless unintentional material misrepresentation or omission by the Parent Trust, the Master Tenants or the Sponsor in connection with on-going financial or other reporting required by the Loan Documents, or any request for action or consent by the Lender;

- failure of the Master Leases to be subordinate to the lien of any applicable deed of trust or failure of the Master Leases to be terminated if permitted under the Loan Documents and so elected by the Lender in accordance with the Loan Documents;
- failure to effect a Transfer Distribution;
- failure of the Trusts or the Master Tenants to comply with any applicable single-asset entity requirements of the Loan Documents;
- occurrence of a transfer not permitted by the Loan Documents;
- occurrence of certain bankruptcy events;
- fraud, written material misrepresentation or material omission; and
- the Trusts' indemnification obligations under the Loan Documents.

Lender's Approval Rights. The Lender has numerous rights under the Loan Documents, including the right to approve certain changes in ownership and management. Prospective Purchasers are encouraged to review a complete set of each of the Loan Documents prior to subscribing for the Interests.

Restrictions on Transfer and Encumbrance. The terms of the Loan prohibit the transfer or further encumbrance of the Properties or any interest in the Properties except with the Lender's prior written consent, which consent may be withheld, or otherwise permitted under the Loan Documents. The Loan Documents provide that upon violation of these restrictions on transfer or encumbrance, the Lender may declare the entire amount of the Loan, including principal, interest, prepayment premiums and other charges, to be immediately due and payable. If a Lender declares a Loan to be immediately due and payable, the applicable Operating Trust will have the obligation to immediately repay such Loan in full. If the applicable Operating Trust is unable to obtain replacement financing or otherwise fails to immediately repay its Loan in full, the Lender may invoke its remedies under the Loan Documents, including proceeding with a foreclosure sale that is likely to result in the Beneficial Owners losing their entire investment in the applicable Property. Further, since the Operating Trusts are prohibited from borrowing additional funds or from accepting additional capital contributions, the Operating Trust would in such a situation be required to effectuate a Transfer Distribution into a Springing LLC.

Ability to Repay the Loan. The ability of an Operating Trust to repay the Loan will depend in part upon the sale or other disposition of the Properties prior to, at the latest, the maturity date of such Loan. There can be no assurance that any such sale can be accomplished at a time or on such terms and conditions as will permit for the repayment of the outstanding principal amount of the Loan. Without limitation, financial and/or 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 Properties.

In the event that the Trusts are unable to sell the Properties prior to the maturity date of the Loan, the Trusts may be required to effectuate one or more Transfer Distributions in order to allow a Springing LLC to seek to refinance the Loan. However, market conditions and the interest rate environment at that time could cause the cash flow from the applicable Property to fluctuate and could impact capitalization rates, both of which could negatively impact the value of such Property and limit a Springing LLC sale or refinancing options. As such, a Springing LLC may not be able to obtain refinancing on terms as favorable as the Loan and indeed may require additional equity capital infusions to be able to secure any refinancing loan at all. If sufficient funds are not available from a sale, refinancing or additional capital contributions to the resulting Springing LLC, there would be a risk of default under the Loan, and the Properties may be lost through foreclosure. Any such Transfer Distribution or foreclosure may have adverse tax consequences for the Beneficial Owners. See "*Federal Income Tax Consequences.*"

Availability of Financing and Market Conditions. Market fluctuations in real estate financing may affect the availability and cost of funds needed in the future for the Properties. Moreover, credit availability has been restricted in the past and may become restricted again in the future. Restrictions upon the availability of real estate financing or high interest rates for real estate loans could adversely affect the Properties and the ability of the Operating Trusts to sell their respective Properties at a profit or at any price.

Risks Relating to the Operation of the Properties

Insurance; Uninsured Losses. The Master Tenants have each obtained general liability and business interruption insurance for their respective Properties. If a loss occurs that is partially or completely uninsured, the Beneficial Owners may lose all or a part of their investment. The applicable Operating Trust may be liable for any uninsured or underinsured personal injury, death or property damage claims. Liability in such cases may be unlimited. While insurance may help reduce the risk of loss, it increases costs and thus lowers the potential return to the Beneficial Owners.

Regulatory Matters. The value of the Properties may be adversely affected by legislative, regulatory, administrative, and enforcement actions at the local, state and national levels in the area, among others, of environmental controls. In addition to possible increasingly restrictive zoning regulations and related land use controls, such restrictions may relate to air and water quality standards, noise pollution and indirect environmental impacts such as increased motor vehicle activity. See also above, “*Public Health Risk May Affect Performance.*”

Reliance on Management. Under the Trust Agreements, the Manager has the right to make administrative decisions on behalf of the Trusts. Also, the Manager has the sole discretion to determine when to sell the Properties and on what terms. The Manager has other extensive powers and authority, some of which are limited by the express terms of the Trust Agreements. In the event of a Transfer Distribution, however, the Manager or its affiliate, as the manager of a Springing LLC, would be granted expanded powers and the right to receive additional compensation. Accordingly, no Purchaser should purchase Interests unless such Purchaser recognizes that the Trusts are limited in its ability to manage the Properties and such Purchaser is willing to entrust such limited management of the Properties and the power to sell the Properties to the Trustee and the Manager, and after a Transfer Distribution the Purchaser is willing to entrust all aspects of the management of a Springing LLC to the Manager as its manager. See “*The Manager*” and “*Summary of the Trust Agreements – Termination of the Trust to Protect the Properties; Transfer Distribution.*” Furthermore, under the Trust Agreements, the Trustee has the power and authority to remove the Manager for cause (fraud or gross negligence causing material damage to, or diminution in value of, the Properties), but only if the Lender consents (to the extent there is an outstanding Loan).

Conflicts. The Manager and its affiliates are subject to conflicts of interest between their activities, roles and duties for other entities and the activities, roles and duties they have assumed on behalf of the Trusts. Conflicts exist in allocating management time, services and functions between their current and future activities and the Trusts. None of the arrangements or agreements described, including those relating to the purchase price of the Properties or compensation, is the result of arm’s-length negotiations. See “*Conflicts of Interest.*”

Dependence on Employees of Bluerock Residential Growth REIT, Inc. The Manager and Property Manager depend on the contributions of certain employees (“**BR Employees**”) of Bluerock Residential Growth REIT, Inc. (NYSE: BRG) (“**BR REIT**”). The BR Employees have entered into employment agreements with BR REIT which permit them to devote time to fulfill duties to Bluerock and its affiliates, so long as those duties and activities do not unreasonably interfere with the performance of their duties to BR REIT. Although the BR Employees believe that they will have sufficient time to discharge fully their responsibilities to the Trust and Beneficial Owners and to other business activities in which they are or may become involved, it is possible that such BR Employees will not be able to dedicate sufficient time and attention to Bluerock and its programs because of their contractual and fiduciary responsibilities to BR REIT and its affiliates. If the BR Employees were not able to dedicate sufficient time and attention to the business of the Sponsor, including the syndication and operation of the Trust, the performance of the Trust could be adversely affected, and Purchasers could experience losses in their investment in the Interests.

No Substantial Assets of the Manager, Master Tenant or Property Manager. Neither the Manager, the Master Tenants nor the Property Manager have substantial assets. Thus, there is no assurance that the Manager, the Master Tenants or the Property Manager will have the financial resources to satisfy their respective obligations under the Trust Agreements, the Master Leases or the Property Management Agreements. In addition, neither the Sponsor, the Manager nor the Master Tenants are obligated to invest or provide additional capital on behalf of the Trusts, the Beneficial Owners or the Properties. The Operating Partnership has agreed to initially capitalize the Master Tenants

with the Demand Notes. This Memorandum does not contain financial statements for the Sponsor, the Manager, the Master Tenants, the Property Manager, any potential sub-manager, Bluerock, or the Operating Partnership.

Compensation and Fees. The Sponsor and certain of its affiliates will receive certain compensation from the Trusts for services rendered regardless of whether any sums are distributed to the Beneficial Owners. See “*Compensation and Fees.*”

Offering Risks

No Market for Interests. The transfer of Interests will be subject to certain limitations. See “*Summary of the Trust Agreements – Transfer Rights; Rights of First Refusal.*” Moreover, it is not anticipated that any public market for Interests will develop, and the transfer of Interests may result in adverse tax consequences for the transferor. See “*Federal Income Tax Consequences.*” Consequently, Purchasers of Interests may not be able to liquidate their investments in the event of emergency or for any other reason. Moreover, Purchasers are specifically notified that Interests are not likely to be readily accepted as collateral for outside financing. Any purchase of Interests, therefore, should be considered only as a long-term investment.

Purchase Price of Interests. The purchase price of the Interests is based on the purchase price of the Properties, and includes Organization and Offering Expenses, Sales Commissions, Marketing/Due Diligence Expense Allowances, Managing Broker-Dealer Fee, Loan-Related Costs, Other Closing Costs, the Sponsor’s Acquisition Fee and the Supplemental Trust Reserve. If the Trusts are unable to sell the Properties at a price which would net (after repayment of the Loan and other applicable expenses) at least the aggregate of the purchase price paid for the Interests, the Purchasers would suffer a loss on their investment.

Risk that Purchaser Will Not Acquire Interest. After identifying the Properties, a prospective Purchaser may not be accepted, or may be rejected as an investor for any reason or for no reason at all and such Purchaser may therefore lose the benefit of a Section 1031 Exchange. It is suggested and anticipated that Purchasers will attempt to mitigate these risks by identifying multiple properties in connection with their Section 1031 Exchange.

Impact of Leverage on Section 1031 Exchange. The Properties are subject to financing in the form of the Loan. Code Section 1031 generally requires taxpayers to offset debt on their relinquished property with equal or greater debt on their replacement property (or additional cash from another source). Purchasers who are exchanging relinquished property with a larger amount of debt than the proportionate amount of the Loan they are deemed to have assumed for tax purposes in connection with the acquisition of an Interest may recognize taxable gain (although additional cash from another source may offset the reduction in debt). Each Purchaser will have its own unique debt and other Section 1031 Exchange issues. Therefore, each Purchaser must seek the advice of its own independent tax advisor as to qualification for tax deferral under Code Section 1031 and the Treasury Regulations promulgated thereunder, including the debt replacement rules.

Timing of Sale of the Properties. Beneficial Owners should not expect a sale of the Properties within any specified period of time. Although the Trust Agreements allow the Manager to sell the Properties at any time that, in the Manager’s discretion, a sale is appropriate, it is currently anticipated that the Operating Trusts will hold the Properties for at least two years. The decision to sell the Properties will be made at the sole discretion of the Manager, subject to the FMV Option, and the Beneficial Owners will not have any right to participate in the decision to sell the Properties.

Operation as a Limited Liability Company After a Transfer Distribution. If a Transfer Distribution occurs and one or more Properties are transferred to a Springing LLC, the manager of the Springing LLC will have exclusive discretion in the management and control of the business and affairs of the Springing LLC. A copy of the limited liability agreement of a Springing LLC is attached to the Trust Agreements as an exhibit. The Beneficial Owners will become members of the Springing LLC, but they will not have the right to take part in its management or control its business or affairs, and are permitted to vote only in a limited number of circumstances and can remove the manager of a Springing LLC only for cause. The Manager has the right to sell the Properties at any time that, in the Manager’s discretion, a sale is appropriate. Such sale could occur at a time that would be adverse to the interests

of any given member either from a financial or tax standpoint. The manager of a Springing LLC, if it is a holder of membership interests in a Springing LLC, may have conflicts of interest with respect to a Springing LLC and the members. The manager of a Springing LLC is entitled to certain limitations of liability and to indemnity by the Springing LLC against liabilities not attributable to its fraud or gross negligence. Such indemnity and limitation of liability may limit rights that members would otherwise have to seek redress against the manager of a Springing LLC. See “*Summary of Certain Provisions of “Springing LLC” Limited Liability Company Operating Agreement.*”

An affiliate of the Manager is expected to serve as the manager of any Springing LLC and would be a newly-formed entity with limited financial resources. It would have no obligation to invest in or otherwise provide capital to a Springing LLC. Thus, a Springing LLC may not be able to satisfy its financial obligations, which could negatively impact the Beneficial Owners who, upon the occurrence of a Transfer Distribution, would become members of a Springing LLC. A member may become liable to a Springing LLC and to its creditors for and to the extent of any distribution made to such member if, after giving effect to such distribution, the remaining assets of a Springing LLC are not sufficient to pay its outstanding liabilities (other than liabilities to the members on account of their membership interests in a Springing LLC). It is not expected that there will be any market for membership interests in a Springing LLC. Thus, members may not be able to liquidate their investments in the event of an emergency or for any other reason.

No Minimum Offering Contingency. There is no minimum amount of Offering proceeds that must be raised or minimum number of Purchasers required in connection with this Offering. Accordingly, if the Sponsor is unable to sell all of the Interests, the Depositor will retain Parent Class 2 Beneficial Interests. The ownership of beneficial interests in the Parent Trust by the Depositor, an affiliate of the Sponsor, involves certain risks that potential Purchasers should consider, including, but not limited to, the fact that there may be conflicts of interest between the objectives of the Purchasers and that of the Sponsor, or, if the Offering is not fully subscribed, that a significant amount of the Parent Trust’s beneficial interests will not have been acquired by disinterested Purchasers after an assessment of the merits of the Offering.

Risks Related to the FMV Option and Ownership of OP Units and/or the BGR Common Stock.

FMV Option May Not Be Exercised. The Operating Partnership may choose not to exercise the FMV Option. The Beneficial Owners have no control over this decision or the timing of the Operating Partnership’s election to exercise the FMV Option. Thus, each Purchaser must acquire an Interest with the understanding that it will be held for investment purposes, and the Beneficial Owner may not ultimately receive OP Units or cash (if any) from the Operating Partnership in exchange for the Interest. It is more likely that the FMV Option will be exercised if the Properties held by the Trust are performing well. If the Properties are not performing well or require substantial infusions of additional capital, it is less likely that the FMV Option will be exercised.

The Interests are subject to the FMV Option. The Interests will be subject to the FMV Option, which is exercisable in the Operating Partnership’s sole discretion. The Operating Partnership will be acting in its own best interests when making any decision to exercise the FMV Option. Your investment risks will change if you hold OP Units. 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 Properties or an Interest. The FMV Option is exercisable at the FMV Option Appraised 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. See “*Conflicts of Interest.*”

The OP Units will not be appraised in connection with the exercise of the FMV Option. Upon exercise of the FMV Option, the number of OP Units a Beneficial Owner will receive will be based on Exchange Consideration, which, in turn, is determined by reference to the FMV Option Appraised Value of the Property. The FMV Option Appraised Value of the Property shall be determined by an independent appraisal firm selected by the Manager in its sole discretion. Such appraisal must be completed within one year prior to the date the FMV Option is exercised. No discounts for lack of liquidity or minority interests shall be considered in determining the FMV Option Appraised Value of the Property or the Exchange Consideration. A Beneficial Owner has no right to require an appraisal of the fair market value of the OP Units. As a result, the actual fair market value the OP Units received by the Beneficial

Owner may vary and be lower than such Beneficial Owner's pro rata portion of the FMV Option Appraised Value of the Property. The Common Stock is not currently listed on any exchange.

If listed on a national exchange, the trading price of the Common Stock would be subject to volatility.

To the extent a Beneficial Owner received Common Stock as a result of redeeming OP Units received in connection with the exercise of the Operating Partnership of the FMV Option, such Common Stock, to the extent listed on a national exchange would be subject to volatility. The trading price of publicly traded stock is subject to volatility as a result of a number of factors, including factors unrelated to the issuer of such stock, including macroeconomic conditions, global events and investor sentiment. Volatility in the trading price of the Common Stock, could result in the value a Beneficial Owner can obtain in the sale of such Common Stock being significantly less than the Exchange Consideration.

Holders of OP Units are subject to similar risks, fees, and expenses as holders of Common Stock, without the same voting rights. Your Interest is subject to the FMV Option. As such you could be required to sell your Interest in return for OP Units. The Operating Partnership is the entity through which BIGR conducts substantially all of its business and owns substantially all of its assets. The OP Units are structured to be economically equivalent to the corresponding class of Common Stock, subject to certain restrictions, may be exchanged for shares of Common Stock as described in "*The FMV Option and the OP Units—Rights and Obligations of OP Unitholders.*" Therefore, because you may acquire OP Units or Common Stock, your investment is subject to the risks associated with an investment in the Common Stock. Please review the section titled "*Risk Factors*" in the BIGR Memorandum for a description of the risks associated with an investment in Common Stock.

All BIGR expenses are borne by BIGR's common stockholders and the Operating Partnership's partners *pro rata*. Therefore, as an owner of OP Units or Common Stock, you will bear a proportionate share of these expenses. Despite some similarities between the Common Stock and the OP Units, they differ with respect to voting rights. Holders of OP Units have very limited voting rights with respect to the Operating Partnership and no voting rights with respect to the election of the directors of BIGR or any other matters regarding BIGR, which is the general partner of the Operating Partnership.

A Liquidity Event may affect the type of consideration you receive upon the exercise of the FMV Option. If a Liquidity Event occurs prior to the exercise of the FMV Option, the successor or assignee of the rights of the Operating Partnership under the FMV Option will have the right to exercise the FMV Option. As such it is possible that you would receive consideration which is not in the form of OP Units or cash upon the exercise of the FMV Option. In such a case there can be no guaranty as to the type, liquidity or tax attributes of the consideration issued to the Beneficial Owners upon the exercise of the FMV Option.

Value received upon exercise of the FMV Option may not reflect value of the Property. The Operating Partnership may exercise the FMV Option at the Exchange FMV. This value will be determined based on the FMV Option Appraised Value of the Property. If the value of the rentals at the Property are increasing relative to the Master Lease rent payments, the presence of the Master Lease may cause the Property to be worth less than would be the case if the Property were sold not subject to the Master Lease. This will reduce the number of OP Units a Purchaser receives in exchange for their Interests.

Tax Risks

General. There are substantial risks associated with the federal income tax aspects of a purchase of an Interest, especially if the purchase is part of an exchange designed to qualify as a Section 1031 Exchange. The following paragraphs summarize some of these tax risks to a Purchaser with respect to the purchase of an Interest. A further discussion of the tax aspects (including other tax risks) of a purchase of an Interest is set forth under “*Federal Income Tax Consequences.*” **Because the tax aspects of this Offering are complex and certain of the tax consequences may differ depending on individual tax circumstances, each prospective Purchaser is strongly encouraged to and should consult with and rely on its own tax advisor about this Offering’s tax aspects in light of such Purchaser’s individual situation. No representation or warranty of any kind is made with respect to the IRS’ acceptance of the treatment of any item of income, deduction, gain, loss, credit or any other item by a Purchaser and there can be no assurance that the IRS will not challenge any such treatment.**

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

Acquisition of the Interests May Not Qualify as a Section 1031 Exchange. An Interest may not qualify under Code Section 1031 for tax-deferred exchange treatment, and even if it does a portion of the proceeds from a Purchaser’s sale of his or her real property to be relinquished (the “**Relinquished Property**”) could constitute taxable “boot” (defined below). Whether any particular acquisition of an Interest will qualify as a tax-deferred exchange under Code Section 1031 depends on the specific facts involved, including, without limitation, the nature and use of the Relinquished Property and the method of its disposition, the use of a qualified intermediary and a qualified exchange escrow and the lapse of time between the sale of the Relinquished Property and the identification and acquisition of the replacement property (the “**Replacement Property**” or “**Replacement Properties**”). Neither the Sponsor nor its affiliates, counsel or agents are examining or analyzing any prospective Purchaser’s circumstances to determine whether such Purchaser’s acquisition of Replacement Property qualifies as a Section 1031 Exchange. **Moreover, no opinion or assurance is being provided to the effect that any individual prospective Purchaser’s transaction will qualify under Code Section 1031. Such examinations or analyses are the sole responsibility of each prospective Purchaser, who must consult with his or her own legal, tax, accounting and financial advisors before purchasing an Interest.** If the factors surrounding a prospective Purchaser’s disposition of the Relinquished Property and his or her acquisition of the Interests do not meet the requirements of Code 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. Also, merely designating an Interest in connection with a Purchaser’s Section 1031 Exchange does not assure the Purchaser that there will be Interests available to purchase when the Purchaser executes the Purchase Agreement and actually causes his, her, or its qualified intermediary to transfer funds to complete the purchase of the Interests.

IRS could challenge purchase of Interest followed by possible exercise of the FMV Option under step transaction principles. The acquisition of an Interest and a subsequent exchange of such Interest for OP Units pursuant to the FMV Option (if such option were to be exercised by the Operating Partnership), may be challenged by the IRS under “step transaction” principles on the basis that they should be treated as a single transaction, whereby a Beneficial Owner should be treated for federal income tax purposes as having simply purchased OP Units (or Common Stock) and as not ever having held an undivided interest in the Properties held by the Trusts. The receipt of an interest in the Operating Partnership (or Common Stock) would not qualify as “replacement property” for a Section 1031 Exchange. In addition, the IRS could also conceivably assert that given the FMV Option, a Beneficial Owner should be treated as purchasing its Interest for resale, rather than to hold for investment purposes, and thereby disqualifying the Interest as potential “replacement property” for a Section 1031 Exchange on that basis as well. Tax Counsel will issue an opinion that the “step transaction” doctrine should not apply to disregard a Beneficial Owner’s purchase (and subsequent holding) of an Interest notwithstanding the existence of the FMV Option. This opinion is based in part on the factors which may influence the exercise of the FMV Option, and that there is a possibility that

the FMV Option would not be exercised. In addition, the FMV Option would first become exercisable after two years following the final closing of the sale of Interests in the Trust pursuant to the Offering.

Form of Ownership. 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 Code Section 1031 are satisfied, a taxpayer's exchange of real property for an Interest in the DST described in the ruling satisfies the requirements of Code Section 1031. The IRS based its holding on the following conclusions: (1) the DST is treated as an entity separate from its owners (and not as a co-ownership or agency arrangement); (2) the DST is an "investment" trust and not a "business entity" for federal income tax purposes; (3) the DST is a "grantor trust" for federal income tax purposes, with the holders of Interests in the DST treated as the grantors of the DST; and (4) the holders of Interests in the DST are treated as directly owning Interests in real property held by the DST. There are no authorities that directly address the tax treatment of the Trusts other than Rev. Rul. 2004-86. It is possible that the IRS could revoke Rev. Rul. 2004-86 or, in the alternative, determine that the Trusts do not comply with the requirements of that ruling or the underlying authorities. A determination that the Trusts are not taxable as trusts (within the meaning of Treasury Regulation Section 301.7701-4) likely would have a significant adverse impact on the Beneficial Owners. Because the holding of Revenue Ruling 2004-86 is based on certain factual assumptions regarding the DST, not all of which apply to the Parent Trust, and because there are provisions in the Trust Agreement which are not mentioned in the limited facts laid out in the ruling, there can be no guarantee that the Interests will satisfy the requirements of Code Section 1031.

Classification for Purposes of Code Section 1031; No Ruling. We believe the Offering described in this Memorandum is structured in a manner that the Interests should be treated for federal income tax purposes as direct ownership interests in real estate and not as interests in a partnership. If the Interests were to be treated by the IRS or a court as interests in a partnership, then no Purchaser would be able to use its acquisition of Interests as part of a Section 1031 Exchange to defer gain under Code Section 1031. The IRS may challenge the tax treatment related to the Interests as described in this Memorandum.

We have obtained an opinion from Tax Counsel in connection with the Offering that: (i) the Parent Trust and the Operating Trusts should be treated as investment trusts described in Treasury Regulation Section 301.7701-4(c) that are classified as "trusts" under Treasury Regulation Section 301.7701-4(a), (ii) the Beneficial Owners should be treated as "grantors" of the Parent Trust and the Operating Trusts, (iii) as "grantors" of the Trusts the Beneficial Owners should be treated as owning an undivided fractional interest in the Properties for federal income tax purposes, (iv) the Interests should not be treated as securities for purposes of Code Section 1031, (v) the Interests should not be treated as certificates of trust or beneficial interests for purposes of Code Section 1031, (vi) the Master Leases should be treated as true leases and not financings for federal income tax purposes, (vii) the Master Leases should be treated as true leases and not deemed partnerships for federal income tax purposes, (viii) the discussions of the federal income tax consequences contained in the Memorandum are correct in all material respects, and (ix) certain judicially created doctrines should not apply to change the foregoing conclusions. The issues which are the subject of such opinion have not been definitely resolved by statutory, administrative or case law. This opinion is based on the facts and circumstances set forth in the opinion and is not a guarantee of the current status of the law, and, as such, it should not be treated as a guarantee that the IRS or a court would concur with the conclusion in the opinion. If any of such facts or circumstances were to change, the tax consequences to Purchasers described in the opinion and in this Memorandum could change. See "*Federal Income Tax Consequences.*"

Identification. Treasury Regulation Section 1.1031(k)-1(c)(4) permits taxpayers to identify alternative and multiple replacement properties under Code Section 1031. All properties acquired within 45 days of the sale of the relinquished property are deemed to have been properly identified. In addition, taxpayers are permitted to identify three properties without regard to the fair market value of the properties (the so-called "three property rule") or multiple properties with a total fair market value not in excess of 200% of the value of the relinquished property (the "200% rule"). In the event that the IRS successfully challenges the valuation of a replacement property under the 200% rule, and as a result the replacement properties identified by the taxpayer exceed 200% of the value of the taxpayer's relinquished property, the taxpayer's identification may be treated as invalid, which may invalidate the taxpayer's like-kind exchange under Code Section 1031. A taxpayer also may identify any number of properties if it acquires at least 95% of the identified properties (the "95% rule"). The identification rules of Code Section 1031 are strictly construed, and a Purchaser's exchange will not qualify for deferral of gain under Code Section 1031 if too

many properties are identified or if the deadlines for identification are not met. Prospective Purchasers will have to rely on the 200% rule or 95% rule with respect to the Offering and should seek the advice of their tax advisors prior to subscribing for the Interests or making an identification.

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

The identification rules of Code Section 1031 are strictly construed, and a Purchaser’s exchange will not qualify for deferral of gain under Code Section 1031 if too many properties or properties having too much value (including by reason of not excluding the effect of the Loan for “fair market value” purposes) are identified, if the properties are not correctly identified, or if the deadlines for identification are not met. Prospective Purchasers will have to rely on the 200% rule or 95% rule with respect to the Offering and should seek the advice of their tax advisors prior to subscribing for the Interests or making an identification.

Funds From a Section 1031 Exchange May Not Be Used for Certain Costs Associated with the Properties; Possible Adverse Tax Treatment for Closing Costs and Reserves. Each Purchaser of an Interest will be obligated to pay its pro rata share of closing costs, financing expenses, reserves and other costs of the Offering. A portion of the proceeds of the Offering will be used to pay each Purchaser’s *pro rata* share of such costs. In addition, a portion of the proceeds of the Offering may be treated as having been used to purchase an interest in reserves established by the Sponsor rather than for real estate. Under certain conditions, these costs, as well as reserves relating to the Properties, may not constitute property that is like-kind to real estate for purposes of Code Section 1031. In particular, a portion of the Offering proceeds will be used to fund the Supplemental Trust Reserve. You may elect to pay these costs with personal funds separate from your Section 1031 Exchange funds. Because the tax treatment of certain expenses of the Offering, closing costs, financing costs or reserves is unclear and may vary depending upon the circumstances, no advice or opinion of Tax Counsel will be given regarding the tax treatment of such costs and the treatment of proceeds attributable to the reserves, which may be taxable to those Purchasers who purchase their Interests as part of a Section 1031 Exchange. Therefore, each prospective Purchaser should seek the advice of a qualified tax advisor as to the proper treatment of such items.

The Use of Certain Exchange Proceeds May Result in Taxable “Boot.” Any personal property that may be part of the Properties, amounts used to establish reserves and impositions or other items that are not attributable to the purchase of real estate will not be treated as an interest in real estate and may be treated as “boot.” It is possible that such amounts, if sufficient additional funds are borrowed by the Purchasers in excess of the indebtedness of a Purchaser’s prior investment, will not be treated as boot. It is also possible that reserves will be treated as cash boot. In addition, the IRS could take the position that the increase in the purchase price of the Properties paid by the Purchasers would not be considered as an interest in real estate and may be treated as “boot.” In addition, to the extent that the portion of the debt acquired with the purchase of an Interest is less than the Purchaser’s debt on the Relinquished Property, such difference will constitute “boot” and may be taxable depending on the Purchaser’s basis in the Relinquished Property. In the event any item is determined to be “boot,” the taxpayer will have current income for any such “boot” up to the amount of gain on the exchange of the real property. No opinion is being provided by the Parent Trust, the Manager, the Sponsor or their affiliates or counsel with respect to the amount of “boot” in the transaction. Prospective Purchasers must consult their own independent tax advisor regarding these items.

Potential Significant Tax Costs If Interests Were Deemed to Be Interests in a Partnership. If Purchasers are treated for federal income tax purposes as having purchased interests in a partnership, the Purchasers who purchased their Interests as part of a Section 1031 Exchange would not qualify for deferral of gain under Code Section 1031, and each Purchaser who had relied on deferral of such Purchaser’s gain from a disposition of other interests in real property would immediately recognize such gain and be subject to federal income tax thereon. Additionally, since such determination would of necessity come after such Purchaser had purchased his Interest, such Purchaser may have no cash from the disposition of its original interest in real property with which to pay the tax. Given the illiquid and

long-term nature of an investment in the Interests, there would be no practical means of generating cash from an investment in the Interests to pay the tax. In such circumstances, a Purchaser will have to use funds from other sources to satisfy this tax liability.

Deferral of Tax Under State Law. Some states adopt Code Section 1031 in whole, other states adopt it in part and still other states impose their own requirements to qualify for deferral of gain under state law. In addition, while many states follow federal tax law by treating the owner of an interest in a fixed investment trust as owning an interest in the assets held by the Parent Trust, other state laws may differ and could result in the imposition of income or other taxes on such entities. Therefore, each Purchaser must consult his own tax advisor as to the qualification of a transaction for deferral of gain under state law. See “*Federal Income Tax Consequences.*”

Transfer Distribution to a Springing LLC. If a Transfer Distribution occurs, the applicable Property will be transferred from the applicable Operating Trust to a Springing LLC and the membership interests in a Springing LLC will be proportionally distributed to the Beneficial Owners. It is anticipated that the Manager or its affiliate will serve as the manager of a Springing LLC. A Springing LLC will be treated as a partnership for federal income tax purposes. A Transfer Distribution may occur under the circumstances set forth in the Trust Agreements without regard to the tax consequences that arise as a result of the transaction. Under current law, such a transfer should not be subject to federal income tax pursuant to Code Section 721. The transfer could be subject, however, to state or local income, transfer or other taxes. In addition, there can be no assurances that such transfer will not be taxable under the federal income or other tax laws in effect at the time the transfer occurs. Because a Transfer Distribution could occur in several situations, it is not possible to determine all of the tax consequences to the Beneficial Owners in the event of a Transfer Distribution. **Prospective Purchasers should consult their own tax advisors regarding the tax consequences of a Transfer Distribution and the effect of the Properties being held by a Springing LLC rather than an Operating Trust.**

Deferral of Tax Upon Sale of Springing LLC Membership Interests. Unlike Interests in the Parent Trust, membership interests in a Springing LLC will not be treated as direct ownership interests in real property for federal income tax purposes (including for purposes of a Section 1031 Exchange). **Thus, if an Operating Trust transfers its Property to a Springing LLC in a Transfer Distribution, it is unlikely that any of the Beneficial Owners who receive membership interests in a Springing LLC will thereafter be able to defer the recognition of gain under Code Section 1031 upon a subsequent disposition of the applicable Property or their membership interests in a Springing LLC.**

Delayed Closing; Inability to Close. Prospective Purchasers who are completing a Section 1031 Exchange should be aware that closing on their Replacement Property must occur before “the earlier of (i) the day which is 180 days after the date on which the taxpayer transferred the property relinquished in the exchange, or (ii) the due date (determined with regard to extension) for the transferor’s return for the taxable year in which the transfer of the Relinquished Property occurs.” See Code Section 1031(a)(3)(B). No extensions will be granted or other relief afforded by the IRS to taxpayers who do not satisfy this requirement. Therefore, a delayed closing on the acquisition of an Interest could adversely affect the qualification of an exchange under Code Section 1031. Prospective Purchasers are strongly encouraged to “identify” the maximum number of alternative Replacement Properties and not to identify only the Properties in this Offering.

Compliance with Revenue Ruling 2004-86. Tax Counsel believes that the powers and authority granted to the Trustee, Manager, Beneficial Owners, and the Trusts in the Trust Agreements fall within the limited scope of the powers and authority that may be exercised by a trustee of an “investment trust.” The Trust Agreements authorize the Operating Trusts to own the Properties, receive distributions from the Properties, and make distributions thereof, enter into any agreements with qualified intermediaries for purposes of a Beneficial Owner’s acquisition of an Interest pursuant to Code Section 1031, and notify the relevant parties of any defaults under the transaction documents. Additionally, the Trust Agreements expressly deny the Manager any power or authority to take actions that would cause the Trusts to cease to constitute an investment trust within the meaning of Treasury Regulation Section 301.7701-4(c). Furthermore, the Trust Agreements expressly prohibits the Trustee, Manager, Beneficial Owners and the Trusts from exercising any of the enumerated powers that are prohibited under Revenue Ruling 2004-86.

The Trusts have been structured with a view to the trust addressed in Rev. Rul. 2004-86. However, distinctions exist between the Trust Agreements and other related arrangements and the trust and other related arrangements described in Revenue Ruling 2004-86. Tax Counsel believes these distinctions are not material. If, however, the IRS or a court were to disagree with the opinion of Tax Counsel, the Interests may be treated for federal income tax purposes as interests in a partnership and not as interests in real estate, and Purchasers would not be able to use their acquisition of Interests as part of a Section 1031 Exchange to defer gain under Code Section 1031. For a complete discussion of the Trusts in comparison to the arrangement described in Revenue Ruling 2004-86, please see the attached opinion of Tax Counsel.

Status as True Leases for Federal Income Tax Purposes. Transactions structured as leases may be recharacterized for federal income tax purposes to reflect their economic substance. For example, in appropriate circumstances a purported lease of property may be recharacterized as a sale of the property providing for deferred payments. Such a recharacterization in this context would have significant (and adverse) tax consequences. For example, if one or more Master Leases were to be recharacterized as a sale of the applicable Property, then a Purchaser would be unable to treat the acquired Interest as qualified “replacement property” in a Section 1031 Exchange in that the Interest would constitute an interest in real property that the Purchaser would not hold for investment. That is, the Purchaser would be treated as having immediately sold the acquired interest in the applicable Property to the applicable Master Tenant with the applicable Master Tenant being treated as purchasing the applicable Property (and all of the interests therein) from the Purchasers in exchange for an installment note for federal income tax purposes. As a result, Purchasers attempting to participate in Section 1031 Exchanges would not be treated as having received qualified replacement property when they acquired their Interest because the Purchaser would be treated as having made a loan to the applicable Master Tenant. As the owner of the respective Properties for federal income tax purposes, each Master Tenant would be entitled to claim any depreciation deductions. To the extent that payments of “rent” were recharacterized as payments of interest and principal, the payment of principal would not be treated as the receipt of taxable income by the Purchasers and would not be deductible by the respective Master Tenant, as applicable. All of these consequences could have a significant impact on the tax consequences of an investment in an Interest.

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

Tax Penalties. The Tax Opinion was written to support the promotion or marketing of this transaction, and each Purchaser should seek advice based on the Purchaser’s particular circumstances from an independent tax advisor. Any discussion of the tax consequences of an investment in the Parent Trust is not intended or written by the Sponsor or its counsel to be used, and cannot be used, by any person for the purpose of avoiding tax penalties that may be imposed under the Code.

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

Limitation on Losses Under the At-Risk Rules. A Purchaser that is an individual or closely held corporation will be unable to deduct losses from the Parent Trust, if any, to the extent such losses exceed the amount such Purchaser is “at risk.” Losses not allowed under the at-risk provisions may be carried forward to subsequent taxable years and used when the amount at risk increases. The rules regarding the applicability of the at risk rules to a particular Purchaser are complex and vary with the facts and circumstances particular to each Purchaser. Prospective Purchasers should consult their tax advisors with respect to the tax consequences to them of the rules described herein. See “*Federal Income Tax Consequences.*”

Limitation on Excess Business Losses. Under the recent Tax Cuts and Jobs Act of 2017 (the “TCJA”), excess business losses of a taxpayer other than a corporation are not allowed for the taxable year. Such losses are carried forward and treated as part of the taxpayer’s net operating loss carryforward in subsequent taxable years. An excess business loss for the taxable year is the excess of aggregate deductions of the taxpayer attributable to trades or businesses of the taxpayer over the sum of aggregate gross income or gain of the taxpayer plus a threshold amount. The threshold amount, which is indexed for inflation, was \$250,000 (or twice the applicable threshold amount in the case of a joint return) for 2018. The provision applies after the application of the passive loss rules, and applies at the partner or shareholder level in the case of a partnership or S corporation. See “*Federal Income Tax Consequences.*”

Limitation on Business Interest Deductions. Under the TCJA, Code section 163(j) provides interest deductions for taxpayers with average annual gross receipts in excess of \$25 million. Such deductions are generally deferred to the extent that annual business interest expense exceeds business interest income plus 30% of taxable income (“ATI”), subject to certain adjustments. On January 5, 2021, the Treasury and the IRS issued new final regulations under Code Section 163(j) (the “**2021 Final 163(j) Regulations**”) and, in relevant part, clarified how taxpayers determine their ATI. Taxpayers generally determine their ATI by starting with “tentative taxable income” and applying additions and subtractions as specified in the existing Treasury Regulations consistent with the statute. The 2021 Final 163(j) Regulations provide taxpayers the option of an alternative method in determining such subtraction where it may be computed as the lesser of: (i) any gain recognized on the sale or disposition of such property, or (2) any depreciation, depletion and amortization with respect to such property. The 2021 Final 163(j) Regulations are complex and their application varies with the facts and circumstances particular to each Investor. Thus, each prospective Purchaser should consult with his, her, or its tax advisor concerning as to the application of the 2021 Final 163(j) Regulations to an investment in an Interest.

A real estate trade or business, however, may elect out of the deferral regime, in which case the business must depreciate certain types of real property by the straight-line method over slightly longer recovery periods under the alternative depreciation system (the “ADS”) (i.e., 40 years for nonresidential property, 30 years for residential rental property, and 20 years for qualified interior improvements). While Beneficial Owners may be eligible to make this election, there is considerable uncertainty as to the application of the new rules, which may depend in part upon a Beneficial Owner’s specific circumstances. Investors should consult their own tax advisors as to the applicability of the new rules to them and as to their ability to make such election.

Beneficial Owners should consult their own tax advisors as to the applicability of the new rules to them and as to their ability to make such election. See “*Federal Income Tax Consequences.*”

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Beneficial Owners should consult their own tax advisors as to the applicability of the new rules to them and as to their ability to make such election. See “*Federal Income Tax Consequences.*”

Foreclosure/Cancellation of Debt Income. In the event of a foreclosure of a mortgage or deed of trust on a Property, a Purchaser would realize gain, if any, in an amount equal to the excess of the Purchaser’s share of the outstanding mortgage over its adjusted tax basis in such Property, even though the Purchaser might realize an economic loss upon such a foreclosure. In addition, the Purchaser could be required to pay income taxes with respect to such gain even though the Purchaser may receive no cash distributions as a result of such foreclosure.

If Property debt were to be cancelled without an accompanying foreclosure of a Property, then a Purchaser could have to recognize cancellation of debt income (subject to the applicability of one or more of the cancellation of debt exclusions, in which event such exclusion(s) might constitute only a “deferral” of such income effectuated by the Purchaser’s reduction of tax attributes – including tax basis), which would be taxed as ordinary income, for federal income tax purposes. Also, the Purchaser would not be able to offset any such cancellation of debt income with any loss recognized by a Purchaser that would constitute a capital loss for federal income tax purposes (including any loss recognized by a Purchaser from the sale of his Interest in the likely event that the Interest could not be considered Section 1231 Real Property, defined below).

No Decision Rights Regarding Sale Requirements for the Properties. The Purchasers will not have any vote or decision-making authority with respect to the sale of the Properties. If the Manager determines, in its sole discretion, that the sale of a Property is reasonable, then the applicable Operating Trust may sell it. This sale will occur without regard to the tax position, preferences or desires of any of the Purchasers, and the Purchasers will have no right to approve (or disapprove) of the sale of such Property. A Purchaser may or may not be able to defer the recognition of gain for federal, state or local income tax purposes when this sale occurs.

Tax Liability in Excess of Cash Distributions. It is possible that a Purchaser’s tax liability resulting from its Interest will exceed its share of cash distributions from the Parent Trust. This may occur because cash flow from the Properties may be used to fund nondeductible operating or capital expenses of the Properties. Thus, there may be years in which a Purchaser’s tax liability exceeds its share of cash distributions from the Parent Trust. The same tax consequences may result from a sale or transfer of an Interest, whether voluntary or involuntary, that gives rise to ordinary income or capital gain. If any of these circumstances occur, a Purchaser would have to use funds from other sources to satisfy its tax liability. See “*Federal Income Tax Consequences - Other Tax Consequences.*”

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

Purchasers’ Tax Liquidity. It is possible that a Purchaser’s taxable income resulting from his, her or its Interest will exceed any distribution of cash attributable thereto. This may occur because cash flow from the Properties

may be used to fund nondeductible operating or capital expenses of the Properties, including reserves and payments of principal on the Loan. Thus, there may be years in which a Purchaser's tax liability exceeds his, her or its share of cash from the Properties. In addition, a sale or exchange of a Property at an economic loss without a Section 1031 Exchange could result in ordinary income, depreciation recapture or capital gain to a Purchaser without any accompanying net cash proceeds from the sale or disposition of such Property to pay income taxes on such items. This is a particular risk for certain Purchasers, such as persons acquiring an Interest in a Section 1031 Exchange, whose income tax basis in an Interest may be substantially lower than his, her or its cash investment in the Properties. If this were to occur, a Purchasers would have to use funds from other sources to satisfy his, her or its tax liability.

Changes in Federal Income Tax Law. The discussion of tax aspects contained in this Memorandum is based on law presently in effect and certain proposed Treasury Regulations. Nonetheless, prospective Purchasers should be aware that new administrative, legislative or judicial action could significantly change the tax aspects of an investment in an Interest. Any such change may or may not be retroactive with respect to transactions entered into or contemplated before the effective date of such change and could have a material adverse effect on an investment in an Interest. Specifically, the Biden-Harris Administration has proposed certain limitations on the deferral of gain for Section 1031 Exchanges that could, if enacted, restrict the ability to utilize a Section 1031 Exchange to achieve tax deferral on gain in connection with the disposition of real property or beneficial interests in a fixed investment trust. Additionally, the U.S. Congress periodically evaluates various proposed modifications to the Section 1031 Exchange rules that could, if enacted, prospectively repeal or restrict the ability to utilize a Section 1031 Exchange to achieve tax deferral on gain in connection with the disposition of real property or beneficial interests in a fixed investment trust. In particular, the TCJA, which generally takes effect for taxable years beginning on or after January 1, 2018 (subject to certain exceptions), makes many significant changes to the federal income tax laws (including Section Code 1031). On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "**CARES Act**") was enacted into law in response to the economic fallout of the COVID-19 Pandemic and made various changes to the Code, many with retroactive effect. To date, the IRS has issued only limited guidance with respect to certain of the new provisions, and there are numerous interpretive issues that will require guidance. It is highly likely that technical corrections legislation will be needed to clarify certain aspects of the new law and give proper effect to Congressional intent. There can be no assurance, however, that technical clarifications or changes needed to prevent unintended or unforeseen tax consequences will be enacted by Congress in the near future. An investment in an Interest involving solely real property was not impacted by the TCJA or the CARES Act for purposes of a Section 1031 Exchange. Specifically, subject to certain transition rules, for transfers effective after December 31, 2017, Section 1031 Exchanges are only allowed with respect to real property that is not held primarily for sale. Generally, tangible personal property and intangible property are no longer eligible for Section 1031 Exchanges. Thus, Purchasers will be able to utilize a Section 1031 Exchange to achieve tax deferral on gain in connection with the disposition of real property, but not with respect to tangible or intangible personal property. However, no assurance can be given that the currently anticipated federal income tax treatment of an Interest will not be modified by future legislative, judicial or administrative changes possibly with retroactive effect. For example, repeal or amendment of Code Section 1031 or the Treasury Regulations promulgated thereunder could negatively impact the use of a Section 1031 Exchange in connection with a Beneficial Owner's exit strategy.

On November 23, 2020, the Treasury and the IRS released final regulations (the "**Final 1031 Regulations**") defining "real property" for purposes of Code Section 1031. Under the Final 1031 Regulations, property is classified as real property for purposes of Code Section 1031 if the property is (i) classified as real property under the law of the state or local jurisdiction in which the property is located (subject to certain exceptions), (ii) specifically listed as real property in the Final 1031 Regulations, such as land, improvements to land, unsevered natural products of land, water and air space superjacent to land, and certain intangible interests in real property, or (iii) considered real property based on all the facts and circumstances under the various factors provided in the Final 1031 Regulations. The Final 1031 Regulations have also provided guidance for taxpayers receiving incidental personal property or paying for incidental personal property with funds being held by a qualified intermediary during a Section 1031 Exchange. Paying for or receiving personal property during a Section 1031 Exchange will not disqualify the entire transaction as long as the personal property is considered "incidental." Personal property will be considered "incidental" to real property acquired in a Section 1031 Exchange if, (i) in standard commercial transactions, the personal property is typically transferred together with the real property, and (ii) the aggregate fair market value of the incidental personal property transferred with the real property does not exceed 15% of the aggregate fair market value of the Replacement Property.

Each prospective Purchaser will have to determine with such his, her, or its own tax advisors whether an exchange engaged in by the prospective Purchaser satisfies the requirements of Code Section 1031. Prospective Purchasers should consult with their own tax advisors regarding the implications of the Final 1031 Regulations.

Reportable Transaction Disclosure and List Maintenance. A taxpayer's ability to claim privilege on any communication with a federally authorized tax preparer involving a tax shelter is limited. In addition, taxpayers and material advisors must comply with disclosure and list maintenance requirements for reportable transactions. Reportable transactions include transactions that generate losses under Code Section 165 and may include certain large like-kind exchanges entered into by corporations. The Sponsor and Tax Counsel have concluded that the sale of an Interest should not constitute a reportable transaction. Accordingly, the Parent Trust and Tax Counsel do not intend to make any filings pursuant to these disclosure or list maintenance requirements. There can be no assurances that the IRS will agree with this determination by the Parent Trust and Tax Counsel. Significant penalties could apply if a party fails to comply with these rules, and such rules are ultimately determined to be applicable.

State and Local Taxes. In addition to federal income tax consequences, a prospective Purchaser should consider the state and local tax consequences of an investment in an Interest. Prospective Purchasers must consult with their own tax advisors concerning the applicability and impact of any state and local tax laws. Purchasers may be required to file state tax returns in the states where the Properties are located in connection with the ownership of an Interest.

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

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

The Medicare Tax. Income and gain from passive activities may be subject to the "Medicare Tax." Certain Purchasers who are U.S. individuals are subject to the Medicare Tax, an additional 3.8% tax on their "net investment income" and certain estates and trusts are subject to an additional 3.8% tax on their undistributed "net investment income." Among other items, "net investment income" generally includes passive investment income, such as rent and net gain from the disposition of investment property, less certain deductions. Prospective Purchasers should consult their tax advisors with respect to the tax consequences to them of the rules described above.

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ESTIMATED USE OF PROCEEDS

This table addresses the estimated use of proceeds from this Offering toward the costs, fees and expenses that have been incurred or may be incurred in connection with this Offering, including the selection and acquisition of the Properties and procuring the related financing. The Parent Trust is offering a maximum of \$46,527,793 of Interests, representing 100% of the outstanding beneficial ownership interests in the Parent Trust if the Maximum Offering Amount is sold. Proceeds raised from Purchasers in this Offering will be used to redeem the Parent Class 2 Beneficial Interests held by the Depositor in order to reimburse it for the costs, fees and expenses it has incurred as described below. See “*Summary of the Offering – The Parent Trust.*” This table does not address the allocation for Federal income tax purposes of the amount paid by a Purchaser for its Interest. Potential Purchasers should discuss with their own tax advisors the tax treatment of the purchase of an Interest.

The following table sets forth the estimated use of proceeds from the Offering:

	<u>Offering Proceeds</u>	<u>Loan Proceeds</u>	<u>% of Offering Proceeds</u>	<u>% of Total Capitalization</u>
Total Proceeds	\$46,527,793	\$35,595,000	100.0%	100.0%
Use of Proceeds				
Offering Expenses				
Organization and Offering Expenses ⁽¹⁾	\$(348,958)	\$(0)	0.75%	0.42%
Sales Commissions ⁽²⁾	\$(2,326,390)	\$(0)	5.00%	2.83%
Managing Broker-Dealer Fee & Marketing/Due Diligence Expense Allowances ⁽³⁾⁽⁴⁾	\$(1,232,987)	\$(0)	2.65%	1.50%
<i>Total</i>	\$(3,908,335)	\$(0)	8.40%	4.76%
Acquisition Expenses				
Purchase Price of the Properties ⁽⁵⁾	\$(35,595,000)	\$(35,595,000)	76.50%	86.69%
Acquisition Fee ⁽⁶⁾	\$(1,423,800)	\$(0)	3.06%	1.73%
Loan-Related Costs ⁽⁷⁾	\$(1,710,136)	\$(0)	3.68%	2.08%
Other Closing Costs ⁽⁸⁾	\$(1,390,523)	\$(0)	2.99%	1.69%
Supplemental Reserves ⁽⁹⁾	\$(2,500,000)	\$(0)	5.37%	3.04%
<i>Total</i>	\$(42,619,459)	\$(35,595,000)	91.60%	95.24%
Total Proceeds Used	\$(46,527,793)	\$(35,595,000)	100.00%	100.00%

- (1) The Sponsor and its affiliates will be entitled to reimbursement for expenses incurred in connection with the Offering, on an accountable basis, including, but not limited to, the costs of organizing the Trust and other entities, estimated marketing, legal, finance, accounting, and printing fees and expenses incurred in connection with this Offering. See “Compensation and Fees.”
- (2) The Selling Group Members will make offers and sales of Interests on a “best efforts” basis. Bluerock Capital Markets, LLC as Managing Broker-Dealer will receive sales commissions of up to 5.0% of Total Sales, which it will re-allow to the Selling Group Members; provided, however, in the event a commission rate lower than 5.0% is negotiated with a Selling Group Member, the Managing Broker-Dealer will receive the lower agreed upon rate.
- (3) The Managing Broker-Dealer will also receive a Managing Broker-Dealer Fee of up to 1.4% of Total Sales, which it may at its sole discretion partially re-allow to the Selling Group Members.
- (4) The Managing Broker-Dealer will receive, on a non-accountable basis, and will re-allow to the Selling Group Members on a non-accountable basis, allowances for marketing and due diligence expenses of up to 1.25% of Total Sales.

- (5) The “**Purchase Price**” is exclusive of the Acquisition Fee, Loan-Related Costs, and Other Closing Costs. See “*Acquisition and Contribution of the Properties; Financing Terms.*”
- (6) The Sponsor will earn an acquisition fee of \$1,423,800 which equals 2% of the purchase price of the Properties (the “**Acquisition Fee**”) for its and its management team’s services in the identification, negotiation and acquisition of the Properties.
- (7) “**Loan-Related Costs**” are costs that include the costs and fees payable to the Lender, its agents and Sponsor. See “*Compensation and Fees.*”
- (8) “**Other Closing Costs**” are costs that include, as applicable, transfer taxes, title charges, escrow fees, document preparation fees, legal fees (other than Lender legal fees), third-party costs, recording fees and entity formation costs, and other related costs. See “*Acquisition and Contribution of the Properties; Financing Terms*” and “*Compensation and Fees.*” Each Purchaser will be responsible for the fees associated with their own legal, tax and other advisors.
- (9) It is anticipated that \$2,500,000 of the Offering proceeds, assuming the Maximum Offering Amount is raised, will be funded into the Supplemental Trust Reserve, which will be Trust-controlled. To the extent that the actual Organization and Offering Expenses, Sales Commissions, Marketing/Due Diligence Expense Allowances, Loan-Related Costs, and Other Closing Costs are below the amounts projected, any such savings in any such line item will be used to fund overages in other categories, with any such remainder to be contributed to the Supplemental Trust Reserve. To the extent that the aggregate of the actual Organization and Offering Expenses, Loan-Related Costs and Other Closing Costs exceed the amounts projected, then any such shortfall will be funded first from savings in other categories and may be funded next from any other available reserves of the Trust.

For a description of the fees the Sponsor and its affiliates will receive in connection with the Offering, see “*Compensation and Fees.*”

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COMPENSATION AND FEES

The Sponsor, the Managing Broker-Dealer, the Manager, the Master Tenants, the Property Manager, and their respective affiliates will earn fees in connection with the sourcing, due diligence and completion of the acquisition of the Properties, and in connection with the offering and sale of Interests and the management, financing, leasing, operation and sale of the Properties and receive reimbursement of expenses incurred by such parties in the Offering. The following table sets forth estimates of such compensation, fees, reimbursements and other compensation. Actual amounts may vary depending upon the timing and amount of Interests sold, the performance of the Properties and the timing of and proceeds from any sale of the Properties.

Type of Compensation or Reimbursement	Method of Computation
Offering	
Organization and Offering Expenses:	The Sponsor and its affiliates will be entitled to reimbursement for Organization and Offering Expenses, on an accountable basis, estimated at \$348,958 or 0.75% of the Maximum Offering Amount.
Sales Commissions:	The Managing Broker-Dealer will receive Sales Commissions up to 5.0% of Total Sales, some or all which it may re-allow to the Selling Group Members; provided, however, in the event a lower commission rate is negotiated with a Selling Group Member, the Managing Broker-Dealer will receive the lower agreed upon rate. The maximum Sales Commissions are estimated to be \$2,326,390.
Marketing/Due Diligence Expense Allowances; Managing Broker-Dealer Fee:	The Managing Broker-Dealer will receive, on a non-accountable basis, and will re-allow to the Selling Group Members on a non-accountable basis, allowances for marketing and due diligence expenses of up to 1.25% of Total Sales. The Managing Broker-Dealer will also receive a Managing Broker-Dealer Fee of up to 1.4% of Total Sales, which it may at its sole discretion partially re-allow to the Selling Group Members. The maximum Marketing/Due Diligence Expense Allowance is estimated to be \$581,597 and the maximum Managing Broker-Dealer Fee is estimated to be \$651,389. The Managing Broker-Dealer is an affiliate of the Sponsor.
Sponsor's Acquisition Fee:	The Sponsor will receive an Acquisition Fee of \$1,423,800 (representing 2% of the purchase price under the PSA) for its and its management team's services in the identification, negotiation and acquisition of the Properties.
Loan-Related Costs:	Loan-Related Costs are estimated at \$1,710,136, including \$904,224 in bridge carry costs, are (i) the fees and costs payable to the Lender and its agents for the closing of the Loan, and (ii) the expenses and fees incurred including an estimated \$279,195 payable to an affiliate of Bluerock, which could be viewed as compensation to the Sponsor because such costs were incurred in order to enable it to cause the Trusts to acquire the Properties.
Redemption of Class 2 Beneficial Interests held by the Depositor:	The Trust will redeem all of the Class 2 Beneficial Interests held by the Depositor as provided in the Depositor's Operating Agreement.

Type of Compensation or Reimbursement	Method of Computation
Other Closing Costs:	The Sponsor and its affiliates will be entitled to reimbursement for their other legal and closing costs actually incurred in connection with the due diligence and acquisition of the Properties, including but not limited to in connection with the Depositor Contribution, estimated at \$1,390,523. Such costs include, if applicable, transfer taxes, title charges, escrow fees, document preparation fees, legal fees (other than the Lender legal fees), third-party costs, recording fees, entity formation costs and other related costs.
Operations	
Distributions:	The Depositor will receive its proportionate share of distributions by the Trust proportionate to its Class 2 Beneficial Interests (i.e., the unsold Interests).
Master Lease Operating Profit:	The Master Tenant will retain net operating revenues from the Properties that exceed the total rent payable to the Trusts under the Master Leases.
Property Management Fee:	The Property Manager, for the applicable properties, will receive the Property Management Fee of up to 5% of the monthly Gross Receipts (as defined in the Property Management Agreement)). The Property Manager intends to defer \$20,000 of the Property Management Fee for the first year following the Closing and to recoup such fee in the fifth year following the Closing. In addition, the Property Manager will be reimbursed for certain expenses. The Property Management Fee and any expense reimbursements shall be paid solely by the Master Tenant.
Asset Management Fee:	The Operating Trusts are obligated under the “ Asset Management Agreements ” to pay the Asset Manager an annual Asset Management Fee for supervising the services of the Property Manager, which will be equal to 0.2% of the original contract purchase price of the Properties, paid monthly in arrears (an “ Asset Management Fee ”). The Asset Manager may, at its sole discretion, defer a portion or all of the Asset Management Fee. The Asset Management Fee will be paid on a pro rata basis, monthly in arrears, and if the Asset Management Agreement terminates during any calendar year, shall be pro-rated for any such partial year. The Asset Management Fee will be paid to the Asset Manager, which is an affiliated entity of the Sponsor. The Asset Management Fee is subordinate in all respects in lien and payment to the lien and payment of the Loan.

**Type of Compensation
or Reimbursement****Method of Computation**

Liquidation

Disposition Fees: The Manager will receive a disposition fee from the applicable Trust equal to 2.0% of the gross proceeds of the sale, exchange or other disposition of the Property/ies (the “**Disposition Fee**”) from which it shall pay all sales commissions payable to any third-party broker in connection with the sale, such that the aggregate amount of the Disposition Fee plus the third-party brokerage commission does not exceed 2.0% of the gross sales price of the Property/ies. For the avoidance of doubt, the Disposition Fee shall not be payable in the event the FMV Option is exercised.

FMV Option Exercised

Call Option Fee: 1.0% of the FMV Option Appraised Value of the Property as applied to the pro rata share of each Contributing Investor.

Redemption Fee: 1.0% holdback of the Class A common Stock.

Cash Redemption Fee If a Cash Investor elects to exercise its rights to have the Operating Partnership acquire its interests in the Trust for cash, the Cash Amount shall equal to the Exchange FMV, reduced by the Cash Redemption Fee (2.0% of the Exchange FMV). The total Cash Amount for all Cash Investors shall not exceed 50% of the aggregate Exchange FMV (the Cash Redemption Cap), subject to the discretion of the Operating partnership.

To the extent that the actual Organization and Offering Expenses, Sales Commissions, Marketing/Due Diligence Expense Allowances, Loan-Related Costs and/or Other Closing Costs are below the amounts projected or estimated for any particular line item, any such savings will be used first to fund overages in other categories and next to further fund the Supplemental Trust Reserve. If, however, the actual Organization and Offering Expenses, Loan-Related Costs and/or Other Closing Costs exceed the amounts projected or estimated, then any such shortfall will be funded first from savings in other categories and may be funded next from any other available reserves of such Operating Trust.

The Sponsor, the Master Tenants, the Manager, the Property Manager and their respective affiliates shall receive additional compensation for any additional services performed on behalf of the Trusts or Beneficial Owners so long as such services are provided on terms and conditions no less favorable to the Trusts and Beneficial Owners than could be obtained from independent third parties for comparable services in the same location. The independent Trustee will also receive customary compensation from the Parent Trust.

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THE PROPERTIES

Overview

Certain information about the Properties contained in this section of the Memorandum is available in the Industrial Portfolio I Appraisal prepared by Newmark, and the property condition assessments (each, a “**Property Condition Assessment**” and collectively, the “**Property Condition Assessments**”), the ALTA surveys (each, a “**Survey**” and collectively, the “**Surveys**”), and the zoning reports (each, a “**Zoning Report**” and collectively, the “**Zoning Reports**”) of the Properties. Copies of the Appraisal, Property Condition Assessments, Surveys and Zoning Reports are available upon request. General information about the Properties is summarized in the tables below. Neither the Trusts nor the Sponsor have independently verified the information obtained from these sources and they cannot assure you of the accuracy or completeness of the data. However, the Sponsor has revised portions of the sources included in this section to eliminate typographical errors, to eliminate duplicative language, and to conform certain definitions contained in this Memorandum.

Property	Location	Acres	Gross Rentable Square Feet	Year Built	Property Type
Adam Aircraft	13202 E. Adam Aircraft Circle, Englewood, Colorado 80112	9.53	20,454 Square Feet and 6.00 Acres	2019	Warehouse/ Outdoor Storage
3020 Tucker Street	3020 Tucker Street, Burlington, North Carolina 27215	9.84	101,393 Square Feet	1994 / 2007	Distribution
6015 Enterprise Park Drive	6015 Enterprise Park Drive, Sanford, North Carolina 27330	20.86	117,659 Square Feet	2021	Distribution
6056 Enterprise Park Drive	6015 Enterprise Park Drive, Sanford, North Carolina 27330	10.6	117,625 Square Feet	2021	Distribution
2016 Cornatzer Road	2016 Cornatzer Road, Advance, North Carolina 27006	38.07	209,905 Square Feet	1967, expanded in 1985	Distribution

ADAM AIRCRAFT PROPERTY

The Adam Aircraft Property is comprised of a 20,454 square foot industrial building situated on 9.53 acres, including six acres of rentable outdoor storage) located at 13202 E. Adam Aircraft Circle, Englewood, Colorado 80112, part of the Denver Metro. The Adam Aircraft Property is located in a large business park surrounding the Centennial Airport. The business park is predominantly light industrial but also includes office, medial, and retail tenants. Built in 2019, the Adam Aircraft Property is leased to two tenants – Wyatts Towing and Herc Rentals. The Adam Aircraft Property provides clear heights ranging from 20 to 24 feet, and has six drive-in doors.

The Adam Aircraft Property is uniquely positioned located within the core of the Denver Southeast Industrial submarket and a three-minute drive (or less than one mile) to the Centennial Airport and nearby access to major thoroughfares such as Interstate 25, Arapahoe Road, Parker Road, and Colorado E-470. The Adam Aircraft Property is one of the few properties in its submarket that permits outdoor storage use providing the Adam Aircraft Property with a distinct advantage due to difficult zoning and entitlement restrictions.

Property Features & Specifications

General Specifications

Property Name: Adam Aircraft

Property Address: 13202 E. Adam Aircraft Circle, Englewood, Colorado 80112

Year Completed: 2019

Site Area: 9.53 acres

Rentable Building Area: 20,454 square feet and 6.50 acres

Parking Spaces: 50

Construction

Exterior: The exterior walls of the building consist of manufacturer finished insulated metal panels. The panels appeared to consist of extruded polystyrene sandwiched by aluminum sheeting that has a factory finish.

Foundation: Based on experience with similar structures in this geographic region, foundations are likely to consist of a reinforced-concrete slab-on-grade with grade beams around the perimeter and isolated spread footings beneath steel framing load bearing locations.

Roof: Roof coverings consist of a low-slope standing seam metal roof. A total of 16 conventional domed skylights are provided. The skylights are constructed of translucent Plexiglas materials and are factory flashed.

Structural Frame: The building is a Pre-Engineered Metal Building consisting of multi-span tapered, I-beam wall and roof structures. Steel columns at limited central locations provide interior structural support. The roof structure is predominantly supported by the metal building system and metal joists. Roof decking could not be observed due to the presence of vinyl faced insulation.

Appraisal

In connection with the Loan, the Adam Aircraft Trust obtained an appraisal for the Adam Aircraft Property dated June 9, 2022, reflecting a market value “As-Is” for the Adam Aircraft Property, as of May 11, 2022, of \$14,900,000, which is equal to the purchase price.

Zoning

According to the applicable Zoning Report from The Planning and Zoning Resource Company, dated June 30, 2022, the Adam Aircraft Property is zoned “Mixed Use, Merged into a new single PUD Zone District”, and according to the Zoning Report, is a legal conforming use.

Seismic Zone

According to the seismic zone map, published in the Uniform Building Code 1997, Volume 2, Table 16.2, the subject property appears to be located in Seismic Zone 1.

Wind Zone

Partner performed a review of the Wind Zone Map, published by the Federal Emergency Management Agency. According to the map, the subject property appears to be located in Wind Zone II, an area with design winds speeds up to 160 miles per hour. The subject property appears to be located in a special wind region or hurricane-susceptible zone.

Flood Zone

According to Flood Insurance Rate Map, Community Panel Number 08005C0479K, dated December 17, 2010, the subject property appears to be located in: Zone X (unshaded); defined as minimal risk areas outside the 1-percent and .2-percent-annual-chance floodplains.

TUCKER STREET PROPERTY

The Tucker Street Property is a single building comprised of 101,393 rentable square feet situated on 9.84 acres located at 3020 Tucker Street, Burlington, North Carolina 27215. The Tucker Street Property was built in 1994, with an addition in 2007, and includes four exterior docks, five interior docks, and four exterior levelers. The Tucker Street Property provides its single tenant, American Tire Distributors with superb access located just two miles southwest of Interstate 40. The Tucker Street Property is conveniently located just three miles south of Downtown Burlington and three miles east of the Burlington Alamance Regional Airport in a popular market for industrial services.

The Tucker Street Property sub-market is well-positioned as a logistics hub due to low business costs and its strategic location. The Tucker Street Property's market is a 20-minutes' drive from Greensboro, a 45-minutes' drive from Raleigh-Durham, and 1.5-hours' drive from Charlotte. This connectivity benefits the Tucker Street Property and the market, with the Tucker Street Property just a mile from Interstate 40 and Interstate 85.

Property Features & Specifications

General Specifications

Property Name: 3020 Tucker Street

Property Address: 3020 Tucker Street, Burlington, North Carolina 27215

Year Completed: 1994 / 2007

Site Area: 9.84 acres

Rentable Building Area: 101,393 square feet

Parking Spaces: 31

Construction

Exterior: The exterior walls of the building consist of corrugated metal panel siding. Upper façade areas of the building consist of translucent fiberglass panels. Metal-framed, prefinished metal canopies are present over the main building entrance and over portions of the dock door areas.

Foundation: Based on experience with similar structures in this geographic region, foundations are likely to consist of a reinforced-concrete slab-on-grade over a concrete spread footing system consisting of continuous footings at the perimeter and isolated pad footings at interior bearing locations.

Roof: Roofs are pitched and covered with corrugated metal panels.

Structural Frame: The building is a pre-engineered steel-frame structure consisting of perimeter and interior structural steel wide flange columns supporting tapered steel wide flange beams and girders, purlins and sub-purlins with a metal roof deck.

Appraisal

In connection with the Loan, the Tucker Street Trust obtained an appraisal on June 10, 2022, reflecting a market value “As-Is” for the Tucker Street Property, as of May 10, 2022, of \$7,150,000 which is \$10,000 higher than the purchase price.

Zoning

According to the applicable Zoning Report from The Planning and Zoning Resource Company, dated April 14, 2022, the Tucker Street Property is zoned “Light Industrial District and Medium Industrial District”, and according to the Zoning Report, is a legal conforming use.

Seismic Zone

According to the seismic zone map, published in the Uniform Building Code 1997, Volume 2, Table 16.2, the subject property appears to be located in Seismic Zone 1.

Wind Zone

Partner performed a review of the Wind Zone Map, published by the Federal Emergency Management Agency. According to the map, the subject property appears to be located in Wind Zone III, an area with design winds speeds up to 200 miles per hour. The subject property does not appear to be located in a special wind region or hurricane-susceptible zone.

Flood Zone

According to Flood Insurance Rate Map, Community Panel Number 3710886300K, dated November 17, 2017, the subject property appears to be located in: Zone C, X (unshaded); defined as minimal risk areas outside the 1-percent and .2-percent-annual-chance floodplains.

6015 ENTERPRISE PROPERTY

6015 Enterprise Property is a newly constructed, Class A, industrial property located at 6015 Enterprise Park Drive, North Carolina 27330. The 6015 Enterprise Property is comprised 117,659 rentable square feet situated on 20.86 acres and is leased to a single tenant, Liberty Tire Recycling. The 6015 Enterprise Property includes ESFR sprinklers, LED warehouse lighting, 130’ deep truck courts, 50’ by 54’ column spacing with 60’ speed bays, full circulation, 26’ clear heights, and excellent ingress and egress to US-1. The 6015 Enterprise Property also benefits from its proximity to demand drivers such as Interstate 40, Interstate 85, Research Triangle Park, Raleigh-Durham International Airport, and Piedmont Triad International Airport.

The 6015 Enterprise Property is located in the Central Carolina Enterprise Park, a well-located and professionally developed approximately 250-acre industrial park. Central Carolina Enterprise Park is strategically located adjacent to US-1 with immediate access to US-501 and US-421, making it an attractive manufacturing and distribution location.

Property Features & Specifications

General Specifications

Property Name: 6015 Enterprise Park

Property Address: 6015 Enterprise Park Drive, North Carolina 27330

Year Completed: 2021

Site Area: 20.86 acres

Rentable Building Area: 117,659 square feet

Parking Spaces: 25

Construction

Exterior: The exterior walls of the building primarily consist of precast concrete tilt-up wall panels with caulked joints at each panel intersection. The southwestern exterior wall is finished with standing seam metal panels. Metal accent panels are located at the main entrance.

Foundation: Based on experience with similar structures in this geographic region, foundations are likely to consist of continuous perimeter concrete grade beams supporting concrete tilt-up panel walls and interior isolated spread footings supporting steel columns.

Roof: Roof coverings consist of a mechanically-fastened, single-ply thermoplastic membrane. Flashing materials appeared to be similar to the roofing membrane. A metal awning is provided over the main entrance.

Structural Frame: Perimeter walls are primarily constructed of precast concrete tilt-up wall panels. The roof is constructed of metal decking supported by concrete tilt-up exterior walls, interior steel columns, beams, and open web joists. Isolated areas of concrete masonry unit walls are also present.

Appraisal

In connection with the Loan, the 6015 Enterprise Trust obtained an appraisal for the 6015 Enterprise Property prepared by Newmark dated June 9, 2022, reflecting a market value “As-Is” for the 6015 Enterprise Property, as of May 10, 2022, of \$18,000,000 which is \$1,950,000 higher than the purchase price.

Zoning

According to the applicable Zoning Report from The Planning and Zoning Resource Company, dated June 17, 2022, the 6015 Enterprise Property is zoned “Conditional Zoning District within Water Conservation Overlay District”, and according to the Zoning Report, is a legal conforming use.

Seismic Zone

According to the seismic zone map, published in the Uniform Building Code 1997, Volume 2, Table 16.2, the subject property appears to be located in Seismic Zone 1.

Wind Zone

Partner performed a review of the Wind Zone Map, published by the Federal Emergency Management Agency. According to the map, the subject property appears to be located in Wind Zone III, an area with design winds speeds up to 200 miles per hour. The subject property does not appear to be located in a special wind region or hurricane-susceptible zone.

Flood Zone

According to Flood Insurance Rate Map, Community Panel Number 3710965500J, dated September 6, 2006, the subject property appears to be located in: Zone C, X (unshaded); defined as minimal risk areas outside the 1-percent and .2-percent-annual-chance floodplains.

6056 ENTERPRISE PROPERTY

6056 Enterprise Property is a newly constructed, Class A, industrial property comprised 117,625 rentable square feet situated on 10.6 acres located at 6056 Enterprise Park Drive, North Carolina 27330. The 6056 Enterprise Property is leased to a single tenant, Pfizer. The 6056 Enterprise Property includes ESFR sprinklers, LED warehouse lighting, 127' deep truck courts, 50' by 54' column spacing with 60' speed bays, full circulation, 26' clear heights, and excellent ingress and egress to US-1. The 6056 Enterprise Property also benefits from its proximity to demand drivers such as Interstate 40, Interstate 85, Research Triangle Park, Raleigh-Durham International Airport, and Piedmont Triad International Airport.

The 6056 Enterprise Property is located in the Central Carolina Enterprise Park, a well-located and professionally developed approximately 250-acre industrial park. Central Carolina Enterprise Park is strategically located adjacent to US-1 with immediate access to US-501 and US-421, making it an attractive manufacturing and distribution location.

Property Features & Specifications

General Specifications

Property Name: 6056 Enterprise Park

Property Address: 6056 Enterprise Park Drive, North Carolina 27330

Year Completed: 2021

Site Area: 10.60 acres

Rentable Building Area: 117,625 square feet

Parking Spaces: 21

Construction

Exterior: The exterior walls of the building consist of precast concrete tilt-up wall panels with caulked joints at each panel intersection. Metal accent panels are located at the main entrance.

Foundation: Based on experience with similar structures in this geographic region, foundations are likely to consist of continuous perimeter concrete grade beams supporting concrete tilt-up panel walls and interior isolated spread footings supporting steel columns.

Roof: Roof coverings consist of a mechanically-fastened, single-ply thermoplastic membrane. Flashing materials appeared to be similar to the roofing membrane. Metal awnings are provided over the loading dock doors.

Structural Frame: Perimeter walls are constructed of precast concrete tilt-up wall panels. The roof is constructed of metal decking supported by concrete tilt-up exterior walls, interior steel columns, beams, and open web joists. Isolated areas of concrete masonry unit walls are also present.

Appraisal

In connection with the Loan, the 6056 Enterprise Trust obtained an appraisal for the 6056 Enterprise Property prepared by Newmark dated May 26, 2022, reflecting a market value "As-Is" for the 6056 Enterprise Property, as of May 10, 2022, of \$21,400,000 which is \$600,000 less than the purchase price.

Zoning

According to the applicable Zoning Report from The Planning and Zoning Resource Company, dated June 17, 2022, the 6056 Enterprise Property is zoned “Conditional Zoning District within Water Conservation Overlay District”, and according to the Zoning Report, is a legal conforming use.

Seismic Zone

According to the seismic zone map, published in the Uniform Building Code 1997, Volume 2, Table 16.2, the subject property appears to be located in Seismic Zone 1.

Wind Zone

Partner performed a review of the Wind Zone Map, published by the Federal Emergency Management Agency. According to the map, the subject property appears to be located in Wind Zone III, an area with design winds speeds up to 200 miles per hour. The subject property does not appear to be located in a special wind region or hurricane-susceptible zone.

Flood Zone

According to Flood Insurance Rate Map, Community Panel Number 3710965500J, dated September 6, 2006, the subject property appears to be located in: Zone C, X (unshaded); defined as minimal risk areas outside the 1-percent and .2-percent-annual-chance floodplains.

CORNATZER PROPERTY

The Cornatzer property is comprised of 209,905 rentable square feet situated on 38.07 acres located at 2016 Cornatzer Road, Advance, North Carolina 27006. Built in 1967 and expanded in 1985, the Cornatzer Property provides its single tenant, DEX Truck Parts, with a difficult to replicate layout, offering one drive-in door, 23 dock-high doors, and clear heights ranging from 22’ to 40’. Additionally, the Cornatzer Property provides exceptional yard space, positioned on 38 acres and is a “mission critical” location for tenant DEX Truck Parts.

The Cornatzer Property is located in Advance, North Carolina and is provided access by Interstate 40. The Cornatzer Property benefits from its excellent access to this major arterial, with the nearest access point located approximately 5.7 miles from the subject via U.S. Highway 158. Additionally, the Cornatzer Property’s immediate area is traversed by several primary thoroughfares including NC Highway 801, U.S. Highway 64, and Baltimore Road, among others.

Property Features & Specifications

General Specifications

Property Name: Cornatzer

Property Address: 2016 Cornatzer Road Advance, North Carolina 27006

Year Completed: 1967, expanded in 1985

Site Area: 38.07 acres

Rentable Building Area: 209,905 square feet

Parking Spaces: 185 parking spaces

Construction

Exterior: The exterior walls of the building primarily consist of concrete tilt-up wall panels with caulked joints at each panel intersection. Areas of painted and unpainted standing seam metal panels as well as painted brick masonry veneer are also provided.

Foundation: Based on experience with similar structures in this geographic region, foundations are likely to consist of a reinforced-concrete slab-on-grade with continuous strip footings at the perimeter and isolated spread footings at interior bearing locations. The southwest corner of the building is constructed over a partial basement, concrete masonry unit foundation walls were observed at the perimeters of the basement.

Roof: Roof coverings primarily consist of a modified bitumen built-up roofing (BUR) system with aluminized coating. Skylights are provided throughout the flat roof that consist of translucent plexiglass and are flashed with roofing materials. Additional roof coverings consist of standing seam metal panels. Flashing materials appeared to be similar to the roofing membrane.

Structural Frame: Perimeter walls are primarily constructed of concrete tilt-up wall panels, with concrete and steel columns provided throughout the warehouse area. Areas of concrete masonry unit load bearing walls were also observed. The concrete columns support precast concrete roof decking, the steel columns support open web steel trusses. The southwest corner of the building is constructed with a metal frame that supports a pitched, metal-framed roof.

Appraisal

In connection with the Loan, the Cornatzer Trust obtained an appraisal for the Cornatzer Property prepared by Newmark dated June 9, 2022, reflecting a market value “As-Is” for the Cornatzer Property, as of May 13, 2022, of \$11,100,000 which is \$0 higher than the purchase price.

Zoning

According to the applicable Zoning Report from The Planning and Zoning Resource Company, dated June 7, 2022, the Cornatzer Property is zoned “General Industrial District”, and according to the Zoning Report, is a legal conforming use.

Seismic Zone

According to the seismic zone map, published in the Uniform Building Code 1997, Volume 2, Table 16.2, the subject property appears to be located in Seismic Zone 1.

Wind Zone

Partner performed a review of the Wind Zone Map, published by the Federal Emergency Management Agency. According to the map, the subject property appears to be located in Wind Zone III, an area with design winds speeds up to 200 miles per hour. The subject property does not appear to be located in a special wind region or hurricane-susceptible zone.

Flood Zone

According to Flood Insurance Rate Map, Community Panel Number 3710576800J, dated September 17, 2008, the subject property appears to be located in: Zone C, X (unshaded); defined as minimal risk areas outside the 1-percent and .2-percent-annual-chance floodplains.

Condition of the Properties

The PCA Report for each Property was prepared by Partner. At your request, Sponsor will provide you with a copy of the PCA Reports. Partner identified all properties as in good condition and have also identified immediate repair needs totaling \$37,350 in the aggregate. The immediate repair needs include: paving and concrete, exterior walls, and roof repairs. The Trusts will only be responsible for \$34,350 of immediate needs because of the nature of the net leases. The End Tenants will be responsible for the remainder of the costs of the immediate repair needs. Following completion of the sale of the Maximum Offering Amount, the Trusts would have approximately \$2,500,000 in the Supplemental Trust Reserve versus \$648,775 estimated capital repair items estimated by the PCA Report over a 12-year hold period that the Trust will be responsible for because of the nature of net leases.

Property	Overall Condition	Reporting Firm	Date of Report	Long-term Capital Needs	Immediate Repair Needs
Adam Aircraft	Good	Partner	May 13, 2022	Asphalt seal coat and striping, gravel regrade, and exterior maintenance.	\$13,650
3020 Tucker Street	Good	Partner	April 8, 2022	Asphalt seal coat and striping, exterior maintenance, and metal roofing.	\$20,700
6015 Enterprise Park	Good	Partner	April 25, 2022	Asphalt seal coat and striping, and exterior maintenance	\$0
6056 Enterprise Park	Good	Partner	April 25, 2022	Asphalt seal coat and striping, and exterior maintenance	\$0
Cornatzer Property	Good	Partner	May 26, 2022	Asphalt seal coat and striping, exterior maintenance, and roofing	\$3,000

Summary of Environmental Reports

Property assessments were conducted in accordance with an agreement governing the nature, scope, intent and purpose of the work and in general accordance with ASTM Practice E1527-13 and E1527-21 Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process and Client Agreement, the ESA Standard, and any additional requirements identified in the agreement under which the work was performed.

The purpose of the Phase I Environmental Site Assessments is to assess the existing environmental conditions at and around each Property and render an opinion as to the identified or potential presence of RECs at the Cornatzer Property.

Partner was engaged to perform a Phase I Environmental Site Assessment on behalf of the Sponsor. At your request, Sponsor will provide you with a copy of a “Phase I Report” for the relevant Property.

A summary of the findings are outlined in the below table. Further explanation of the reports’ findings are set forth below:

Property	Reporting Firm	Date of Report	Recognized Environmental Conditions	Further Action Required
Adam Aircraft	Partner	May 13, 2022	None	None
3020 Tucker Street	Partner	April 8, 2022	None	Address possible microbial growth through routine maintenance
6015 Enterprise Park	Partner	April 25, 2022	None	None
6056 Enterprise Park	Partner	April 25, 2022	None	None
Cornatzer	Partner	May 26, 2022	None	O&M programs should be implemented in order to safely manage the suspect ACMs and LBP located at the Cornatzer Property

Adam Aircraft Property Environmental Report Summary

The Adam Aircraft Property has been evaluated for environmental hazards on behalf of the Sponsor pursuant to the Adam Aircraft Phase I Report (a non-invasive Phase I Environmental Site Assessment Report, dated May 13, 2022 prepared by Partner, based on a site visit conducted on May 5, 2022). The Adam Aircraft Phase I Report, which was based on a walk-through observation of the accessible areas and interviews with facility personnel and local agency representatives, interviews with relevant personnel, limited observations of surrounding properties, and a records review including regulatory databases and historical use information, revealed no evidence of RECs, CRECs, or HRECs, and no further investigation was recommended.

At your request, Sponsor will provide you with a copy of the Adam Aircraft Phase I Report.

Tucker Street Property Environmental Report Summary

The Tucker Street Property has been evaluated for environmental hazards on behalf of the Sponsor pursuant to a Tucker Street Phase I Report (a non-invasive Phase I Environmental Site Assessment Report, dated April 8, 2022 prepared by Partner, based on a site visit conducted on March 31, 2022). The Tucker Street Phase I Report, which was based on a walk-through observation of the accessible areas and interviews with facility personnel and local agency representatives, interviews with relevant personnel, limited observations of surrounding properties, and a records review, including regulatory databases and historical use information, revealed no evidence of RECs, CRECs, or HRECs, and no further investigation was recommended. There were the following BERs identified during the course of the assessment:

Possible microbial growth, less than 5 square feet. was observed on the base of the drywall in sprinkler riser room #2. Rain was present during the site reconnaissance and water could be seen dripping from the roof of the building and into the riser room. Additional water stained ceiling tiles were observed in various areas

throughout the office area. Each location was small and appeared dry, the source of the water appeared to be from HVAC condensate leaks.

As a result, Partner recommends that the roof leak should be repaired and confirmation that the source of the water in the breakroom and bathrooms has been repaired should be obtained. Subsequently the possible microbial growth and water damaged materials can be addressed as part of routine maintenance.

At your request, Sponsor will provide you with a copy of the Tucker Street Phase I Report.

6015 Enterprise Property Environmental Report Summary

The 6015 Enterprise Property has been evaluated for environmental hazards on behalf of the Sponsor pursuant to 6015 Enterprise Phase I Report (a non-invasive Phase I Environmental Site Assessment Report, dated April 25, 2022 prepared by Partner, based on a site visit conducted on April 19, 2022). The 6015 Enterprise Phase I Report, which was based on a walk-through observation of the accessible areas and interviews with facility personnel and local agency representatives, interviews with relevant personnel, limited observations of surrounding properties, and a records review, including regulatory databases and historical use information, revealed no evidence of RECs, CRECs, or HRECs, and no further investigation was recommended.

At your request, Sponsor will provide you with a copy of the 6015 Enterprise Phase I Report.

6056 Enterprise Property Environmental Report Summary

The 6056 Enterprise Property has been evaluated for environmental hazards on behalf of the Sponsor pursuant to 6056 Enterprise Phase I Report (a non-invasive Phase I Environmental Site Assessment Report, dated April 25, 2022 prepared by Partner, based on a site visit conducted on April 19, 2022). The 6056 Enterprise Phase I Report, which consisted of a walk-through observation of the accessible areas and interviews with facility personnel and local agency representatives, interviews with relevant personnel, limited observations of surrounding properties, and a records review including regulatory databases and historical use information revealed no evidence of RECs, CRECs, or HRECs, and no further investigation was recommended.

At your request, Sponsor will provide you with a copy of the 6056 Enterprise Phase I Report.

Cornatzer Property Environmental Report Summary

The Cornatzer Property has been evaluated for environmental hazards on behalf of the Sponsor pursuant to the Cornatzer Phase I Report (a non-invasive Phase I Environmental Site Assessment Report, dated May 26, 2022 prepared by Partner, based on a site visit conducted on May 23, 2022). The Cornatzer Phase I Report, which was based on a walk-through observation of the accessible areas and interviews with facility personnel and local agency representatives, interviews with relevant personnel, limited observations of surrounding properties, and a records review including regulatory databases and historical use information revealed no evidence of RECs, CRECs, or HRECs, and no further investigation was recommended. There were the following environmental issues, that do not qualify as a REC, identified during the course of the assessment:

The subject property is reportedly equipped with two septic systems that have historically received effluent from the industrial processes completed at the subject property, which included battery wash water. In addition, textile operations were completed at the subject from 1968 through 2010, which may have included the use of other chemicals which would have been discharged to the septic systems.

A prior subsurface investigation determined that the two septic systems connect to one leach field located on the southern portion of the property. Six borings were advanced in the septic leach field. No VOCs were detected in any of the soil samples analyzed. Hexavalent chromium was detected above the IHSB protection of groundwater and industrial health-based PSRGs and the North Carolina Underground Storage Tank maximum soil contaminant concentration soil to groundwater standard in one sample collected in the leach

field area. That sample was re-analyzed to confirm the hexavalent chromium concentration. Although the sample was reanalyzed out of hold time, the concentration detected was 0.8 mg/kg; well below the associated standards. Minor detections of acetone were detected in the two groundwater samples collected at/near the septic leach field (SB-1 and SB-2), but the detections were well below the North Carolina Administrative Code Title 15A Subchapter 2L Water Quality Standards. Oil and grease was not detected in the two groundwater samples collected from the septic leach field.

Based on the scale of investigation, as well as the findings and conclusions of prior investigation activities, the past industrial operations previously discharging to a septic system/leach field does not appear to have adversely impacted the subject property. As such, these elements are not considered to represent a recognized environmental condition.

Due to the age of the subject property building, there is a potential that ACMs and/or LBP are present. Readily visible suspect ACMs and painted surfaces were observed in good condition. Should these materials be replaced, the identified suspect ACMs and LBP would need to be sampled to confirm the presence or absence of asbestos prior to any renovation or demolition activities to prevent potential exposure to workers and/or building occupants.

As a result, Partner recommends O&M programs should be implemented in order to safely manage the suspect ACMs and LBP located at the subject property.

At your request, Sponsor will provide you with a copy of the Cornatzer Phase I Report.

Agreements Affecting the Properties

The Properties are subject to various easements, declarations, restrictions, encroachments and other agreements of record with neighboring landowners, and local governmental entities, the most significant of which, if any, are described below.

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THE TENANTS

Adam Aircraft Property

Wyatts Towing: The parent brand of towing companies in Texas and Colorado. Wyatts Towing has grown to be the largest provider of private property impound services in the nation. The company was established in 1965 and serves thousands of property owners, managing their parking lots. The company's location in Englewood serves as the corporate headquarters, while Wyatts Towing also has locations in Denver, Fort Collins, Colorado Springs, Boulder, Dallas, and Fort Worth.

Herc Rentals: Herc Rentals is a full-service equipment rental company, providing customers equipment, services, and solutions for a wide range of industries for the past 50 years. The company is comprised of approximately 4,800 employees and has 277 locations primarily in the United States and Canada. Herc Rentals is a publicly-traded company on the New York Stock Exchange with a market capitalization in excess of \$2 billion. The company services a range of industries while continuing to innovate the equipment rental industry through technological innovations, expanded product offerings and value-added services and consultative solutions to support its customers' projects.

Tucker Street Property

American Tire Distributors: Founded in 1935, American Tire Distributors, has grown to become the largest independent tire wholesaler in North America. The company is headquartered in Huntersville, North Carolina and has 140 additional locations. The company employs more than 46,800 personnel, and brought in more than \$5 billion in revenue in 2019. American Tire Distributors offers household tire brands such as Bridgestone, Continental, Pirelli, and Michelin across its more than 140 distribution centers.

6015 Enterprise Property

Liberty Tire Recycling: Liberty Tire Recycling is the premier tire recycling company in North America with the largest fleet of trucks and service vehicles in the industry. This allows the company to recycle more than 33% of the United States' scrap tires, having converted 190 million tires into raw materials. The company's 26 processing plants are responsible for converting scrap automobile, truck and off-road tires into beneficial products such as molder rubber goods, rubber flooring, rubberized asphalt, playground and landscape mulch, and shock-absorbing athletic surfaces. Additionally, Liberty Tire Recycling offers remediation services for scrap tire dump sites to manage end-of-life tires in an environmentally safe way. The company has 24 production facilities and has remediated more than 150 dump sites with nearly 40 million scrap tires in Georgia, Indiana, Kentucky, New York, North Carolina, South Carolina, Ohio, Virginia, and West Virginia.

6056 Enterprise Property

Pfizer: Headquartered in New York City, Pfizer is a research-based, global biopharmaceutical company that applies science and global resources to provide pharmaceutical products to extend and improve lives in various therapeutic areas. Founded in 1849, Pfizer has become the world's third largest pharmaceutical company based on prescription drug revenue. With a market capitalization of more than \$200 billion, Pfizer is ranked #64 on the Fortune 500. The company manufactures more than 350 different pharmaceuticals and holds operations in 180 different countries.

Cornatzer Property

DEX Truck Parts: DEX Truck Parts is the country's largest supplier of renovated, recycled and surplus heavy duty and all-makes truck parts, covering classes 6, 7 and 8. DEX Truck Parts, a subsidiary of Volvo, has more than 3 million parts on hand across more than 30,000 different part types covering all makes and models.

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THE LEASES

General

In connection with the purchase of the Properties, the Trusts, as landlords, assumed the relevant End Tenant leases. Below is a description of the significant, but select and limited, economic terms of the End Tenant leases. The information listed below is not exhaustive of all important terms of the End Tenant leases, such as, for example, the Trusts' liabilities associated with indemnification provisions and certain End Tenants' termination, abatement and rent reduction rights in connection with a casualty or condemnation or default by a landlord. Prospective Purchasers are strongly encouraged to review the End Tenant leases. Capitalized terms use in this section and not otherwise defined in this Memorandum have the meaning given such terms in the relevant End Tenant leases.

SUMMARY OF KEY LEASE TERMS

Wyatts Towing – Adam Aircraft Property

General			
Tenant Name:	Towing Holdings, LLC		
DBA:	Wyatts Towing		
Premises Address:	13202 E. Adam Aircraft Circle		
City, State, Zip:	Englewood, CO 80112		
Tenant Space / Building Information			
GLA:	5,000 square feet		
Land Area:	3.50 acres		
Dates and Term			
Lease Agreement Date:	June 1, 2022		
Lease Commencement Date:	June 1, 2022		
Lease Expiration Date:	May 31, 2037		
Term:	15 Years		
Renewal Options:			
Option	2-5 years each, 2.5% annual rent increases		
Lease Guaranty:			
Guaranty:	None		
Rent			
Term	Monthly	Annual	PSF Annual
Years 1-15:	\$20,554.94	\$246,659.28	\$49.33
Concessions/Abatements:	None		
Amortized Tenant Improvements:	None		
Operating Expenses/Capital Repairs			
Management Fee:	None		
Real Estate Taxes:	Tenant pays 25% of real estate tax assessment on main building and 50% of assessment on land and 100% of future assessments on Metal Building; Tenant pays 1/12 of estimated real estate tax obligation each month		
Insurance:	Tenant pays 25% of Landlord's insurance costs (and 100% of future premiums on Metal Building); Tenant pays 1/12 of estimated insurance obligation each month.		
Repairs & Maintenance:	Tenant responsibility		
Utilities:	Tenant is directly billed for gas and electric; Tenant pays 25% of Building common area utilities (water, sewer and lighting)		
Building Exterior:	Landlord is responsible for structural repairs; maintenance and replacement of building systems; fire monitoring service and replacement of parking lot		
Parking Area:	Landlord shall repair and replace the parking areas of the Leased Premises (or cause Herc Rentals to do so); Tenant pays 25% of such costs		
Tenant Defaults			

Acts of Default/Landlord Remediation:	No accelerated rent on default; Landlord must use commercially reasonable efforts to relet; lock-out is permitted
Landlord Defaults	
Landlord Default/Tenant Remedies:	Tenant can terminate lease 30 days after Landlord receives notice of default if default is not cured
Tenant Restrictions	
Assignment and Subletting:	Assignment or sublease all or any portion to any affiliate - "affiliate transfers" defined broadly to include common control entities, asset/business sales & mergers/consolidations, involving Tenant or Towing Operations, LLC or other Tenant affiliates
Alterations:	After initial build-out, no structural alterations are allowed without Landlord's consent; construction of Metal Building is authorized
Termination Rights	
Tenant Termination Options:	Yes, change of laws limiting uses, failure to supply utilities, casualty, condemnation, environmental, and Landlord default
Landlord Termination Options:	None, except under acts of default
Landlord Restrictions	
Exclusive Restrictions:	Tenant has the exclusive right to operate towing services and impound lot
Tenant Purchase Options:	
Right of First Refusal:	None
Forms:	
Estoppel:	Reciprocal; 15 days to deliver; no form provided
SNDA:	Subordination only if SNDA, in form attached to lease, is delivered by mortgagee

Herc Rentals – Adam Aircraft Property

General			
Tenant Name:	Herc Rentals, Inc.		
DBA:	Herc Rentals, Inc.		
Premises Address:	13202 E. Adam Aircraft Circle		
City, State, Zip:	Englewood, CO 80112		
Tenant Space / Building Information			
GLA:	15,000 square feet		
Land Area:	3 Acres		
Dates and Term			
Lease Agreement Date:	10/18/2019		
Lease Commencement Date:	April 1, 2020		
Lease Expiration Date:	June 30, 2035		
Term:	15 Years		
Lease Guaranty:			
Guaranty:	None		
Renewal Options:			
Option 1	2-5 years each, 2.5% annual rent increases		
Rent			
Term	Monthly	Annual	PSF Annual
Years 1-5:	\$30,074.15	\$360,889.80	\$23.47
Percentage Rent:	None		
Concessions/Abatements:	None		
Amortized Tenant Improvements: \$240,000			
Operating Expenses/Capital Repairs			
Management Fee:	None		

Real Estate Taxes:	Tenant pays 75% of real estate tax assessment on building and 50% of assessment on land; Tenant pays 1/12 of estimated real estate tax obligation each month
Insurance:	Tenant pays 75% of Landlord's insurance costs. Tenant pays 1/12 of estimated insurance obligation each month
Repairs & Maintenance:	Tenant responsibility
Utilities:	Tenant is directly billed for gas and electric; Tenant pays 75% of Building common area utilities (water, sewer and lighting)
Building Exterior:	Landlord is responsible for structural repairs and systems serving the building.
Parking Area:	Tenant is responsible for all exterior landscaping, snow removal, maintenance and all parking areas; Landlord passes 25% of cost to Wyatts Towing. Landlord responsible for parking lot replacement

Tenant Defaults

Acts of Default/Landlord Remediation:	No accelerated rent on default; rent is due up to the date of any dispossession or removal. The Landlord may relet the Premises; lock-out is permitted. The Landlord shall have the right but not the obligation to cure any Event of Default of Tenant by paying any delinquent payments, including late fees. Landlord shall use commercially reasonable efforts to mitigate damages.
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Landlord Defaults

Landlord Default/Tenant Remedies:	Tenant can terminate lease 30 days after Landlord receives notice of default if default not cured
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Tenant Restrictions

Assignment and Subletting:	Assignment or sublease all or any portion to any affiliate - "affiliate" defined broadly to include asset/business sales, mergers/consolidations
Alterations:	After initial build-out, no structural alterations allowed without Landlord's consent

Termination Rights

Tenant Termination Options:	Yes, change of laws limiting uses, failure to supply utilities, casualty, condemnation, environmental, and Landlord default
Landlord Termination Options:	None, except under acts of default

Landlord Restrictions

Exclusive Restrictions:	Tenant has exclusive right to operate construction equipment and motor vehicle leasing and rental business
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Tenant Purchase Options:

Right of First Refusal:	Tenant has the right of first offer on remaining 5,000 square foot building if building becomes available for lease
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Forms:

Estoppel:	Reciprocal; 15 days to deliver; no form provided
SNDA:	Subordination only if SNDA, in form attached to lease, is delivered by mortgagee

American Tire Distributors –Tucker Street Property

General

Tenant Name:	American Tire Distributors
Premises Address:	3020 Tucker Street
City, State, Zip:	Burlington, North Carolina 27215

Tenant Space / Building Information

GLA:	101,393 square feet
Land Area:	N/A

Dates and Term

Lease Agreement Date:	January 1, 2007
Lease Commencement Date:	January 1, 2007
Lease Expiration Date:	December 31, 2026
Term:	20 Years

Renewal Options:

Option 1 None

Lease Guaranty:

Guaranty: None

Rent

Term	Monthly	Annual	PSF Annual
Years 1-20:	\$28,572.22	\$342,866.64	\$3.38
Percentage Rent:	None		
Concessions/Abatements:	None		

Amortized Tenant

Improvements: None

Operating Expenses/Capital Repairs

Management Fee: None

Real Estate Taxes: Tenant pays 100% of real estate tax assessment. Tenant pays 1/12 of estimated real estate tax obligation each month

Insurance: Tenant pays 100% of Landlord's insurance costs. Tenant pays 1/12 of estimated insurance obligation each month

Repairs & Maintenance: Tenant responsibility

Utilities: Tenant is directly billed for gas and electric; Tenant pays 100% of Building common area utilities (water, sewer and lighting)

Building Exterior: Landlord is responsible for structural repairs and systems serving the building

Parking Area: Landlord is responsible for all exterior landscaping and all parking areas

Tenant Defaults

Acts of Default/Landlord Remediation: Each of the following constitutes a Default by Tenant:

(a) Tenant: (i) makes an assignment for the benefit of creditors, (ii) files a petition in any court (whether or not pursuant to any statute of the United States or of any state) in any bankruptcy, reorganization, composition, extension, arrangement or insolvency proceedings, (iii) fails to cause any such petition filed against Tenant to be dismissed within ninety days, (iv) applies for the appointment of a trustee or receiver for it or all or any portion of its property, or (v) fails to cause any such receivership or trusteeship to be set aside within ninety days after such appointment.

(b) Tenant fails to pay any installment of Base Rent or Additional Rent or any other charge required to be paid by Tenant under this Lease within ten days after the due date thereof or the expiration of any cure period provided herein

(c) Tenant fails to perform or observe any of its obligations under this Lease and such failure continues for a period of thirty days after written notice thereof from Landlord to Tenant; provided, however, that if such failure cannot reasonably be cured within such 30-day period, a Default shall not exist hereunder if Tenant commences an appropriate cure promptly within such 30-day period and thereafter pursues such cure diligently to completion within a period not to exceed sixty days

(d) Tenant abandons or vacates the Demised Premises, or fails to take occupancy of the Demised Premises within ten days after the Commencement Date

Landlord Defaults

Landlord Default/Tenant Remedies: Landlord shall be in Default under the Lease if Landlord fails, whether by action or inaction, to timely comply with, or satisfy, any or all of the obligations imposed on Landlord under the Lease for a period of thirty days after Tenant's delivery to Landlord of written notice of such Default as provided in the Lease. If, however, such Default cannot, by its nature, be cured within such thirty day period, but Landlord commences and diligently pursues a cure of such Default promptly within such thirty (30) day period and thereafter pursues such cure diligently to completion within a period not to exceed sixty days, Landlord's Default shall be cured as long as the failure or inability to promptly cure does not unreasonably interfere with Tenant's use of the Demised Premises, the Building or the Project

Tenant Restrictions	
Assignment and Subletting:	Landlord's prior written consent required which can be withheld in Landlord's sole and absolute discretion; provided, however, that such consent shall not be withheld unreasonably, if: (i) the proposed assignee or subtenant is creditworthy considering the obligations to be assumed under the Lease and any applicable sublease; (ii) the proposed assignment or sublease is for a Permitted Use substantially similar to the use being made of the Demised Premised by Tenant, and the assignee or subtenant has reasonable experience and expertise in operating such a business; (iii) there is no Default at the time of the request for consent or at the time of the assignment or sublease; (iv) the proposed assignee or sublessee is not a present tenant in the Building or a person or entity whose tenancy would violate any exclusivity arrangement which Landlord has with another tenant; and (v) if the consent of any Mortgagee to such assignment or sublease is required, such consent has been obtained at Tenant's expense
Alterations:	Tenant may make any Alterations without the prior written consent of Landlord, unless the Alteration is "material," in which event the written consent of Landlord shall be required. Such consent shall not be unreasonably withheld. Any Alteration affecting the structure of the Building or the electrical, mechanical, or plumbing systems of the Building or requiring penetration of the roof, walls or floor of the Building or Demised Premises, and any other Alteration which is expected to cost in excess of \$25,000, shall be considered a "material" alteration. If requested by Landlord, Tenant shall provide to Landlord, before commencement of any Alteration or delivery of any materials to be used therefor, complete and final plans and specifications, names and addresses of contractors, copies of contracts and necessary permits and licenses. Upon completion of any Alteration, Tenant shall, if requested by Landlord, furnish Landlord with "as built" plans and specifications

Termination Rights	
Tenant Termination Options:	None
Landlord Termination Options:	None, except under acts of default

Landlord Restrictions	
Exclusive Restrictions:	None

Tenant Purchase Options:	
Right of First Refusal:	None

Forms:	
Estoppel:	Within ten days after request from Landlord, Tenant shall deliver a certificate to Landlord, in writing, acknowledged and in proper form for recording
SNDA:	The Lease shall be subject and subordinate to the lien of any future Mortgage, Deed of Trust or other consensual lien of Landlord, irrespective of the time of execution or the time of recording of the Mortgage. Upon Landlord's request, from time to time, Tenant shall confirm in a recordable written instrument, in such forms as may be required by any Mortgagee, that this Lease is so subordinate or so paramount to the lien of such Mortgagee's Mortgage (as the Mortgagee may elect)

Liberty Tire Recycling – 6015 Enterprise Property

General	
Tenant Name:	Liberty Tire Recycling, LLC
Premises Address:	6015 Enterprise Park Drive
City, State, Zip:	Sanford, North Carolina
Tenant Space / Building Information	
GLA:	117,659
Land Area:	N/A
Dates and Term	

Lease Agreement Date: April 22, 2021
 Lease Commencement Date: April 22, 2021
 Lease Expiration Date: July 22, 2031
 Term: 10.25 Years

Renewal Options:

Option 1 2 options, 5 years each, 2.5% annual rent increases

Lease Guaranty:

Guaranty: LTR Intermediate Holdings, Inc., a Delaware corporation

Rent

Term	Monthly	Annual	PSF Annual
Years 1-10.25:	\$48,013.88	\$576,166.56	\$4.90
Concessions/Abatements:	None		

Amortized Tenant

Improvements: \$936,000

Operating Expenses/Capital Repairs

Management Fee: 3% property management supervision and all common area maintenance, which includes all actual and reasonable costs charged by the Central Carolina Enterprise Property Owner's Association, with any actual and reasonable costs incurred in maintaining the Demised Premises

Real Estate Taxes: Tenant agrees to reimburse Owner for all ad valorem taxes due and payable on the Demised Premises

Insurance: To the extent that the Tenant's use of the Demised Premises shall increase the cost to the Owner of insurance policy or policies, the Tenant shall reimburse the Owner as an additional rental charge, the amount of the increase in the Owner's cost on account of such use by the Tenant

Repairs & Maintenance: Tenant responsibility

Utilities: Tenant agrees to pay fuel, water, sewer, electric power telephone, and other utilities

Building Exterior: Landlord is responsible for structural repairs and systems serving the building

Parking Area: Property Owner's Association responsible for grounds, tenant responsible for parking area repairs and maintenance

Tenant Defaults

Acts of Default/Landlord Remediation: Each of the following shall be deemed an event of default by Tenant and a breach of this lease: (i) The filing by or against Tenant of a petition of bankruptcy, under any chapter of the United States Bankruptcy Code, (ii) The Appointment of a receiver for Tenant, (iii) The liquidation or dissolution or the commencement of any such act by or against Tenant, (iv) The seizing of possession of any property of the Tenant by any governmental officer or agency pursuant to any judgment or lien, (v) The making by Tenant of any assignment for the benefit of creditors, (vi) Other than a default under (vii) immediately below, a default in the performance of any other covenant or condition of this Lease Agreement on the part of Tenant, (vii) A default under the Tenant Improvement Note, and (viii) A default in the payment of rent, insurance, taxes, late payment fees, or Common Area Maintenance charges, in any, or any other sums to be paid by Tenant pursuant to this Lease, any Rider hereto, and/or the Face Page hereto, to the extent such failure to make payment continues for five days after written notice to Tenant from Owner; provided, however, Owner shall only be required to provide one such notice in any calendar year, and thereafter, Owner's notice obligation hereunder shall be of no further force or effect

Landlord Defaults

Landlord Default/Tenant Remedies: None

Tenant Restrictions

Assignment and Subletting: Tenant may not sublet or assign without Owner's consent, such consent not to be unreasonably withheld, conditioned or delayed.

Alterations: Except for Cosmetic Alterations, Tenant shall make no material alterations or additions to the Demised Premises without the written approval of Owner. Tenant may, without Owner's prior consent (but only after prior notice to Owner), make certain cosmetic alterations to the Demised Premises, provided that such Cosmetic Alterations: (i) are non-structural; (ii) do not require the issuance of any governmental or building permit; (iii) do not affect any building systems; and (iv) the total aggregate costs of such Cosmetic Alterations do not exceed \$30,000.00 during any given calendar year during the term hereof

Termination Rights

Tenant Termination: None
 Options:
 Landlord Termination: None, except under acts of default
 Options:

Landlord Restrictions

Exclusive Restrictions: None

Tenant Purchase Options:

Right of First Refusal: None

Forms:

Estoppel: Tenant shall, without charge therefor, at any time and from time to time, within ten business days after receipt of a request by Owner, execute, acknowledge, and deliver a written Estoppel Certificate, with certain statements set forth in Article XXV

SNDA: This Lease shall be subject and subordinate at all times to the lien of any mortgage, deed of trust or other encumbrance(s) which is now (or which may hereafter be) placed on the Demised Premises, by Owner. This clause shall be self-operative, and no further instrument of subordination shall be required to effect the subordination of this Lease. Nonetheless, if requested by Owner, within ten business days of receipt of such request, Tenant shall execute and deliver such further instrument(s) subordinating this Lease to the lien of any such mortgage, deed of trust or any other encumbrance(s) as shall be desired by any party to be secured thereby; provided, however, that if the interests of Owner under this Lease shall be transferred by reason of foreclosure or other proceedings for the enforcement of any such mortgage, deed of trust or other such encumbrance(s), Tenant shall still be bound to the transferee, under the terms, covenants and conditions of this Lease for the remaining portions of the terms) of this Lease, with the same force and effect as if the transferee were Owner under this Lease, and, if requested by such transferee, Tenant shall attorn to the transferee as the Owner. Notwithstanding the foregoing portions of this Article, this Lease and the rights of the Tenant hereunder shall not be disturbed, but shall continue in full force and effect, so long as there is no default by the Tenant hereunder which is not waived in writing by the holder of any such lien. Tenant also agrees that any Subordination Agreement executed by it may contain a requirement that the Tenant promptly notify any holder of any such mortgage, deed of trust, or other encumbrance of any default by the Owner under this Lease, and that the Tenant shall further grant to such holder or transferee a reasonable period of time to cure any default by the Owner under this Lease

Pfizer – 6056 Enterprise Property

General

Tenant Name: Pfizer
 Premises Address: 6056 Enterprise Park Drive
 City, State, Zip: Sanford, North Carolina

Tenant Space / Building Information

GLA: 117,625 square feet
 Land Area: N/A

Dates and Term			
Lease Agreement Date:	September 28, 2020		
Lease Commencement Date:	August 25, 2021		
Lease Expiration Date:	January 31, 2032		
Term:	10.42 Years		
Renewal Options:			
Option 1	2 options, 5 years each, 3.0% annual rent increases		
Lease Guaranty:			
Guaranty:	None		
Rent			
Term	Monthly	Annual	PSF Annual
Years 1-9.42:	\$50,562.41	\$606,748.92	\$5.18
Concessions/Abatements:	None		
Amortized Tenant Improvements:	\$50,000		
Operating Expenses/Capital Repairs			
Management Fee:	3% property management supervision and all common area maintenance, which includes all actual and reasonable costs charged by the Central Carolina Enterprise Property Owner's Association, with any actual and reasonable costs incurred in maintaining the Demised Premises		
Real Estate Taxes:	Tenant agrees to reimburse Owner for all ad valorem taxes due and payable on the Demised Premises		
Insurance:	To the extent first accruing during the Term, Premiums for a fire and extended coverage insurance policy which shall be obtained and maintained by Owner, which Tenant shall pay as a monthly estimated amount for each calendar year based on a reasonable estimate received by Tenant from Owner		
Repairs & Maintenance:	Tenant responsibility		
Utilities:	Tenant agrees to pay fuel, water, sewer, electric power telephone, and other utilities.		
Building Exterior:	Landlord is responsible for structural repairs and systems serving the building		
Parking Area:	Property Owner's Association responsible for grounds, tenant responsible for parking area repairs and maintenance		
Tenant Defaults			
Acts of Default/Landlord Remediation:	Each of the following shall be deemed an event of default (each, an "Event of Default") by Tenant and a breach of this Lease: (i) The filing by or against Tenant of a petition in bankruptcy, under any chapter of the United States Bankruptcy Code, unless dismissed within 120 days. (ii) The appointment of a receiver in bankruptcy for Tenant. (iii) Other than a default under clause (iv) immediately below, a default in the performance of any covenant or condition of this Lease to be observed or performed by Tenant where such failure shall continue for a period of thirty days following Tenant's receipt of written notice thereof specifying such failure; provided, however, that if such failure is not reasonably capable of being cured within said thirty (30) day period, and if Tenant shall diligently prosecute the same to completion, then the time period within which said failure may be cured shall be reasonably extended for such period as may be reasonably necessary to complete the cure of the same with diligence. A default in the payment of Base Rent or Additional Rent where such failure shall continue for a period of 10 days following Tenant's receipt of notice from Owner certifying that the Base Rent and/or Additional Rent payment in question was not paid when due (notwithstanding the foregoing, Owner shall only be required to give such notice with respect to Base Rent once in any calendar year)		
Landlord Defaults			
Landlord Default/Tenant Remedies:	Owner Default. The following shall be deemed an event of default (each, an "Event of Owner Default") by Owner and a breach of this Lease: (i) A default in the		

performance of any covenant or condition of this Lease to be observed or performed by Owner where such failure shall continue for a period of thirty days following Owner's receipt of written notice thereof specifying such failure; provided, however, that if such failure is not reasonably capable of being cured within said thirty (30) day period, and if Owner shall diligently prosecute the same to completion, then the time period within which said failure may be cured shall be reasonably extended for such period as may be reasonably necessary to complete the cure of the same with diligence

Tenant Restrictions	
Assignment and Subletting:	Tenant may not sublease all or any part of the Demised Premises or assign this Lease without Owner's consent, which consent shall not be unreasonably withheld, conditioned or delayed
Alterations:	Tenant shall make no alterations or improvements to the Demised Premises, other than non-structural changes costing less than the Alteration Amount (as hereinafter defined) on an individual basis, without the written approval of Owner, but such approval shall not be unreasonably conditioned, delayed or withheld

Termination Rights	
Tenant Termination Options:	Tenant may immediately terminate this Lease by written notice to Owner if: (a) Owner shall fail to obtain all permits, approvals, licenses, and authorizations needed to commence construction of Owner's Work by December 31, 2020; (b) Owner shall fail to commence construction of Owner's Work by January 1, 2021; (c) Owner shall fail to diligently pursue the construction of Owner's Work for more than ten days following notice from Tenant; (d) The Commencement Date has not occurred as of May 31, 2022 for any reason, including, but not limited to, any reason described in Article XLII
Landlord Termination Options:	None, except under acts of default

Landlord Restrictions	
Exclusive Restrictions:	None

Tenant Purchase Options:	
Right of First Refusal:	None

Forms:	
Estoppel:	Not more frequently than once each calendar year, Tenant shall, without charge therefor, at any time and from time to time, within 20 days after receipt of a request by Owner, execute, acknowledge and deliver a written Estoppel Certificate.
SNDA:	Simultaneously with the execution and delivery of this Lease, Owner shall, at Owner's sole cost and expense, obtain and deliver to Tenant, a subordination, non-disturbance and attornment agreement ("SNDA"), in recordable form, in form substantially similar to the attached hereto and incorporated herein as Exhibit F, and Tenant agrees that it will, upon request of Owner, execute same. In connection with any future Mortgages, Tenant agrees that it will, upon request of Owner, negotiate in good faith and execute an SNDA with an applicable Mortgagee; provided such SNDA shall not alter the terms and provisions of this Lease and Owner shall cooperate and assist Tenant in any Owner request pursuant to this Article

DEX Truck Parts – Cornatzer Property

General	
Tenant Name:	DEX Truck Parts
Premises Address:	2016 Cornatzer Road
City, State, Zip:	Advance, North Carolina
Tenant Space / Building Information	
GLA:	209,905 square feet
Land Area:	N/A
Dates and Term	

Lease Agreement Date: August 1, 2013
 Lease Commencement Date: August 1, 2013
 Lease Expiration Date: April 22, 2029
 Term: 10 Years

Renewal Options:

Option 1 2 options, 7 years each, 2.0% annual rent increases

Lease Guaranty:

Guaranty: None

Rent

Term	Monthly	Annual	PSF Annual
Years 1-10:	\$44,975.00	\$539,700.00	\$2.57
Concessions/Abatements:	None		

Amortized Tenant

Improvements: \$500,000

Operating Expenses/Capital Repairs

Management Fee: None

Real Estate Taxes: Tenant agrees to pay all Tax Costs assessed during the term directly to the taxing authority on or before such date to incur penalties. Partial periods at the beginning or end of the Term will be prorated on a per diem basis. Tenant will be entitled to prompt refund of any tax refund attributable to the Term, even after expiration or Termination of the lease

Insurance: Landlord agrees that it will keep the Premises insured against loss or damage by those perils covered by "all risks" coverage and Tenant agrees to reimburse Landlord for the premiums paid by Landlord for property insurance after receipt of a copy of the invoice for such insurance

Repairs & Maintenance: Tenant responsibility

Utilities: Tenant agrees to pay for water and electric utilities rendered or furnished to the Premises during the Term

Building Exterior: Landlord is responsible for structural repairs and systems serving the building

Parking Area: Landlord is responsible for all exterior landscaping and all parking areas

Tenant Defaults

Acts of Default/Landlord Remediation: If (a) Tenant defaults in the payment of rent (or other amounts under this Lease) and default continues for 10 business days after written notice, (b) Tenant defaults in any other obligation and default continues for 30 days after written notice (unless default is of nature that cannot be cured within such period, in which case Tenant will have reasonably necessary time to cure, provided Tenant commences to cure within the original 30 day period and continues to diligently and continuously pursue the cure to completion), (c) any proceeding is begun by or against Tenant to subject the assets of Tenant to any bankruptcy/insolvency law or for an appointment of a receiver of Tenant and is not discharged within 60 days, or (d) Tenant makes a general assignment of assets for the benefit of creditors, then Landlord may (with or without terminating the Lease), cure the default and charge Tenant all costs and expenses of doing so, and Landlord also may, by process of law, re-enter the Premises, remove all persons and property, and regain possession of the Premises

Landlord Defaults

Landlord Default/Tenant Remedies: In event of Landlord default, Tenant must notify Landlord, who shall have 30 days to cure upon receipt of notice (shorter, as may be reasonable under circumstances in the event of emergency, or longer if default is of such character that requires more than 30 days to cure)

Tenant Restrictions

Assignment and Subletting: Tenant must receive Landlord's prior written consent to sublet, which will not be unreasonably withheld or delayed

Alterations: Except for alterations described in Exhibit C (not attached), Tenant will not make any alterations, additions or improvements in or to the Premises without written consent, which will not be unreasonably withheld/delayed. Tenant shall, at the end of the Term, remove at Tenant's own expense, any improvement that materially damages the structure of the building, harms the functionality of the facility, impairs the value of the property or was permitted by Landlord on the condition that it be removed at the end of the Term

Termination Rights

Tenant Termination Options: As of the 84th month of the Term (April 2026), Tenant may cancel the Lease with 6 months' prior written notice and payment in an amount equal to unamortized tenant improvements and commissions plus the Monthly Net Rent and Additional Rent due at such time multiplied by nine

Landlord Termination Options: None, except under acts of default

Landlord Restrictions

Exclusive Restrictions: None

Tenant Purchase Options:

Right of First Refusal: None

Forms:

Estoppel: Within twenty days after written request by either party, other party will execute an estoppel delivered by requesting party to be relied on by that party and other third parties, acknowledging: (a) lease is unmodified and in full force/effect, (b)), (b) the dates to which rent and other charges have been paid, (c) the current Monthly Net Rent, (d) the dates on which the Term begins and ends, (e) the existence of any unexpired Extension Options, (f) that Tenant has accepted the Premises and is in possession, (g) that neither Landlord nor Tenant is in default under this Lease, or specifying any such default, and (h) such other information as may be reasonably requested

SNDA: At request of any mortgagee or ground lessor, the Lease will be subject and subordinate to any mortgage or ground lease which may now or in the future encumber the Premises, and Tenant will execute, acknowledge and deliver to Landlord any document reasonably requested by Landlord to evidence the subordination

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BUSINESS PLAN

General

The ownership objectives for the Properties will be to (i) preserve the capital investment; (ii) make monthly distributions starting at 3.75% per annum in 2022 and projected to range from 3.75% to 4.75% per annum in years two through ten which may be partially tax-deferred as a result of depreciation and amortization expenses; (iii) provide institutional property management oversight to maintain the high quality and high marketability of the Properties to maximize future value; and (iv) realize profit through the ownership and eventual sale, disposition, transfer or merger to facilitate a Section 1031 Exchange (under limited circumstances) or an exchange transaction pursuant to Section 721 of the Code with respect to the Properties within approximately seven to ten years. Further, the Sponsor plans to achieve these objectives by, among other things, increasing the net operating income of the Properties through growth in rental rates and controlling expenses through professional property management and diligent asset management.

Bluerock Value Creation Opportunity

BVEX, a national sponsor of syndicated 1031 exchange offerings with a focus on Class A assets that can deliver stable cash flows with the potential for value creation, is the parent of the manager of the Trusts. BVEX and BIGRX believe the Properties are well positioned for additional rent growth and value creation as a result of the high projected demand for industrial properties in desirable locations within high growth markets. Further, BVEX and BIGRX believe that an investment in the Parent Trust will provide investors with an attractive long-term investment opportunity, through the participation in an already-assembled portfolio of real estate assets that are geographically diversified, and which are expected to generate a steady and stable stream of income pursuant to long-term, net leases that are financially backed by a diverse and creditworthy group of lessees. The Properties are located in some of the strongest industrial markets including Raleigh-Durham, North Carolina, and Denver, Colorado. Tenants include significantly capitalized household names such as Pfizer, one of the world's largest pharmaceutical companies with a market capitalization of more than \$200 billion, and Herc Rentals with nearly 280 locations and a market capitalization in excess of \$2 billion.

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MARKET AND LOCATION OVERVIEW

The following is a brief summary of the real estate market in which the Properties are located. Unless otherwise indicated, the information in this section has been taken from the Appraisals and other third-party reports or sources. Neither the Trusts nor the Sponsor have independently verified the information obtained from these sources and they cannot assure you of the accuracy or completeness of the data. However, the Sponsor has revised portions of the sources included in this section to eliminate typographical errors, to eliminate duplicative language, and to conform certain definitions contained in this Memorandum. You are encouraged to request from the Sponsor a copy of the Appraisals and the market reports referred to below, and to review them in their entirety, prior to investing in the Interests. Forecasts and other forward-looking information in the Appraisals and other sources are subject to the same qualifications and the additional uncertainties regarding other forward-looking statements in this Memorandum.

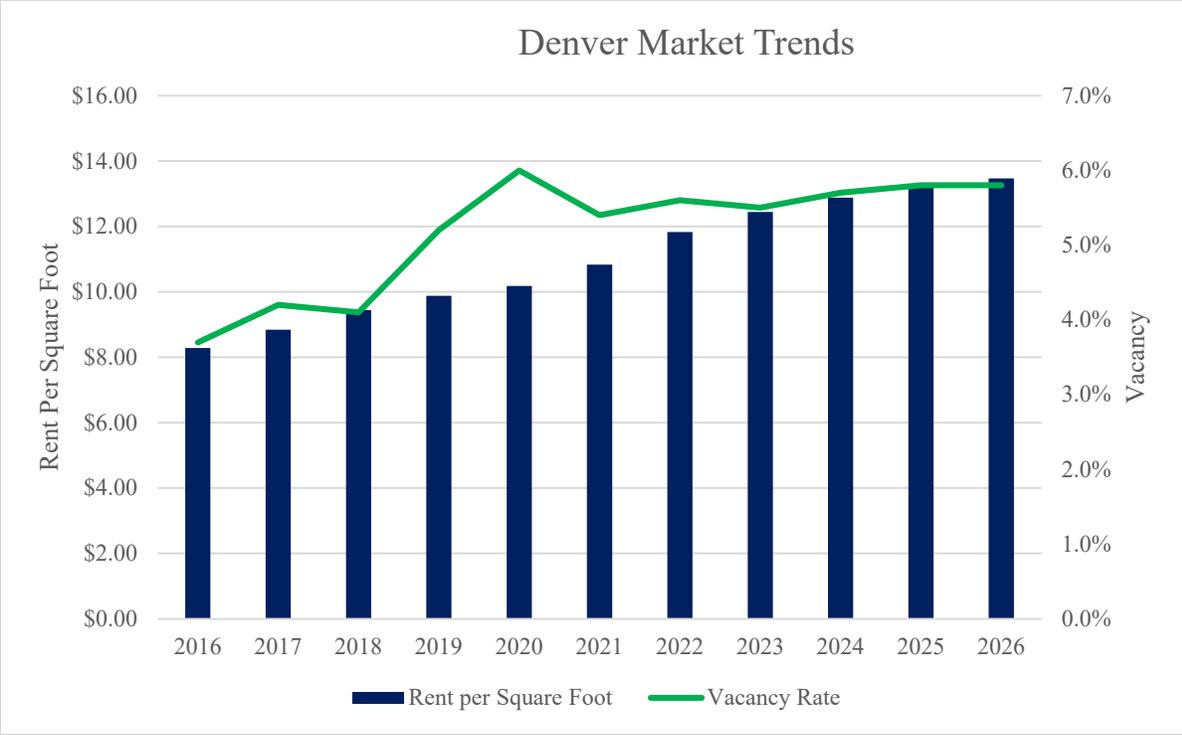
Key Highlights:

- **Geographically diversified industrial** portfolio in high demand regions leased to predominantly creditworthy tenants in “mission critical” locations.
- **100% net leased portfolio** provides very few landlord responsibilities while tenants bear the cost of all operating expenses in addition to rent.
- **Located in strong markets with exceptional distribution routes** which, due to demand for superb connectivity to population centers, have driven historical rent growth and low vacancy rates.
- **Value creation potential** with substantially in-place below market rents.
- **Five property portfolio** in the industrial real estate sector that has delivered the highest trailing 1,5, 10, and 20 year total returns among all major property sectors. (Source: National Council of Real Estate Investment Fiduciaries (NCREIF) Property Index as of 12.31.21).

Denver Market Overview:

Adam Aircraft Property is located in Englewood, Colorado part of the Denver Metro. The Denver Metro has been driven by robust population growth and the rise of e-commerce, propelled by the COVID-19 pandemic. Denver’s industrial market has continued to expand, adding 26 million square feet during the trailing five years, with another 10 million projected to be added during 2022. Denver is viewed as a desirable industrial destination due to its central location, abundant land availability, and solid infrastructure. 2021 saw the highest absorption on record at 7.9 million square feet, largely driven by companies such as Amazon and FedEx. This trend is expected to continue in 2022, with an expected 8 million square feet of absorption. As shown below, vacancy is expected to stabilize, while absorption is projected to be positive beyond 2025.

Vacancy rates are projected to remain stable in Denver hovering around the 5%-6% range through 2026. Large companies such as Amazon, FedEx, Alan Ritchey, and Aspen Distribution are positioning themselves to take advantage of the industrial space in the market. Amazon has leased 2.4 million square feet since the beginning of the COVID-19 pandemic, capturing the increase in e-commerce. Alan Ritchey recently signed a lease for 600,000 square feet, while Aspen Distribution leased 280,000 square feet in 2021. Denver’s rental rate growth has followed the vacancy trends, reaching an all-time high with an increase of 7.9% for the trailing year. The Denver industrial market has benefitted from a decade of strong population growth and steady employment gains. With the emergence of e-commerce, logistics tenants have targeted the Denver market for years in order to position themselves to take advantage of Colorado's densest population cluster. This has significantly changed the landscape of the industrial market, with new buildings added that are bigger, technologically more advanced, and increasingly attractive to investors, setting the industrial market up as a premier asset class. As shown below, rent growth and vacancy rates are projected to continue their strong performance. Rent per square foot is forecasted to increase 24.4% through 2026 with vacancy rates averaging 5.7%.



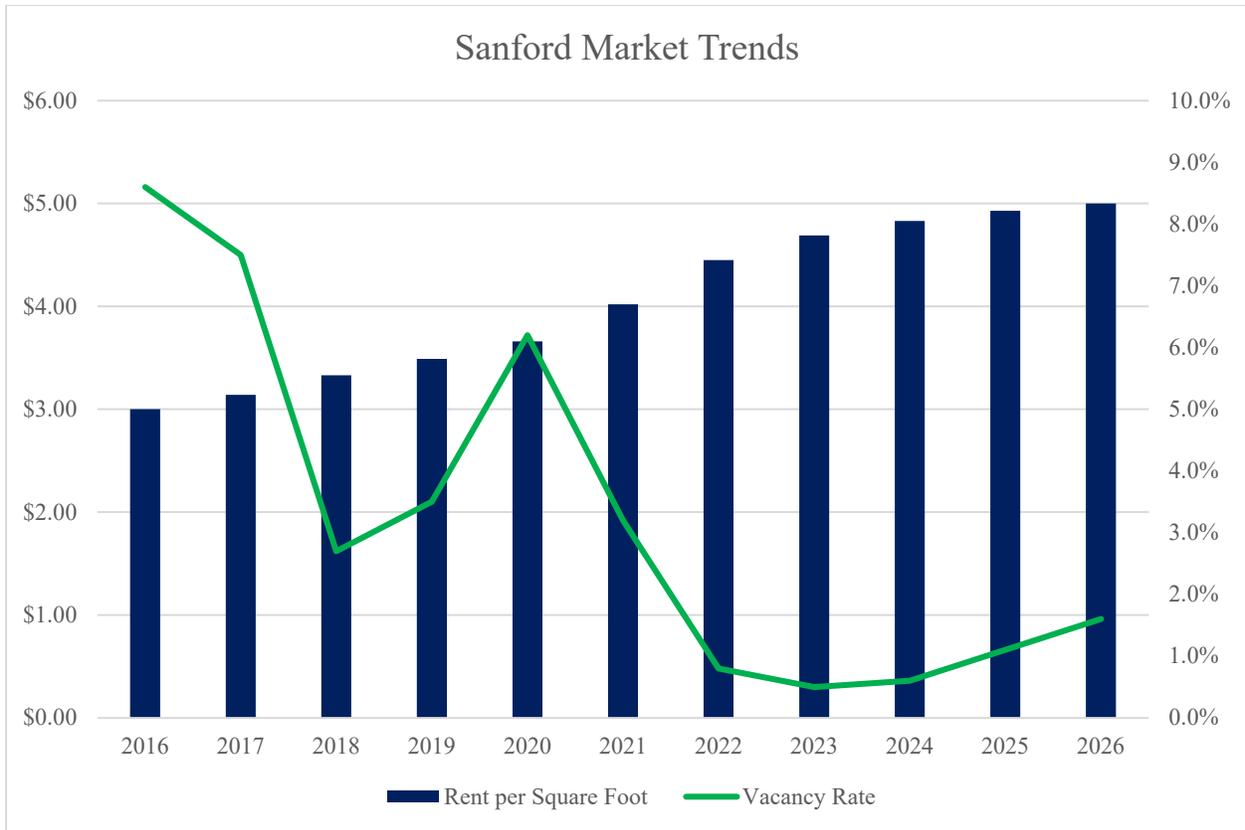
Denver’s economy is back on solid ground with employment surpassing the pre-pandemic levels. The industrial industry has showcased its resiliency in the Denver market, represented by jobs in the trade, transportation and utilities sector, was the first to reach pre-pandemic levels, and has now added an additional 24,100 jobs since February 2020.

(Source: CoStar)

Sanford / Raleigh Market

6015 Enterprise Property and 6056 Enterprise Property are located in Sanford, North Carolina, part of the Sanford market. The Sanford market has shown strong fundamentals, posting an average annual rental rate gain of 6.8% over the past three years, and a 12.6% annual rate during Q2 2022. Over the past three years, 230,000 square feet has been absorbed, with 120,000 square feet underway. Additionally, vacancy rates are below the 10-year historical average and have been trending downward for the last four quarters.

Fundamentals in Sanford are projected to remain impressive with tight vacancy rates driving significant rental rate growth. As shown below, vacancy rates are forecasted to average less than 1.0%, while rent per square foot will increase more than 24.0% through 2026.

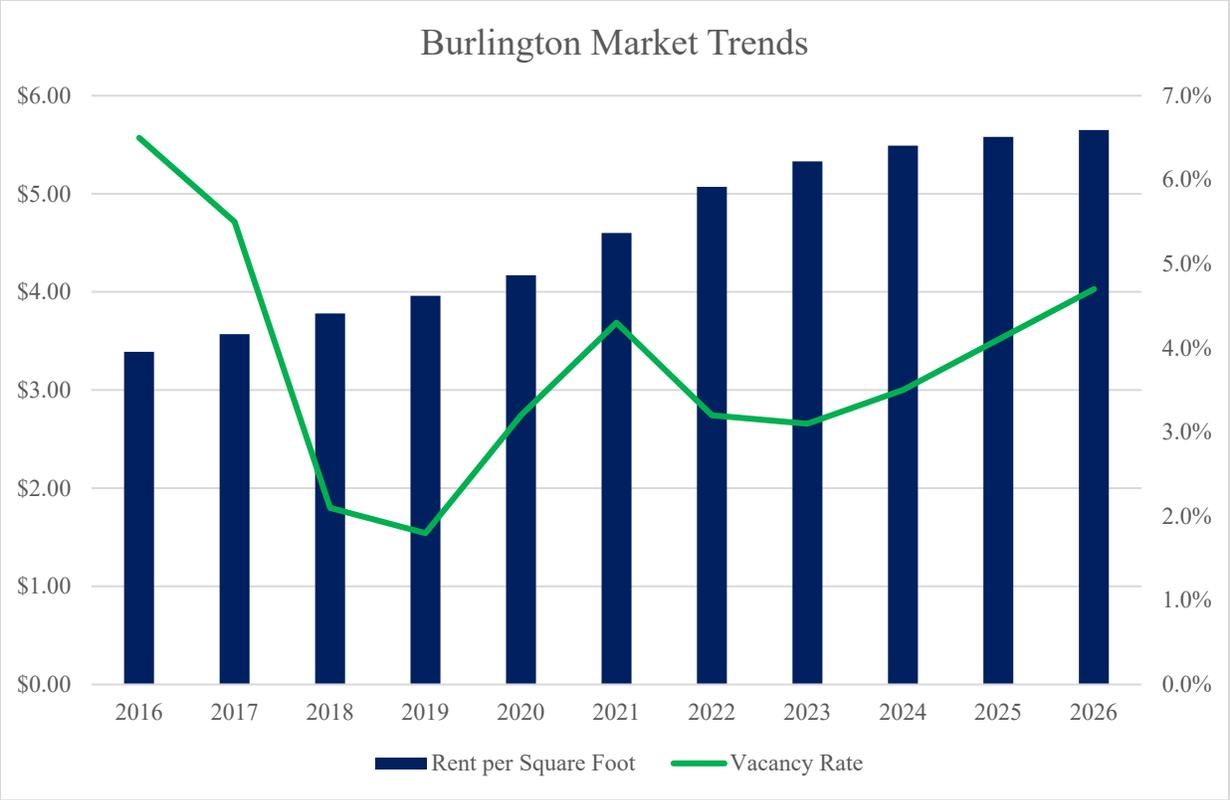


(Source: CoStar)

The Appraisals state 6015 Enterprise Property and 6056 Enterprise Property are located in the Raleigh Metro. The Appraisal asserts the Raleigh Metro is performing well due to its impressive gains in manufacturing and logistics. In the long run Raleigh Metro’s strong demographics, deep talent pool, and low costs will induce high-tech investment and keep the metro as one of the top-performing large economies in the South. Additionally, the Appraisal concludes the 6015 Enterprise Property’s location provides superb access just two hours from Charlotte, one hour from Greensboro, and only 30 minutes from Fort Bragg. The location holds good access to the major highways and roads, further making it more accessible. The north-south U.S. Highway 1 extends the reach from Key West to the Maine/Canada border, while the new U.S. Highway 421 Bypass streamlines fast-flowing delivery east to the Atlantic and west all the way to the Great Lakes. (Source: Appraisal)

Burlington / Greensboro Market Overview

Tucker Street Property is located in Burlington, North Carolina, part of the Burlington market. The industrial market in Burlington has shown excellent fundamentals with rents increasing an average 7.0% over the past three years and 12.4% for the trailing year. Over the last three years the market has absorbed 710,000 square feet of space with an additional 300,000 square feet underway. Vacancy rates remain below the trailing 10-year average and have been trending downward for the last four quarters. The Burlington market is projected to exhibit strong fundamentals. As shown below, vacancy rates are forecasted to average less than 4.0%, while rent per square foot will increase nearly 23.0% through 2026.



(Source: CoStar)

The Appraisal states the Tucker Street Property is part of the Greensboro Metro. The Tucker Street Property’s location near Interstate 40 provides desired connectivity as part of the Interstate Highway System that runs from Barstow, California to Wilmington, North Carolina. Manufacturing, transportation, and logistics continue to be at the forefront of the Greensboro Metro economy with Toyota recently announcing it will invest more than \$1 billion to build an electric-vehicle battery plant. Additionally, the Appraisal states that the Greensboro Metro is well-positioned as a logistics hub thanks to low business costs and a strategic geographic location. (Source: Appraisal)

Winston-Salem Market Overview:

The Cornatzer Property is located in Advance, North Carolina, part of the Winston-Salem market. The Winston-Salem market has continued to attract attention from logistics and distribution tenants due to its central location in North Carolina. The market has recently seen tight vacancies and limited pipeline supply, providing pricing power for landlords. Additionally, the Winston-Salem market is viewed as a discount to other markets and given its proximity to large markets such as Charlotte, has won the attention of national investors.

Due to strong demand for industrial space in the Winston-Salem market, vacancies remain at just 1.9%. Net absorption for the trailing 12-months sits at 2.2 million square feet, highlighting the robust demand for industrial space in the market. Additionally, the lack of new supply and a strong local economy should continue to support industrial demand for the area. Tight vacancy in the market has led to strong rental rate growth. Across all property types, rent increased 7.1% with industrial leading at 8.6% for the trailing year. This rent growth is projected to continue due to strong demand and limited supply. As shown below, vacancy is projected to average less than 2.5%, while rent per square foot is expected to increase nearly 20% through 2025.



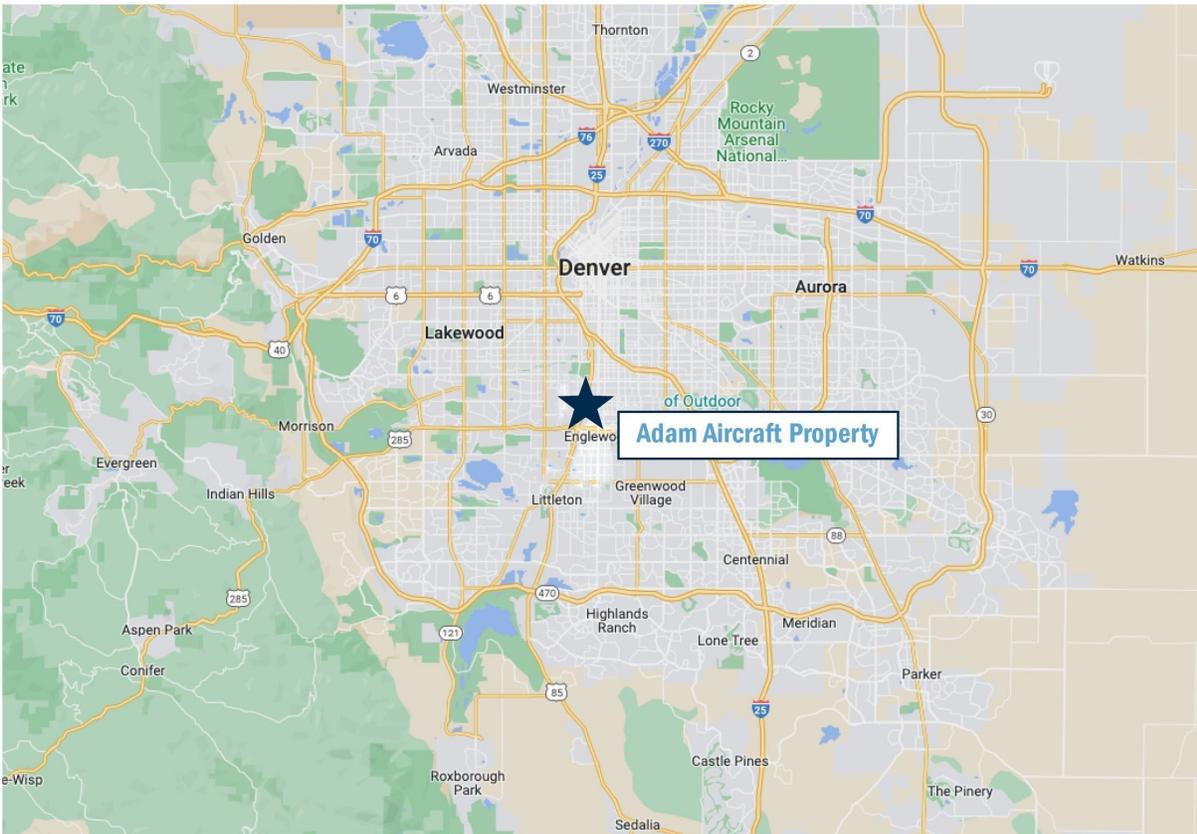
Winston-Salem’s local economy continues to exhibit strength, largely driven by the healthcare, finance, and trade and transportation industry. The market is part of the Piedmont Triad Region, and is home to major employers such as Wake Forest Baptist Medical Center, Novant Health, Wells Fargo, and Truist Financial. Wake Forest University and Winston-Salem State University are also economic drivers for the region. The presence of research universities has contributed to the success of Innovation Quarter, a district in the heart of Winston-Salem housing businesses and operations focused on research and development. The mixed-used development is home to more than 90 companies employing over 3,600 employees.

(Source: CoStar)

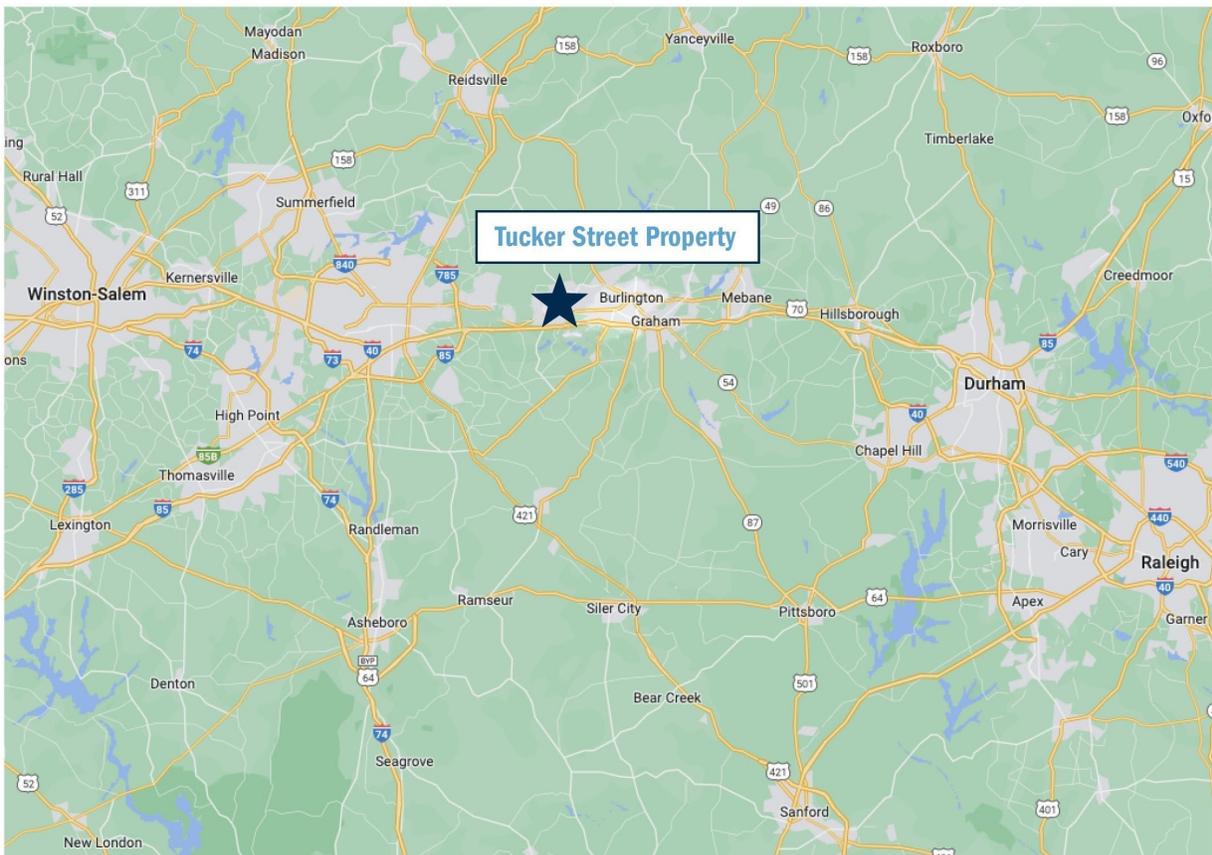
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AERIAL AND REGIONAL MAPS

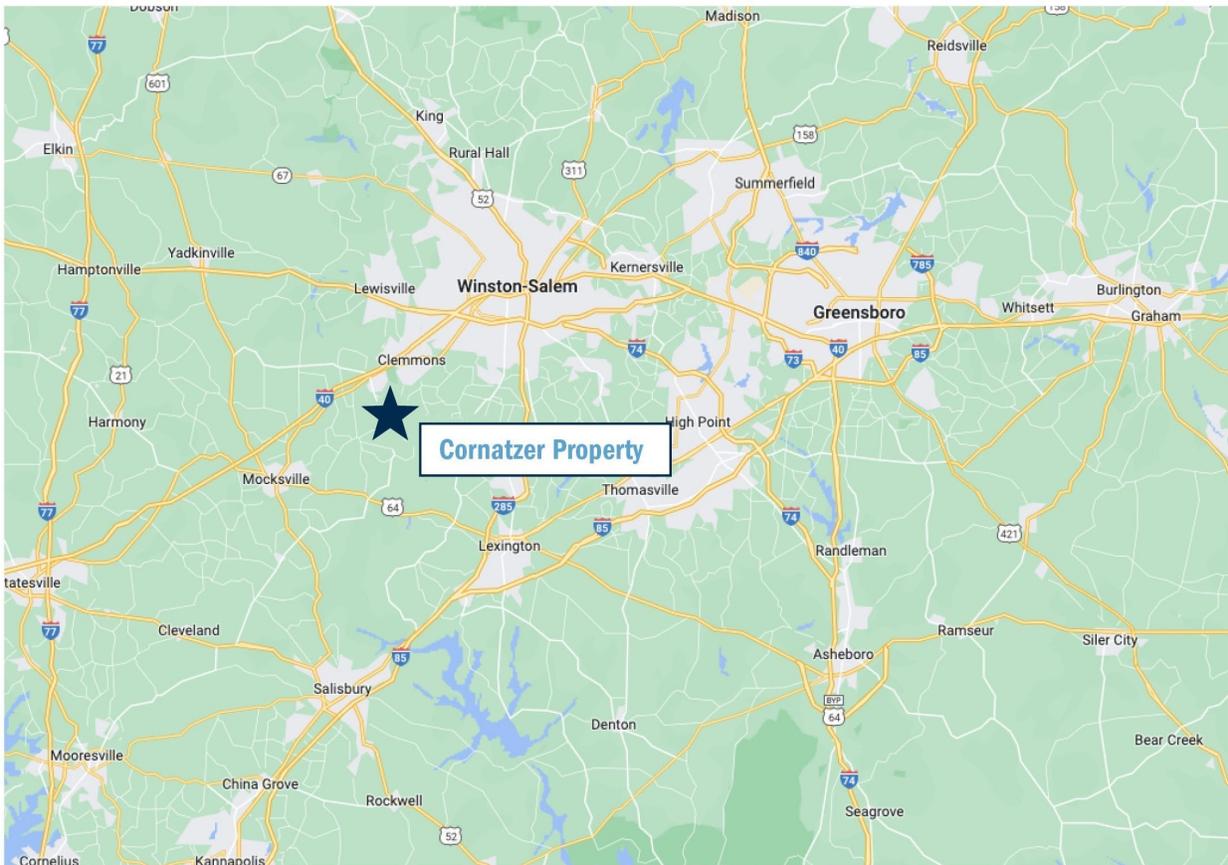
The Adam Aircraft Property



The Tucker Street Property



The Cornatzer Property



ACQUISITION AND CONTRIBUTION OF THE PROPERTIES; FINANCING TERMS

Contemporaneously with the Acquisition Closings, the Parent Trust in its role as depositor to the Operating Trusts (i) contributed its rights under each Purchase Contract to the applicable Operating Trusts, and (ii) contributed to each Operating Trust cash (including proceeds from the Bridge Financing) in exchange for 100% of the Class 2 Beneficial Interests in the Operating Trusts. The Properties are master leased by each applicable Operating Trust to the applicable Master Tenant. The Master Tenants sub-lease the Properties to the End Tenants. As of June 30, 2022, the Properties were 100% leased.

The Acquisition Closings

The Adam Aircraft Acquisition Closing

On June 29, 2022, the Adam Aircraft Trust acquired the Adam Aircraft Property for total consideration of \$14,900,000 pursuant to the Adam Aircraft Acquisition Closing. Prior to the Adam Aircraft Acquisition Closing, BVEX assigned to the Depositor all of BVEX's rights under the Adam Aircraft Original PSA.

At the Adam Aircraft Acquisition Closing, the Depositor conveyed the Adam Aircraft Purchase Contract and contributed sufficient cash to the Parent Trust, which, in turn, conveyed the Adam Aircraft Purchase Contract and contributed the cash to the Adam Aircraft Trust pursuant to the Adam Aircraft Depositor Contribution. The Adam Aircraft Depositor Contribution, together with the proceeds from the Loan, enabled the Adam Aircraft Trust to acquire the Adam Aircraft Property for \$14,900,000 and pay expenses and fees associated with the acquisition. In exchange for the Adam Aircraft Depositor Contribution, the Parent Trust issued to the Depositor certain Parent Class 2 Beneficial Interests. The Adam Aircraft Trust issued to the Parent Trust all of the Adam Aircraft Class 2 Beneficial Interests. Additionally, prior to the Adam Aircraft Acquisition Closing, the Parent Trust has been assigned an obligation on the part of the Depositor to pay to BVEX an Acquisition Fee in the amount of \$298,000 (i.e., 2.0% of the purchase price under the Adam Aircraft Original PSA, not inclusive of any credits).

The Tucker Street Acquisition Closing

On June 29, 2022, the Tucker Street Trust acquired the Tucker Street Property for total consideration of \$7,140,000 pursuant to the Tucker Street Acquisition Closing. Prior to the Tucker Street Acquisition Closing, BIGR assigned to the Depositor all of BIGR's rights under the Tucker Street Original PSA.

At the Tucker Street Acquisition Closing, the Depositor conveyed the Tucker Street Purchase Contract and contributed sufficient cash to the Parent Trust, which, in turn, conveyed the Tucker Street Purchase Contract and contributed the cash to the Tucker Street Trust pursuant to the Tucker Street Depositor Contribution. The Tucker Street Depositor Contribution, together with the proceeds from the Loan, enabled the Tucker Street Trust to acquire the Tucker Street Property for \$7,140,000 and pay expenses and fees associated with the acquisition. In exchange for the Tucker Street Depositor Contribution, the Parent Trust issued to the Depositor certain Parent Class 2 Beneficial Interests. The Tucker Street Trust issued to the Parent Trust all of the Tucker Street Class 2 Beneficial Interests. Additionally, prior to the Tucker Street Acquisition Closing, the Parent Trust has been assigned an obligation on the part of the Depositor to pay to BVEX an Acquisition Fee in the amount of \$142,800 (i.e., 2.0% of the purchase price under the Tucker Street Original PSA, not inclusive of any credits).

The 6015 Enterprise Acquisition Closing

On June 23, 2022, the 6015 Enterprise Trust acquired the 6015 Enterprise Property for total consideration of \$16,050,000 pursuant to the 6015 Enterprise Acquisition Closing. Prior to the 6015 Enterprise Acquisition Closing, BVEX assigned to the Depositor all of BVEX's rights under the 6015 Enterprise Original PSA.

At the 6015 Enterprise Acquisition Closing, the Depositor conveyed the 6015 Enterprise Purchase Contract and contributed the cash to the Parent Trust, which, in turn, conveyed the 6015 Enterprise Purchase Contract and contributed sufficient cash to the 6015 Enterprise Trust pursuant to the 6015 Enterprise Depositor Contribution. The 6015 Enterprise Depositor Contribution, together with the proceeds from the Loan, enabled the 6015 Enterprise Trust

to acquire the 6015 Enterprise Property for \$16,050,000 and pay expenses and fees associated with the acquisition. In exchange for the 6015 Enterprise Depositor Contribution, the Parent Trust issued to the Depositor certain Parent Class 2 Beneficial Interests. The 6015 Enterprise Trust issued to the Parent Trust all of the 6015 Enterprise Class 2 Beneficial Interests. Additionally, prior to the 6015 Enterprise Acquisition Closing, the Parent Trust has been assigned an obligation on the part of the Depositor to pay to BVEX an Acquisition Fee in the amount of \$321,000 (i.e., 2.0% of the purchase price under the 6015 Enterprise Original PSA, not inclusive of any credits).

The 6056 Enterprise Acquisition Closing

On June 23, 2022, the 6056 Enterprise Trust acquired the 6056 Enterprise Property for total consideration of \$22,000,000 pursuant to the 6056 Enterprise Acquisition Closing. Prior to the 6056 Enterprise Acquisition Closing, BVEX assigned to the Depositor all of BVEX's rights under the 6056 Enterprise Original PSA.

At the 6056 Enterprise Acquisition Closing, the Depositor conveyed the 6056 Enterprise Purchase Contract and contributed sufficient cash to the Parent Trust, which, in turn, conveyed the 6056 Enterprise Purchase Contract and contributed the cash to the 6056 Enterprise Trust pursuant to the 6056 Enterprise Depositor Contribution. The 6056 Enterprise Depositor Contribution, together with the proceeds from the Loan, enabled the 6056 Enterprise Trust to acquire the 6056 Enterprise Property for \$22,000,000 and pay expenses and fees associated with the acquisition. In exchange for the 6056 Enterprise Depositor Contribution, the Parent Trust issued to the Depositor certain Parent Class 2 Beneficial Interests. The 6056 Enterprise Trust issued to the Parent Trust all of the 6056 Enterprise Class 2 Beneficial Interests. Additionally, prior to the 6056 Enterprise Acquisition Closing, the Parent Trust has been assigned an obligation on the part of the Depositor to pay to BVEX an Acquisition Fee in the amount of \$440,000 (i.e., 2.0% of the purchase price under the 6056 Enterprise Original PSA, not inclusive of any credits).

The Cornatzer Acquisition Closing

On June 15, 2022, the Cornatzer Trust acquired the Cornatzer Property for total consideration of \$11,100,000 pursuant to the Cornatzer Acquisition Closing. Prior to the Cornatzer Acquisition Closing, BVEX assigned to the Depositor all of BVEX's rights under the Cornatzer Original PSA.

At the Cornatzer Acquisition Closing, the Depositor conveyed the Cornatzer Purchase Contract and contributed sufficient cash to the Parent Trust, which, in turn, conveyed the Cornatzer Purchase Contract and contributed the cash to the Cornatzer Trust pursuant to the Cornatzer Depositor Contribution. The Cornatzer Depositor Contribution, together with the proceeds from the Loan, enabled the Cornatzer Trust to acquire the Cornatzer Property for \$11,100,000 and pay expenses and fees associated with the acquisition. In exchange for the Cornatzer Depositor Contribution, the Parent Trust issued to the Depositor certain Parent Class 2 Beneficial Interests. The Cornatzer Trust issued to the Parent Trust all of the Cornatzer Class 2 Beneficial Interests. Additionally, prior to the Cornatzer Acquisition Closing, the Parent Trust has been assigned an obligation on the part of the Depositor to pay to BVEX an Acquisition Fee in the amount of \$222,000 (i.e., 2.0% of the purchase price under the Cornatzer Original PSA, not inclusive of any credits).

In connection with the Acquisition Closings, each of the Operating Trusts obtained the Loan from the Lender. The aggregate principal amount of the Loan is \$35,595,000. The Loan is evidenced by the Loan Documents, which include those certain promissory notes as executed by each of the Operating Trusts and made payable to the order of the Lender.

The Loan Documents provides for a \$35,595,000 Loan with an initial 5-year term, and a variable interest rate defined as either the Term SOFR Rate or the Daily Simple SOFR Rate, as may be adjusted pursuant to the Loan Documents, and five Extensions (1-year each), which are at the discretion of the Lender with a current annual interest rate of 4.55%. On a fully-loaded basis, the loan-to-capitalization ("LTC") ratio is approximately 43.34%. The Loan is "non-recourse" to the Operating Trusts except for standard non-recourse carveouts contained within the Loan Documents. Purchasers of Interests will not be required to execute personal guaranties or an environmental indemnity agreement in favor of the Lender. The Properties are cross-collateralized or cross-defaulted, meaning that a default

by any Operating Trust with respect to its portion of the Loan will allow the Lender to recover against all of the Properties that secure the Loan and may trigger a default of the Loan.

The Parent Trust, on behalf of the Operating Trusts, will establish (and control) the Supplemental Trust Reserve in the amount of \$2,500,000, funded from proceeds of the Offering for the purpose of certain permitted costs and expenses of the Properties.

In connection with the Loan, the Operating Trusts obtained Industrial Portfolio I Appraisal, which appraised the Properties as follows:

Property	Date	“As Is” Value	“As Is” Date
Adam Aircraft Property	May 20, 2022	\$14,900,000	May 11, 2022
Tucker Street Property	June 9, 2022	\$7,150,000	May 10, 2022
6015 Enterprise Property	June 10, 2022	\$18,000,000	May 10, 2022
6056 Enterprise Property	June 9, 2022	\$21,400,000	May 10, 2022
Cornatzer Property	May 26, 2022	\$11,100,000	May 13, 2022

The Industrial Portfolio I Appraisal reflects an aggregate “As Is” market value of \$72,550,000, which is \$1,360,000 higher than the aggregate purchase price of the Properties.

As Beneficial Owners in the Trust, the Purchasers are not required to execute personal guaranties for any portion of the Loan or an environmental indemnity agreement in favor of the Lender and will not incur any personal liability with respect to the operation of the Properties or under the Loan Documents, including liability for environmental claims. However, because the Properties secure the Operating Trusts’ obligations under the Loan, Beneficial Owners could lose some or the entire value of their Interests if the Operating Trusts were to default on the Loan and Lender were to foreclose on the Properties. See “*Risk Factors – Risks Related to Financing of the Properties.*”

Summary of Loan Terms

Amount: \$35,595,000

Term; Maturity Date: Five years, commencing on June 23, 2022 maturing June 23, 2027 with five one-year extensions.

Interest Rate: Each ABR Borrowing bears interest at the Adjusted Base Rate or the Maximum Rate. Each SOFR Borrowing (a Daily or Term SOFR Borrowing) bears interest at either the Term SOFR Rate or the Daily Simple SOFR Rate (as such terms are defined in the Loan Documents) as may be adjusted pursuant to the Loan Documents with a current annual interest rate of 4.55%. Additionally, the Operating Trusts have entered into an ISDA Master Agreement with Lender which limits the interest rate under the Loan to a rate not to exceed 4.55%.

Default Rate: Commencing upon a default (and the expiration of any applicable grace period in the event of a payment default) and continuing until the default has been cured, the interest rate on the outstanding principal balance of the Loan will increase by the lesser of 4% or the maximum interest rate allowable by law.

Repayment: The entire term of the Loan will be interest-only payments, resulting in monthly debt service payments of approximately \$125,939 - \$139,433. Payments under the Loan will first be applied toward the payment of amounts (other than principal and interest) due to the Lender under the Loan Documents, then to accrued but unpaid interest, and the balance will be applied toward the reduction of principal.

Loan Reserves and Escrow:	None of the Loan proceeds have been escrowed for the required CapEx Reserve. The CapEx Reserve will be funded on an ongoing basis.
Additional Reserves from Loan Proceeds:	Certain Operating Trusts may also be required to fund Lease Reserve Accounts if certain trigger events occur with respect to certain End Tenant leases. As of the date of this Memorandum, no such events have occurred, and none of the Lease Reserve Accounts have been required to be funded.
Assumption:	The Lender has agreed not to unreasonably withhold consent to the transfer of the Properties and the assumption of the Loan if certain conditions are met. The Lender is entitled to receive any reasonable out-of-pocket costs and expenses, including reasonable attorney fees, incurred by the Lender in connection with such a transfer and may also be entitled to a 1.0% transfer fee of the outstanding loan balance plus processing and administrative fees associated with the transfer.
Collateral:	The Loan is secured by: (i) the certain deeds of trust and other security instruments in or related to the Properties, and (ii) a valid and perfected security interest in all personal property owned by each of the Operating Trust located on or used in connection with the Properties and any improvements thereon. The Master Tenant has entered into a separate Tenant / Landlord Subordination and Assignment Agreement (each, a “TLSA”) pursuant to which the Master Lease will be subordinated to the Loan and each of the Master Tenant’s interest in the relevant Property and End Tenant leases has been assigned to the Operating Trusts and in turn assigned by the Operating Trusts to the Lender as additional collateral.
Prepayment:	The Loan is pre-payable, subject to the payment of the “Exit Fee” (\$108,487.50) upon the final payment of all outstanding Obligations (as such terms are defined in the Loan Documents).
Insurance:	The following insurance coverages are required under the Loan Documents: <ul style="list-style-type: none"> • an all-risk policy of permanent property insurance insuring the Properties against all risks of any kind or character except those permitted by Lender; • a boiler and machinery insurance policy covering loss or damage to all portions of the Properties comprised of air-conditioning and heating systems, other pressure vessels, machinery, boilers or high pressure piping; • an all risk policy of insurance covering loss of earnings and/or rents from the Properties in the event that the Properties are not available for use or occupancy due to casualty, damage or destruction required to be covered by the policies of insurance listed above; • commercial general liability, auto liability, umbrella or excess liability and worker’s compensation insurance against claims for bodily injury, death or property damage occurring on, in or about the Properties in an amount and containing terms satisfactory to the Lender; and • such other insurance against other insurable hazards, risks or casualties which at the time are commonly insured against in the case of owners and premises similarly situated, due regard being financial condition of the Operating Trusts, the height and type of the relevant Property, its construction, location, use and occupancy.

Events of Default:

The “**Events of Default**” under the Loan Documents include, but are not limited to, the following:

- Any Operating Trust shall fail to pay any principal or interest on the Loan within ten days of the date on which the same shall become due and payable;
- any Credit Party (as defined in the Loan Documents) shall fail to pay any fee or any other amount (other than certain amounts as provided in the Loan Documents) payable under any Loan Documents to the extent such Credit Party is liable therefor, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of ten days following written notice from Lender;
- any material representation or warranty made or deemed made by or on behalf of any Credit Party in or in connection with the Loan Documents or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statement, or other document furnished pursuant to or in connection with the Loan Documents or any amendment or modification thereof, shall prove to have been materially false or misleading when made or deemed made;
- any Credit Party shall fail to observe or perform any covenant, condition or agreement contained in the Loan Documents to which it is party and by which it is bound and such failure shall continue unremedied for a period of 30 days after notice thereof from Lender to the relevant Operating Trust and if such default is not curable within 30 days and the Credit Party is diligently pursuing cure of same, the cure period may be extended for 60 days (for a total of 90 days after the original notice from Lender) upon written request from the relevant Operating Trust to Lender;
- any Credit Party shall become unable, admit in writing its inability, or fail generally to pay its debts as they become due;
- one or more uninsured judgments for the payment of money in an aggregate amount in excess of \$1,500,000 shall be rendered against any Borrower and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of such Person to enforce any such judgment;
- a Change in Control (as defined in the Loan Documents) shall occur; and
- The conversion of any Borrower or Industrial Portfolio DST from a Delaware statutory trust into or transfer by Borrower of its mortgaged property into a Springing LLC that is not in accordance with the terms and conditions of its Trust Agreement and applicable law.

Remedies:

Upon the occurrence of an Event of Default, the Lender may exercise all remedies available under the Loan Documents at law or in equity, including but not limited to:

- accelerating the Loan in whole or in part;
- collecting rent;
- foreclosing on the Property/ies and applying the proceeds from a sale of the Property/ies;

- proceeding by lawsuit to enforce the payment of any debt under the Loan Documents;
- requiring the Master Tenants, the Operating Trusts or both to establish a lockbox pursuant to the terms of the Loan Documents;
- exercising any other right available to the Lender under the Loan Documents; and
- applying amounts held in any reserve accounts and all cash proceeds from the operation of the Property/ies.

Indemnification:

Each Operating Trust will generally indemnify the Lender and its affiliates against losses incurred in connection with the Loan, the security arrangements or the applicable CapEx Reserve. In addition, each Operating Trust executed an “Environmental Indemnity”, pursuant to which each Operating Trust will indemnify the Lender and its affiliates against environmental liabilities arising from ownership and operation of the applicable Property, except for losses resulting from the Lender’s or its affiliates’ willful misconduct or gross negligence. Purchasers are not directly subject to any such indemnification obligations and will not be required to sign an environmental indemnity.

Limited Recourse:

The Loan is non-recourse, meaning that the Lender may only seek recovery against the Operating Trusts from the liquidation of the collateral for any amounts that remain due under the Loan after a default. However, the Loan contains certain Events of Default that would allow the Lender, in addition to foreclosing on the Properties and the personal property of the Operating Trusts related thereto, to proceed against the Operating Trusts themselves (but not against Purchasers) to repay losses incurred by the Lender or, in some instances, the full amount of the Loan (i.e., certain non-recourse carveouts). Thus, defaults for nonrecourse carveout items may trigger “springing” liability to the Operating Trusts in an amount equal, in certain instances, to the full amount of the Loan.

Purchasers may request copies of the Loan Documents from the Sponsor for further review and details concerning these potential obligations.

Limited Guaranty:

An affiliate of BVEX and BIGR, has executed limited guaranties under which they will be responsible for liabilities, costs, expenses, claims, losses or damages incurred by the Lender as a result of certain nonrecourse carveout events over which they and their affiliates exercise relative control. Purchasers will not be required to execute a personal guaranty.

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THE MANAGER

Sponsor, Manager and their Officers

The Offering is sponsored by BIGRX, a wholly owned TRS of the Operating Partnership. The Operating Partnership is the entity through which BIGR conducts substantially all of its business and owns substantially all of its assets. BIGR was formed to invest, through its interests in the Operating Partnership, in a portfolio of Class A and B industrial properties including distribution centers, warehouses, logistics and light manufacturing industrial properties, primarily in growth markets across the United States. As of June 30, 2022, BIGR had investments in, or was negotiating to acquire, industrial properties with a total acquisition cost totaling approximately \$133 million and a footprint of more than 1.3 million square feet. BIGR intends to elect to be taxed as a REIT for federal income tax purposes, commencing with its 2022 taxable year and it intends to operate in accordance with the requirements for qualification as a REIT.

BIGR and BIGRX are externally managed by an affiliate of Bluerock who, through its subsidiaries, including BVEX, is a national sponsor of syndicated Section 1031 Exchange offerings with a focus on residential and industrial properties that can deliver stable cash flows and that have the potential for value creation. Bluerock principals have a collective 100+ years of investing experience with more than \$48 billion real estate and capital markets experience and manage multiple well-recognized real estate private and public company platforms. Bluerock has more than \$14 billion in acquired and managed assets and offers a complementary suite of public and private investment programs, with both short and long-term goals, to individual investors seeking solutions aimed at providing predictable income, capital growth, and tax benefits.

The following persons are the senior members of the Sponsor and Bluerock's management team who will be primarily responsible for operating the Trust and making management decisions concerning it and the Manager, such persons being subject to change at any time. In addition, the Sponsor and Manager shall have access to and ability to draw upon the substantial resources and expertise of Bluerock and its senior management.

Name	Position	Age *
R. Ramin Kamfar	Founder & Chief Executive Officer, Bluerock	58
Joshua M. Hoffman	President, Bluerock Value Exchange	44
Jordan B. Ruddy	Chief Operating Officer, Bluerock	58
Michael L. Konig	Senior Vice President - General Counsel, Bluerock	61
Ryan S. MacDonald	Chief Investment Officer, Bluerock	38
Michael DiFranco	Executive Vice President, Operations, Bluerock	57
Caroline Johnson	Senior Vice President – Finance, Bluerock	43

* As of 6/30/22

R. Ramin Kamfar, Founder & CEO. Mr. Kamfar has over 30 years of experience in various aspects of real estate, mergers and acquisitions, private equity investing, investment banking, and public and private financings. Since 2002, Mr. Kamfar has served in various senior capacities on behalf of Bluerock, including currently serving as Chairman and CEO at Bluerock, and at BR REIT. From 1988 to 1993, Mr. Kamfar worked as an investment banker at Lehman Brothers Inc., New York, New York, where he specialized in mergers and acquisitions and corporate finance. From 1993 to 2002, Mr. Kamfar executed a growth/consolidation strategy to build a startup into a leading public company in the 'fast casual' market now known as Einstein Noah Restaurant Group, Inc. with approximately 800 locations and \$400 million in gross revenues. Mr. Kamfar received an M.B.A. degree with distinction in Finance from The Wharton School of the University of Pennsylvania, and a B.S. degree with distinction in Finance in 1985 from the University of Maryland College Park.

Joshua M. Hoffman, President, Bluerock Value Exchange. Mr. Hoffman serves as President of Bluerock Value Exchange and concurrently serves as Managing Director for Bluerock and its affiliates, which he joined in 2009. Mr. Hoffman is responsible for sales operations, due diligence and marketing of Bluerock's investment platforms and offerings. Mr. Hoffman has extensive and wide-ranging experience structuring and product oversight of more than 135 individual real estate securities offerings during the course of his career including: 65 sponsored 1031-exchange programs, public, closed-end interval funds, publicly traded REITs, private non-traded REITs, and real estate-related regulation D programs including: multi-property limited liability companies, notes and debentures totaling more than \$5 billion in total capital raised from investors. Prior to joining Bluerock, Mr. Hoffman served in a similar capacity for a private real estate security sponsor. Mr. Hoffman received his B.A. in Business Administration from Boise State University. He currently holds FINRA Series 7 and 63 licenses.

Jordan B. Ruddy, Chief Operating Officer. Mr. Ruddy has over 30 years of experience in real estate acquisitions, financings, management and dispositions. Since 2002, Mr. Ruddy has served in various senior capacities on behalf of Bluerock, including currently serving as Chief Operating Officer of Bluerock, and as President and Chief Operating Officer of BR REIT. Previously, Mr. Ruddy served as a real estate investment banker at Banc of America Securities LLC, as Vice President of Amerimar Enterprises, a real estate company specializing in value-added investments nationwide, as a real estate investment banker at Smith Barney Inc. Prior to Smith Barney, Mr. Ruddy served in the real estate department of The Chase Manhattan Bank. Mr. Ruddy received an M.B.A. degree in Finance and Real Estate from The Wharton School of the University of Pennsylvania, and a B.S. degree with high honors in Economics from the London School of Economics.

Michael L. Konig, Senior Vice President - General Counsel. Mr. Konig has served as Senior Vice President - General Counsel of Bluerock since 2004 and currently also serves as Chief Legal Officer of BR REIT. Mr. Konig has over 30 years of experience in law and business. From 1987 to 1997, Mr. Konig was an attorney at the firms of Greenbaum Rowe Smith & Davis and Ravin Sarasohn Cook Baumgarten Fisch & Baime, representing borrowers and lenders in numerous financing transactions, primarily involving real estate, distressed real estate and Chapter 11 reorganizations, as well as with respect to a broad variety of litigation and corporate law matters. From 1998 to 2002, Mr. Konig served as legal counsel, including as General Counsel, at New World Restaurant Group, Inc. (now known as Einstein Noah Restaurant Group, Inc.). From 2002 to December 2004, Mr. Konig served as Senior Vice President of Roma Food Enterprises, Inc. where he led operations and the restructuring and sale of the privately held company with approximately \$300 million in annual revenues. Mr. Konig received a J.D. degree cum laude from California Western School of Law, an M.B.A. degree in Finance from San Diego State University and a Bachelor of Commerce degree from the University of Calgary.

Ryan S. MacDonald, Chief Investment Officer. Mr. MacDonald serves as Managing Director of Investments for Bluerock which he joined in 2008 and also serves as Chief Investment Officer of BR REIT. Mr. MacDonald is responsible for sourcing, underwriting, structuring, financing and closing of all Bluerock real estate investments, as well as ongoing asset management responsibilities including value-added renovation oversight and dispositions. To date, with Bluerock, Mr. MacDonald has led over 70 real estate investments with an aggregate value approaching \$6 billion. Prior to joining Bluerock, from October 2006 to May 2008, Mr. MacDonald was an Analyst for PNC Realty Investors (formerly Mercantile Real Estate Advisors), where he served as part of an investment team that made more than \$1.2 billion in investments within all tranches of the capital structure. From August 2005 to October 2006, Mr. MacDonald served in a corporate development role at Mercantile Bankshares, where he worked with executive management focusing on high level strategic initiatives for the \$6 billion bank. Mr. MacDonald received a B.A. in Economics from the University of Maryland, College Park.

Michael DiFranco, Executive Vice President, Operations. Mr. DiFranco serves as our Executive Vice President, Operations for Bluerock which he joined in November 2018. In his role, Mr. DiFranco is responsible for the operational and financial performance of the Company's multi-family housing portfolio. Prior to joining the Company, from 2005 to 2016, Mr. DiFranco held several roles of increasing responsibilities with Apartment & Investment Management Company (NYSE: AIV), including serving four years as Senior Vice President of Financial Operations. From 2016 to 2018, Mr. DiFranco served as Senior Vice President of Financial Operations with The Irvine Company Apartment Communities, overseeing Revenue Management, Business Intelligence and Portfolio

Management. Mr. DiFranco received a B.A. in Business from Texas A&M University, College Station, an M.B.A. from The University of Texas at Austin and an M.S. in Information Systems from The University of Colorado, Denver.

Caroline Johnson, Senior Vice President – Finance. Caroline Johnson serves as Senior Vice President of Finance for Bluerock and certain of its affiliates. Ms. Johnson is responsible for the oversight of all financial recordkeeping and reporting aspects of those companies. Previously, Ms. Johnson served as the CFO from January 2008 to July 2018 for The Seligman Group, a high net worth family office. In her capacity as CFO, Ms. Johnson was responsible for all finance, accounting and operational oversight of a mixed-use real estate portfolio with sizeable assets in excess of five million square feet, Quantum Capital Management, LLC, a wealth management company and Presidential Aviation, Inc., a private aviation company. Ms. Johnson served as the controller for The Seligman Group from October 2004 to December 2007 prior to taking her role as CFO. Prior to 2004, Ms. Johnson worked for a regional CPA firm with focus in the real estate industry where she earned her CPA certification. Ms. Johnson received her B.A. degree in Accounting from Michigan State University.

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PRIOR PERFORMANCE OF BLUEROCK AND ITS AFFILIATES

The information presented in this section is intended to represent the historical experience of real estate programs for which Bluerock and its affiliates is or was the sponsor as of March 31, 2022, unless otherwise indicated. A prospective Purchaser should not assume that he, she, or it will experience returns, if any, comparable to those experienced by Purchasers in such prior real estate programs. This Memorandum does not include any prior performance tables.

Experience and Background

BIGR (Bluerock Industrial Growth REIT, Inc.) is a REIT that focuses on acquiring a diversified portfolio of Class A institutional-quality industrial properties in demographically attractive growth markets and capitalize on the expanding e-commerce industry. BIGR is a private REIT. As of June 30, 2022, BIGR had investments in, or was negotiating to acquire, industrial properties with a total acquisition cost totaling approximately \$133 million and a footprint of more than 1.3 million square feet. Many of Bluerock’s senior managers acting on behalf of the Sponsor and Manager are also directly or indirectly involved in the management and operations of the BR REIT.

Since 2002, Bluerock and its affiliates have acquired a diverse portfolio of real estate investments through the syndication of various programs which combined represent:

- 72 full-cycle multifamily properties resulting in a 13.4% blended net internal rate of return as of March 31, 2022 see “*Full-Cycle Apartment Properties*;”
- 186 apartment and commercial office real estate properties (current and full-cycle);
- Approximately 47 million combined square feet of primarily apartment real estate, as of March 31, 2022;
- 18 different states across the United States;
- Nearly \$8.2 billion in total real estate investments; and
- Over 100,000 active investors across all programs.

The information presented in this section represents the historical experience of real estate programs sponsored by Bluerock and its affiliates. The information in this section shows relevant summary information concerning sponsored programs as of March 31, 2022, unless otherwise indicated. Purchasers in this Offering sponsored by the Sponsor should not assume that they will experience returns, if any, comparable to those experienced by Purchasers in any of the prior programs discussed below.

Residential Experience / Current Residential Portfolio

Bluerock and its affiliates have significant current and past residential real estate experience including the current management and operation of 97 residential properties located in 15 states comprised of nearly 25,000 units and more than 25 million square feet for an acquisition cost of more than \$4.9 billion. A summary of Bluerock’s current residential portfolio is presented in the table below:

Property Name	Location	Acquisition Date	Square Feet	Purchase Price \$MM ¹	LTV %	% Leased 3/31/2022
79 West	Panama City Beach, FL	Jan 2022	252,522	\$80.82	47%	96%
Arium Hunter’s Creek	Orlando, FL	Oct 2017	590,940	\$97.50	74%	98%
Arium Glenridge	Atlanta, GA	Oct 2016	525,504	\$69.50	68%	93%
Arium Metro West	Orlando, FL	Oct 2017	597,490	\$86.00	55%	96%
Arium Westside	Atlanta, GA	Jul 2016	301,821	\$74.50	70%	94%

Ashford Belmar	Lakewood, CO	Nov 2018	614,921	\$143.5	69%	95%
Avenue 25	Phoenix, AZ	Jan 2020	285,068	\$55.60	65%	94%
Avondale Hills	Atlanta, GA	Sep 2020	187,265	\$50.70	67%	0%*
Axelrod SFR	Granbury, TX	Oct 2021	30,988	\$4.13	64%	95%
Axis West	Orlando, FL	May 2018	265,148	\$69.90	55%	98%
Carrington Park	Morrisville, NC	Dec 2020	297,122	\$52.00	53%	96%
Chattahoochee Ridge	Atlanta, GA	Nov 2019	364,633	\$69.75	65%	97%
Chevy Chase	Austin, TX	July 2020	282,436	\$34.50	65%	98%
Cielo on Gilbert	Phoenix, AZ	Dec 2020	353,760	\$74.25	71%	96%
Citrus Tower	Clermont, FL	Sep 2017	369,104	\$55.25	65%	96%
Cottages at Myrtle Beach	Myrtle Beach, SC	Sep 2021	276,066	\$63.17	64%	0%*
Cottages at Port St. Lucie	Port St. Lucie, FL	Aug 2021	269,984	\$69.57	65%	0%*
Deercross Apartments	Indianapolis, IN	Jun 2021	304,668	\$29.60	64%	89%
Deerwood Apartments	Houston, TX	Jun 2021	305,250	\$65.81	60%	0%*
Denim	Scottsdale, AZ	July 2019	504,278	\$141.25	61%	97%
DeSota	Sarasota, FL	Jun 2019	205,052	\$89.62	58%	96%
DFW 189	Dallas-Fort Worth, TX	Dec 2021	241,774	\$27.67	68%	93%
Domain at the One-Forty	Garland, TX	Dec 2015	309,596	\$53.30	70%	93%
Edgewater	Webster, TX	Feb 2021	439,242	\$68.19	55%	95%
Elan Apartment	Austin, TX	Dec 2020	227,070	\$39.50	53%	96%
Element	Las Vegas, NV	Jun 2019	197,408	\$41.75	70%	95%
Encore Chandler	Chandler, AZ	Dec 2020	167,856	\$46.74	64%	0%*
Everwood	Webster, TX	Dec 2019	438,028	\$85.64	55%	97%
Falls at Forsyth	Cumming, GA	Jan 2020	373,672	\$82.50	57%	97%
Flats 170	Odenton, MD	Oct 2021	369,255	\$156.45	51%	96%
Galleria Village	Charlotte, NC	Nov 2020	191,716	\$46.71	52%	97%
Glenwood	Atlanta, GA	Dec 2017	178,157	\$55.40	59%	97%
Golden Pacific Capital	Kansas City, MO	Nov 2021	9,943	\$1.32	70%	36%*
Granbury SFR	Granbury, TX	Aug 2021	59,940	\$8.10	68%	92%
Granbury SFR 2.0	Granbury, TX	Mar 2022	55,956	\$7.65	70%	88%
Grand at the Dominion	San Antonio, TX	Sep 2017	325,760	\$56.90	59%	95%
Greylyn Portfolio	Charlotte, NC	May 2021	266,310	\$77.54	50%	96%
Gulfshore Apartments	Naples, FL	Jan 2016	324,872	\$47.00	69%	98%
Hunter's Pointe	Pensacola, FL	Dec 2020	195,200	\$21.75	75%	96%
Ile Homes	Dallas, TX	Oct 2021	458,020	\$58.27	70%	83%
Indy SFR	Indianapolis, IN	Aug 2021	51,260	\$2.65	56%	80%
Jefferson Place	Frederick, MD	Aug 2018	228,619	\$62.54	58%	96%
Lake Linganore	New Market, MD	Jun 2021	308,846	\$105.64	52%	98%
Lower Broadway	San Antonio, TX	Aug 2021	322,696	\$87.92	58%	0%*
Lubbock SFR	Lubbock, TX	Aug 2021	66,940	\$5.60	64%	90%
Lubbock SFR 2.0	Lubbock, TX	Oct 2021	136,112	\$9.28	66%	88%
Lubbock SFR 3.0	Lubbock, TX	Dec 2021	49,257	\$4.57	70%	89%
Lynnwood SFR	Lubbock, TX	Nov 2021	27,560	\$2.45	67%	95%
Lynnwood SFR 2.0	Lubbock, TX	Nov 2021	26,184	\$0.49	70%	95%
Meadows	Davenport, FL	Aug 2019	322,712	\$68.56	56%	97%
Navigator Villas	Pasco, WA	Dec 2019	173,444	\$28.50	50%	96%
Orange City Apartments	Orange City, FL	Aug 2021	273,564	\$60.53	60%	0%*
Outlook at Greystone	Birmingham, AL	Oct 2017	271,594	\$36.25	55%	95%

Park at Chapel Hill Redevelopment	Chapel Hill, NC	Jan 2019	388,918	\$99.20	65%	0%*
Park on the Square	Pensacola, FL	Jan 2020	258,560	\$32.00	66%	97%
Peak Housing Single Family Investment Portfolio	Dallas-Fort Worth, TX	Apr 2021	502,440	\$47.60	67%	N/A*
Pine Lakes Preserve	Port St. Lucie, FL	Dec 2016	333,756	\$38.50	70%	96%
Preserve at Henderson	Destin, FL	Mar 2016	303,434	\$53.70	68%	96%
Providence Trail	Nashville, TN	Jun 2019	356,550	\$68.50	60%	98%
Quinn35	Shrewsbury, MA	Jun 2019	232,887	\$85.47	59%	96%
Renew 3030	Mesa, AZ	Aug 2021	97,398	\$24.30	56%	98%
Res. Palmer Ranch	Sarasota, FL	Jan 2016	315,180	\$39.25	69%	98%
Roswell City Walk	Roswell, GA	Dec 2016	286,996	\$76.00	67%	96%
Sands at Clearwater	Clearwater, FL	Sep 2015	243,384	\$46.25	58%	95%
Sands Parc	Daytona Beach, FL	May 2018	261,780	\$46.20	70%	95%
Savannah SFR	Savannah, GA	Mar 2022	49,060	\$44.65	65%	89%
Sonoma Pointe	Kissimmee, FL	Aug 2017	214,095	\$44.53	57%	96%
Springfield SFR	Springfield, MO	Aug 2021	455,010	\$35.53	63%	98%
Spring Parc	Dallas, TX	July 2021	217,056	\$42.30	71%	94%
Springtown SFR	Springtown, TX	Aug 2021	71,553	\$9.35	68%	100%
Springtown SFR 2.0	Springtown, TX	Oct 2021	22,456	\$2.99	63%	100%
Sunrise Parc	Kissimmee, FL	Mar 2020	291,639	\$74.69	58%	99%
Texarkana SFR	Texarkana, TX	Aug 2021	38,338	\$3.10	66%	90%
Texas Portfolio 183	Corpus Christi/Weatherford, TX	Aug 2021	219,613	\$28.29	66%	85%
The Brodie	Austin, TX	Dec 2016	306,326	\$48.90	71%	96%
The Commons	Jacksonville, FL	Apr 2020	295,640	\$25.90	69%	98%
The Cottages at Warner Robbins	Warner Robbins, GA	Dec 2021	248,741	\$53.10	65%	0%*
The Crossings at Dawsonville	Dawsonville, GA	July 2021	229,608	\$55.50	66%	97%
The Gate	Orlando, FL	Jan 2019	315,460	\$72.31	54%	97%
The Grand at Westside	Kissimmee, FL	Feb 2018	372,048	\$74.44	56%	96%
The Links at Plum Creek	Castle Rock, CO	Mar 2018	250,812	\$61.10	68%	95%
The Mills	Greenville, SC	Nov 2017	296,042	\$40.25	64%	98%
The Riley	Richardson, TX	Mar 2021	255,837	\$58.00	88%	97%
The Sanctuary	Las Vegas, NV	July 2019	308,800	\$51.75	65%	95%
The Woods at Forest Hill	Forest Hill, TX	Dec 2021	94,648	\$14.76	56%	0%*
Veranda at Centerfield	Houston, TX	Jul 2018	366,150	\$40.15	60%	97%
Villages at Cypress Creek	Houston, TX	Sep 2017	374,556	\$40.70	64%	95%
Water's Edge	Pensacola, FL	Dec 2020	193,950	\$25.75	69%	97%
Wayford at Concord	Concord, NC	Dec 2018	213,758	\$44.40	68%	93%
Wayford at Innovation Park	Charlotte, NC	Jun 2021	316,470	\$58.73	65%	0%*
Weatherford 185 BFR	Weatherford, TX	Feb 2022	314,130	\$46.32	65%	0%*
Wesley Village	Charlotte, NC	Mar 2017	308,293	\$56.89	66%	98%
Westerly	Franklin, MA	Sep 2019	246,359	\$92.82	59%	98%
Willow Park	Willow Park, TX	Jun 2021	92,000	\$13.40	57%	0%*
Windsor Falls	Raleigh, NC	Apr 2021	270,480	\$48.78	56%	95%
Yauger Park	Olympia, WA	Apr 2021	98,000	\$24.50	32%	96%
Zoey	Austin, TX	Mar 2020	234,241	\$59.50	43%	0%*
Subtotal			25,044,962	\$4,913.13	62%	95%*

¹ All amounts shown represent 100% interests in the applicable property including portions owned by joint venture partners or syndication purchasers.

* Excludes Avondale Hills, Cottages at Myrtle Beach, Cottages at Port St. Lucie, Deerwood Apartments, Encore Chandler Development, Golden Pacific Capital, Lower Broadway, Orange City Apartments, Park at Chapel Hill Redevelopment, Peak Housing Single Family Investment Portfolio, The Cottages at Warner Robbins, The Woods at Forest Hill, Wayford at Innovation Park, Weatherford 185 BFR, Willow Park, and Zoey which are currently in development / lease-up.

Aggregate Residential Portfolio Summary

As a percentage of the real estate portfolio managed by Bluerock and its affiliates, the diversification of these properties by geographic area is as follows:

Area	
Mid-Atlantic	11.3%
Midwest	3.1%
Northeast	2.1%
Southeast	39.2%
South Central	33.0%
West Coast	2.0%
Mountain	9.3%
TOTAL	100%

Public Real Estate Programs

BR REIT is a REIT that focuses on acquiring a diversified portfolio of Class A institutional-quality apartment properties in demographically attractive growth markets to appeal to the renter by choice. BR REIT is listed on the NYSE American under the ticker symbol “BRG”. As of March 31, 2022, BR REIT had assets of approximately \$2.58 billion and owned indirect equity interests in 77 apartment and single-family rental properties comprised of more than 19,000 current and under-development units. Many of Bluerock’s senior managers acting on behalf of the Sponsor and Manager are also directly or indirectly involved in the management and operations of the BR REIT. On December 20, 2021, BR REIT announced that it has entered into a definitive agreement with affiliates of Blackstone Real Estate (“**Blackstone**”) under which Blackstone will acquire all outstanding shares of common stock of BR REIT (NYSE: BRG) for \$24.25 per share in an all-cash transaction valued at \$3.6 billion which is currently expected to occur in the second quarter of 2022. For additional information, please visit the BR REIT’s website at: www.bluerockresidential.com.

The Bluerock Total Income+ Real Estate Fund (“**TI+ Fund**”) is a public, closed-end interval fund. TI+ Fund pursues its investment objectives using a multi-strategy, multi-manager, multi-sector approach, primarily investing in a strategic combination of what TI+ Fund’s advisor believes are ‘best in class’ global institutional private equity real estate and institutional public real estate investment funds. As of March 31, 2022, TI+ Fund had assets under management of more than \$5.1 billion and has made investments into underlying securities that collectively include \$334 billion in gross asset value, comprising more than 6,100 properties across the United States with a combined average occupancy of 94%. Many of Bluerock’s senior managers acting on behalf of the Sponsor and Manager are also directly or indirectly involved in the management and operations of TI+ Fund. For additional information, please visit the TI+ Fund’s website at: www.bluerockfunds.com.

Prior Private Real Estate Programs

Since 2002, Bluerock and its affiliates, including the Sponsor, have sponsored 51 private programs (50 that have closed), including 38 Code Section 1031-Exchange DST / Tenant-in-Common (“**TIC**”) private offerings, for a total real estate acquisition cost (with leverage) of approximately \$2.1 billion. In addition, Bluerock has completed its offering of units in Bluerock Special Opportunity + Income Fund, LLC (“**SOIF I**”), Bluerock Special Opportunity + Income Fund II, LLC (“**SOIF II**”), Bluerock Special Opportunity + Income Fund III, LLC (“**SOIF III**”), Bluerock

Growth Fund, LLC (“**Bluerock Growth Fund**”) and Bluerock Growth Fund II, LLC (“**Bluerock Growth Fund II**”). As of March 31, 2022, SOIF I has raised approximately \$29.2 million in equity for total real estate acquisition costs of approximately \$418 million represented by interests in 15 apartment properties comprised of approximately 3,742 units and approximately 3.5 million square feet; of which, 14 properties have been sold representing \$317 million in acquisition cost, 2.8 million square feet and 3,042 units. SOIF II has raised approximately \$55 million in equity for total real estate acquisition and development costs of approximately \$868 million represented by interests in 19 apartment properties comprised of approximately 5,939 units and more than 6.7 million square feet; of which, 17 properties have been sold representing \$716.2 million in acquisition cost, 4.8 million square feet and 4,740 units. SOIF III has raised approximately \$26 million in equity for total real estate acquisition and development costs of approximately \$733 million represented by interests in 15 apartment properties comprised of approximately 4,360 units and 4.2 million square feet; of which, 15 properties have been sold representing \$733 million in acquisition cost, 4.2 million square feet and 4,360 units. Bluerock Growth Fund raised approximately \$17 million in equity for total real estate acquisition costs of approximately \$139 million represented by interests in three apartment properties comprised of approximately 759 units and 585,000 square feet. All three properties in Bluerock Growth Fund have been sold representing \$140 million in acquisition cost and the fund expects to distribute all final proceeds in Q3 2022. Bluerock Growth Fund II raised approximately \$1.7 million in equity for total real estate preferred equity of approximately \$1.3 million represented by interests in one apartment properties comprised of approximately 340 units and 284,000 square feet. Bluerock Growth Fund II sold its single preferred equity investment in January 2022 for \$2.42 million as compared to its investment cost of \$1.63 million for a 1.49x final equity investment return to investors. The interests owned in the apartment properties described in this section are contained and further detailed in the “*Residential Experience / Current Apartment Portfolio*” section above.

Full-Cycle Apartment Properties

As of March 31, 2022, 72 properties and 18 programs sponsored by Bluerock have gone full cycle from acquisition to sale. The table below summarizes these properties/programs:

Apartments

Property Name	Acquisition / Sale Date	Location	Purchase Cost (MMs) ¹	Equity Invested (MMs)	Total Gross Return (MMs) ²	Hold Period	Blended Net IRR ³
The Ashford	11/09-09/11	Atlanta, GA	\$ 19.75	\$2.04	\$ 4.19	23 mo.	30.4%
Lynd Portfolio Subtotal⁴			\$ 21.90	\$6.34	\$ 12.09	36 mo.	17.5%
Mesa Ridge	12/08-03/11	San Antonio, TX	\$ 6.55	\$2.01	\$ 4.81	27 mo.	-
Meadows	2/08-10/11	Austin, TX	\$ 3.45	\$1.04	\$ 2.47	34 mo.	
Stratford	12/08-10/12	San Antonio, TX	\$ 11.90	\$3.29	\$ 4.81	40 mo.	
Tech Ridge	2/10-8/12	Austin, TX	\$ 17.19	\$6.03	\$ 13.17	30 mo.	28.2%
Note 16	3/12-6/13	Nashville, TN	\$ 11.30	\$1.42	\$ 2.51	15 mo.	44.5%
Hillsboro	9/10-9/13	Nashville, TN	\$ 31.60	\$3.90	\$ 8.56	36 mo.	25.1%
Meadowmont	4/10-9/13	Chapel Hill, NC	\$ 37.00	\$4.70	\$ 11.33	42 mo.	24.5%
The Stratford	6/12-12/13	Cary, NC	\$ 20.30	\$5.29	\$ 7.90	17 mo.	22.9%
Arbor Terrace[^]	5/11-3/14	Marietta, GA	\$16.73	\$7.89	\$ 10.01	34 mo.	7.8%
Creekside Village	3/10-3/14	Chattanooga, TN	\$ 14.25	\$1.82	\$ 4.13	48 mo.	14.8%
Estates at Perimeter	9/10-11/14	Augusta, GA	\$ 24.95	\$1.93	\$ 2.41	50 mo.	2.5%
Grove at Waterford	4/12-11/14	Hendersonville, TN	\$ 27.88	\$4.67	\$ 6.25	31 mo.	35.0%
23Hundred Berry Hill	10/12-01/15	Nashville, TN	\$ 33.67	\$4.44	\$ 8.35	27 mo.	43.7%
Villas at Oak Crest	4/12-9/15	Chattanooga, TN	\$ 15.52	\$2.85	\$ 3.79	41 mo.	14.0%
North Park Towers[^]	12/05-10/15	Southfield, MI	\$ 36.90	\$11.43	\$ 2.83	118 mo.	-11.6%
Artisan on 18th	6/13-10/15	Nashville, TN	\$ 22.30	\$1.00	\$ 2.12	28 mo.	35.2%
Indian Springs	9/11-10/15	El Paso, TX	\$ 12.35	\$2.74	\$ 2.69	49 mo.	-0.5%
Springhouse	12/09-08/16	Newport News, VA	\$ 29.25	\$6.89	\$ 16.56	80 mo.	13.6%
Mesa Ridge[^]	3/11-11/16	San Antonio, TX	\$ 10.94	\$5.16	\$ 7.92	68 mo.	9.6%

EOS	7/14-12/16	Orlando, FL	\$ 36.96	\$11.09	\$ 19.63	30 mo.	26.6%
Village Green	9/12-2/17	Ann Arbor, MI	\$ 58.00	\$8.19	\$ 18.43	53 mo.	8.0%
Lansbrook	3/14-4/17	Palm Harbor, FL	\$ 58.50	\$16.51	\$ 30.53	37 mo.	16.4%
Fox Hill	4/15-4/17	Austin, TX	\$ 38.15	\$11.92	\$ 19.31	24 mo.	19.2%
MDA City	12/12-6/17	Chicago, IL	\$ 54.87	\$9.76	\$ 22.68	54 mo.	19.9%
CoHo House	7/14-11/17	Atlanta, GA	\$ 20.76	\$5.29	\$ 6.67	41 mo.	-3.1%
Chace Lake Villas^	6/12-12/17	Birmingham, AL	\$ 26.34	\$12.23	\$ 17.08	66 mo.	8.1%
Alamance Reserve^	1/14-3/18	Burlington, NC	\$ 23.79	\$11.09	\$ 11.46	50 mo.	6.9%
Stonebrook^	9/11-4/19	Nashville, TN	\$ 18.25	\$8.67	\$ 31.38	91 mo.	22.7%
Four Corners^	2/16-7/19	Orlando, FL	\$ 38.85	\$16.59	\$ 27.49	41 mo.	22.4%
Plaza Gardens^	8/08-7/19	Overland Park, KS	\$ 30.21	\$11.21	\$ 15.04	131 mo.	4.2%
Sorrel Phillips Creek⁴	10/15-7/19	Frisco, TX	\$ 55.26	\$33.60	\$46.66	46 mo.	10.3%
Sovereign Apartments⁴	11/15-7/19	Fort Worth, TX	\$ 44.44	--	--	--	--
Preston View	2/17-7/19	Morrisville, NC	\$ 59.50	\$20.00	\$ 23.27	31 mo.	6.8%
Leigh House	12/15-7/19	Raleigh, NC	\$ 40.20	\$12.00	\$23.24	44 mo.	8.7%
Arium Palms Gateway	08/15-8/19	Orlando, FL	\$ 37.00	\$13.00	\$20.40	49 mo.	13.7%
Valley Townhomes^	07/08-9/19	Puyallup, WA	\$ 42.57	\$19.6	\$34.90	136 mo.	9.4%
Marquis Portfolio⁴			\$188.85	\$47.38	\$67.45	33 mo.	12.6%
Marquis at Stone Oak	06/17-9/19	San Antonio, TX	\$ 55.35			27 mo.	
Marquis at Crown Ridge	06/17-9/19	San Antonio, TX	\$39.50			27 mo.	
Marquis at TPC	6/17-5/20	San Antonio, TX	\$20.85			35 mo.	
Marquis at the Cascades	6/17-3/21	Tyler, TX	\$73.15			44 mo.	
Ansley Village	5/14-10/19	Macon, GA	\$31.76	\$14.17	\$19.47	67 mo.	8.4%
Helios	5/15-1/20	Atlanta, GA	\$51.40	\$14.69	\$27.78	56 mo.	6.4%
Whetstone Apartments	5/15-1/20	Durham, NC	\$35.63	\$13.44	\$21.83	56 mo.	7.4%
Ashton Reserve	8/15-4/20	Charlotte, NC	\$66.57	\$21.40	\$36.51	57 mo.	13.8%
Enders Place	10/12-5/20	Orlando, FL	\$25.10	\$14.23	\$27.95	92 mo.	19.4%
CADE Boca Raton	9/16-10/20	Boca Raton, FL	\$30.10	\$15.38	\$20.27	49 mo.	1.0%
Novel Perimeter	12/16-12/20	Atlanta, GA	\$71.00	\$26.22	\$36.70	48 mo.	10.0%
Arlo	1/16-12/20	Charlotte, NC	\$60.00	\$34.51	\$50.59	58 mo.	6.0%
Riverside Apartments	12/18-12/20	Austin, TX	\$37.90	\$13.94	\$16.51	24 mo.	13.1%
Arium Grandewood	12/14-1/21	Orlando, FL	\$44.65	\$9.68	\$34.92	62 mo.	24.4%
Big Creek	12/16-2/21	Alpharetta, GA	\$84.45	\$35.95	\$51.57	50 mo.	11.1%
James on South First	11/16-2/21	Austin, TX	\$36.75	\$10.45	\$19.95	51 mo.	17.4%
Alexan Southside Place	1/15-3/21	Houston, TX	\$49.00	\$19.05	\$10.43	74 mo.	-16.8%
The Conley	10/18-3/21	Leander, TX	\$44.00	\$15.23	\$19.09	29 mo.	13.0%
Plantation Park	6/18-6/21	Lake Jackson, TX	\$35.60	\$8.43	\$5.00	36 mo.	-19.4%
The Reserve at Palmer Ranch	1/16-6/21	Sarasota, FL	\$39.25	\$6.42	\$22.22	66 mo.	22.2%
Vicker's Historic Roswell	12/16-6/21	Roswell, GA	\$31.90	\$13.88	\$18.84	55 mo.	8.50%
Park and Kingston	12/15-7/21	Charlotte, NC	\$27.86	\$12.23	\$28.93	67 mo.	17.55%
The District at Scottsdale	12/19-7/21	Scottsdale, AZ	\$124.00	\$50.47	\$70.78	19 mo.	25.16%
Mira Vista	12/19-9/21	Austin, TX	\$23.25	\$5.25	\$6.34	21 mo.	10.41%
Beach House	4/16-10/21	Jacksonville, FL	\$51.58	\$21.56	\$35.53	66 mo.	11.50%
Riverside	6/16-12/21	Jacksonville, FL	\$64.13	\$26.72	\$42.75	66 mo.	11.00%
Belmont Crossing	12/19-12/21	Smyrna, GA	\$18.45	\$2.74	\$3.34	24 mo.	11.39%
Sierra Terrace	12/19-12/21	Atlanta, GA	\$17.60	\$3.71	\$4.63	24 mo.	11.39%
Sierra Village	12/19-12/21	Atlanta, GA	\$18.00	\$3.80	\$4.63	24 mo.	11.39%
Thornton Flats	9/19-12/21	Austin, TX	\$22.00	\$5.35	\$6.30	27 mo.	9.31%
Alexan City Centre	7/14-1/22	Houston, TX	\$83.20	\$45.06	\$35.34	91 mo.	-6.47%
Reunion Apartments	9/20-2/22	Orlando, FL	\$47.60	\$10.00	\$12.54	18 mo.	19.19%

The Hartley at Blue Hill Loan	1/19-2/22	Chapel Hill, NC	\$99.20	\$44.50	\$53.77	26 mo.	11.5%
Motif	12/15-3/22	Fort Lauderdale, FL	\$135.40	\$71.63	\$120.22	76 mo.	8.27%
Georgetown Crossing	1/20-3/22	Savannah, GA	\$20.90	\$2.18	\$2.66	27 mo.	11.38%
Total			\$2,804.45	\$937.62	\$1,441.29	48 mo.	13.4%

⁽¹⁾ All amounts shown represent 100% interests in each property, including portions owned by joint venture partners or syndication purchasers.

⁽²⁾ Figure represents total proceeds from distributions and net proceeds from sale.

⁽³⁾ Internal Rate of Return (“**IRR**”) is the discount rate that makes the net present value of all cash flows from the project equal to zero and considers cash flow and sale proceeds as part of an investment total return. The net IRR considers all applicable property-level fees and expenses; excluding any up-front offering-level fees and expenses, including: commissions, offering and organization fees, placement fees, and marketing fees (as applicable), except for properties identified by ^ for which net IRRs are calculated after subtractions for offering-level fees and expenses. Accordingly, in some instances, actual Investor-level returns for the investment program may not be indicative of the net IRR of the individual project(s). In some cases, the net IRRs are report as blended as applicable representing the simple average of the net IRRs of the respective Bluerock entities having an equity investment in the properties.

⁽⁴⁾ The Mesa, Meadows, and Stratford were part of a portfolio purchase and because of the transaction structure, the IRR is reported on a portfolio basis. Sorrel Phillips Creek and Sovereign Apartments were sold as a portfolio and because of the transaction structure, equity investment, total return, and IRR were reported on a portfolio basis. Marquis at Stone Oak, Marquis at Crown Ridge, Marquis at TPC, and Marquis at the Cascades were part of a portfolio purchase and because of the transaction structure, the IRR is reported on a portfolio basis.

Affiliates of Bluerock serve (or, in the case of the completed programs, served) as either property manager and/or asset manager for each of its programs.

Bluerock has other investment programs that are not disclosed above, primarily consisting of offerings of commercial office space and a net lease retail portfolio, as well as a two debenture/notes programs. Information related to these programs is available upon request.

Adverse Business Developments

Apartment Sector

The North Park Towers property located in Southfield, Michigan was purchased in December of 2005 as a condo conversion project. The North Park Towers DST program reduced, and later suspended, investor distributions in September 2009, and December 2010, respectively, due to continued pressure from the weak Michigan economy and the deterioration of the domestic automobile manufacturing industry. In April of 2013, the property’s mortgage loan was repaid at a discount, including through a recapitalization funded in part by certain Bluerock managers. The property was later refinanced and, in April 2014, was sold to BR REIT at fair market value of \$15.6 million compared to original purchase price of \$36.9 million.

The 1355 First Avenue luxury condo development property located in New York, New York was purchased in June 2007. The 1355 First Avenue TIC program suspended investor distributions in August 2009, and, as a result of the lack of credit for construction financing following the global financial crisis and the so-called “Great Recession,” which led to a delay in the development of the project, undertook additional and dilutive interim capital raising efforts. In January 2013, the project closed \$108 million in construction financing. Construction was completed in the fourth quarter of 2015. As of June 30, 2021, the project fully sold out as condominiums. Based on projected final condominium sales and closeout of the project, it is projected that the original tenants in common investors will receive approximately 60% of their original investment and investors in the 1355 First Avenue notes and preferred equity program will not receive any further recovery.

The Indian Springs, LLC property located in El Paso, Texas was acquired in July 2011. The property reduced distributions effective May 2014, as a result of lower than budgeted occupancy levels from increased apartment supply

competition and military sequestration at Ft. Bliss. The property was sold in October 2015 for \$12.8 million compared to the initial purchase price of \$12.35 million.

The Beach House property located in Jacksonville Beach, Florida was acquired in April 2016. The Beach House DST program reduced distributions to investors to 2.75% effective June 2020 as a result of economic slowdown resulting from the COVID-19 pandemic, and in an effort to increase funding of ongoing unit renovations aimed at increasing property revenues in anticipation of loan amortization commencement in June 2021. The property was sold in October 2021 for \$67.3 million compared to the initial purchase price of \$51.6 million.

The Axis West property located in Orlando, Florida was acquired in May 2018. The BR Axis West, DST program suspended distributions to investors effective September 2020 as a result of the disproportionate negative economic impact to the Orlando economy resulting from the COVID-19 pandemic and resulting decrease in occupancy levels and rent collections and ongoing federal eviction moratorium on nonpaying tenants. As of June 2022, distributions to investors resumed at 3.5% per annum.

The Gate property located in Orlando, Florida was acquired in January 2019. The BR Gate, DST program suspended distributions to investors effective January 2021 as a result of the disproportionate negative economic impact to the Orlando economy resulting from the COVID-19 pandemic and resulting decrease in occupancy levels and rent collections and ongoing federal eviction moratorium on nonpaying tenants. As of June 2022, distributions to investors resumed at 2.75% per annum.

The Grand Dominion property located in San Antonio, Texas was acquired in September 2018. The BR Grand Dominion, DST program reduced distributions to investors to 2.50% effective April 2021 as a result of a significant increase in submarket supply and corresponding reduced effective rents / revenues also resulting from the effects of the COVID-19 pandemic.

The Grand Westside property located in Kissimmee, Florida was acquired in February 2018. The BR Grand at Westside, DST program reduced distributions to investors to 3.0% effective May 2021 as a result of a significant increase in uncontrollable expenses (e.g. taxes and insurance) and increases in submarket supply and corresponding reduced effective rents / revenues also resulting from the effects of the COVID-19 pandemic.

Office Sector

The Summit at Southpoint property located in Jacksonville, Florida was purchased in December of 2006. The Summit at Southpoint TIC program reduced, and later suspended, investor distributions in April 2009 and November 2013, respectively, in order to build necessary reserves for upcoming lease rollovers and associated tenant improvement and leasing commission expenses. In February 2017, Summit at Southpoint successfully completed a loan refinance. Summit at Southpoint subsequently sold for \$29.5 million as compared to original purchase price of approximately \$37.4 million in September 2018.

The Landmark portfolio located in St. Louis, Missouri was purchased in March of 2007. The Landmark TIC program reduced, and later suspended, investor distributions effective April 2012 and April 2013, respectively. In June 2013, Bluerock cooperated with TIC owners in the formation of a steering committee to seek to restructure the existing mortgage loan, which went into default the same month. In November 2013, Landmark's TIC steering committee, at the request of the secured lender, consented to the appointment of a receiver for the property, and the portfolio was subsequently foreclosed without opposition by Landmark's TIC steering committee.

The Cummings Research Park I, II, III ("CRP I", "CRP II", "CRP III") TIC properties located in Huntsville, Alabama were purchased in November of 2007. The properties maintained occupancy in the 94% - 99% range throughout 2009-2012, and subsequently experienced a significant increase in vacancy beginning in 2013 as a result of a softening in the leasing market related to government defense spending cuts and U.S. Government Sequestration. All three properties experienced reductions of distributions to owners beginning in 2012-13 and ultimate suspension of distributions to owners beginning in 2014-15. CRP I was subsequently sold for \$41.75 million as compared to original purchase price of approximately \$46.5 million in March 2020. The special servicer for the CRP II mortgage

refused to cooperate and on November 1, 2016 the property was turned over to a receiver appointed by the special servicer. In August 2018, the special servicer completed its foreclosure of the CRP II mortgage. CRP III was subsequently sold for \$41.25 million as compared to original purchase price of approximately \$45.5 million in March 2020.

The Town and Country property was purchased in June of 2008. The Town and Country DST program experienced vary levels of distributions to members from October 2010 through 2018 as a result of challenging market conditions, in order to build necessary reserves for upcoming lease rollovers and associated tenant improvement and leasing commission expenses, and for a mortgage refinance. Town and Country was subsequently sold for \$50 million as compared to original purchase price of approximately \$51.79 million in November of 2018.

The total return to investors under some of the foregoing programs will be lower than previously anticipated due to adverse market conditions.

Purchasers of Interests will not acquire any interest in Bluerock's programs discussed above. Further, you should not assume that Purchasers will experience returns, if any, comparable to those experienced by Purchasers in the prior Bluerock-sponsored programs.

IN CONSIDERING THE PRIOR PERFORMANCE INFORMATION CONTAINED HEREIN, PROSPECTIVE PURCHASERS SHOULD BEAR IN MIND THAT PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS, AND THERE CAN BE NO ASSURANCE THAT COMPARABLE RESULTS WILL BE ACHIEVED IN THE FUTURE.

IT IS ANTICIPATED THAT THE OPERATING RESULTS OF THE TRUST WILL BE SIGNIFICANTLY DIFFERENT THAN THOSE OF THE PRIOR BLUEROCK-SPONSORED PROGRAMS.

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LIMITED FIDUCIARY AND OTHER DUTIES

Delaware law permits the trust agreement of a DST to expand or restrict the duties (including fiduciary duties) of trustees, managers or other persons managing the business and affairs of a DST owed by the trustees to the trust or its beneficial owners or owed by such managers or other persons to the trust, its beneficial owners or its trustees, other than the implied covenant of good faith and fair dealing.

In the present case, the Parent Trust Agreement provide that the Trustee's and the Manager's duties, including fiduciary duties, and liabilities relating thereto to the Trusts and the Beneficial Owners are limited to those duties (including fiduciary duties) expressly set forth in the Parent Trust Agreement and the liabilities relating thereto. These duties may be less than are applicable to other investments, such as a partnership, limited liability company or corporation. Further, as a measure of protection for purposes of the contemplated Section 1031 Exchanges, the Parent Trust Agreement provides that the Beneficial Owners do not have any power to give direction to the Trustee, the Manager or any other person, and that any attempt to exercise power shall not cause such Beneficial Owner to have duties (including fiduciary duties) or liabilities relating thereto, to the Trusts or to any other Beneficial Owner.

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

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CONFLICTS OF INTEREST

The structure and proposed method of operation with respect to this Offering creates certain inherent conflicts of interest between the Trusts, the Beneficial Owners, the Sponsor and its affiliates. Certain restrictions have been provided in the Trust Agreements that are designed to protect the interests of the Beneficial Owners in this regard. Notwithstanding the foregoing, the Sponsor and its affiliates will be subject to various conflicts of interest arising out of their relationships with the Trusts and Beneficial Owners.

Competition with Affiliates

The Sponsor and its affiliates are involved in the acquisition, development and management of real property and are facilitators of Section 1031 Exchanges. Any affiliated entity, whether or not currently existing, could compete with the Trusts and the Beneficial Owners in the sale or operation of the Properties. For example, the Sponsor or its affiliates may in the future own, finance or represent properties in the same market as the Properties, which may compete for tenants with respect to the Properties.

Provision by Affiliates of Services to the Trusts or to Persons Dealing with the Trusts

Neither the Sponsor nor any of its affiliates will be prohibited from providing services to, or otherwise dealing or doing business with, the Trusts or Beneficial Owners or persons that deal with the Trusts or Beneficial Owners, although no such services or activities (other than the services and activities disclosed in this Memorandum) are contemplated and any such services (if provided) must be at market terms.

Competition for Sponsor's Management Services

The Sponsor's management personnel believe that they will have sufficient time to discharge fully their responsibilities to the Trusts and Beneficial Owners and to other business activities in which it is or may become involved. However, the Sponsor's management personnel are engaged in substantial other activities apart from their responsibilities under the Trust Agreements (including their duties at Bluerock, BR REIT and TI+). Further certain employees of BR REIT are only available to provide services to the Sponsor pursuant to an administrative services agreement. Accordingly, the Sponsor and its affiliates will devote only so much of their time to the business of the Trusts as is reasonably required in their judgment. The Sponsor and its affiliates will have conflicts of interest in allocating management time, services and functions among the properties held through this or any other program they may sponsor, as well as with other business ventures in which they are or may become involved.

Compensation and Reimbursements Irrespective of Property Profitability

The Sponsor and its affiliates will receive certain compensation from the Trusts for services rendered regardless of whether rent is paid to the Trusts. See "*Estimated Use of Proceeds*" and "*Compensation and Fees*" in this Memorandum.

Sale of the Properties

If the Manager decides to sell either Property, the Property Manager, the Sponsor or its affiliates may be paid Disposition Fees or other fees and compensation on the sale of such Property. The right to receive or participate in Disposition Fees or other fees and compensation may provide the Sponsor, an affiliate of the Property Manager, with an incentive to encourage a sale of a Property at a time that is not optimal for, or on terms that are not advantageous to, the Trusts or the Beneficial Owners.

Acquisition of the Cornatzer Property

The Cornatzer Property was acquired from the Cornatzer Seller, a subsidiary of BIGR and an affiliate of the Sponsor and the Master Tenant. The Cornatzer Seller acquired the Cornatzer Property from an unaffiliated seller on December 28, 2021 for a purchase price of \$10,000,000, plus related closing costs. In connection with the negotiation

of the Cornatzer Purchase Contract, both BVEX and the Cornatzer Seller were represented by separate independent counsel, and the purchase price was set at the appraised value of the Cornatzer Property determined by an independent third-party appraiser.

Ownership of Interests

The Sponsor or its affiliates may elect to acquire or retain a portion of the Interests or to sell or transfer Interests to persons who are related to it, including employees or persons who have other relationships with it or its affiliates. In such event, although the rights of Beneficial Owners are extremely limited under the terms of the Parent Trust Agreement, the interests of the Sponsor and its affiliates (or other closely connected parties) as Beneficial Owners may not be aligned with those of the Trusts or other Beneficial Owners. Further, in the event of a Transfer Distribution, Beneficial Owners who were affiliates of the Sponsor could control a Springing LLC as members.

Exercise of FMV Option. The FMV Option is exercisable at the Operating Partnership's sole and absolute discretion. The Operating Partnership will determine whether or not to exercise the FMV Option taking into account only the best interests of the Operating Partnership and not the Beneficial Owners. This may result in the Operating Partnership exercising the FMV Option at a time when they believe that the value of the OP Units as compared to the value of the Interests is high. In addition, they may determine not to exercise the FMV Option if they believe that the underlying Property is not an attractive acquisition opportunity for the Operating Partnership. As such it will be acting in its own interest when determining whether to exercise the FMV Option.

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THE FMV OPTION AND THE OP UNITS

Description of the FMV Option

Under the FMV Option, the Operating Partnership will retain the right, but not the obligation, in its sole discretion to acquire any or all of the Interests in a given Trust from us, or after conveyance by us to the Beneficial Owners, from each Beneficial Owner. If the FMV Option is exercised, Contributing Investors will receive an amount of OP Units with an aggregate value equal to the Exchange Consideration. Alternatively, a Beneficial Owner may elect to become a Cash Investor and have the Operating Partnership acquire the Beneficial Owner's interests in the Trust for cash rather than exchange such interests for OP Units following the exercise of the Operating Partnership of its FMV Option, less the amount of the Cash Redemption Fee. If a Cash Investor elects to exercise its rights to have the Operating Partnership acquire its interests in the Trust for cash under the Trust Agreement with respect to a Notice of Exchange (as such term is defined in the Trust Agreement), it shall so notify the Operating Partnership in writing within 10 business days after the date on which the Manager mails the Notice of Exchange to the Beneficial Owner. If any Beneficial Owner does not provide such notice to the Manager within 10 business days after the mailing date of the Notice of Exchange, such Beneficial Owner will be deemed to have agreed to have the Operating Partnership acquire the Beneficial Owner's interest in the Trust in exchange for OP Units and will become a Contributing Investor. The Cash Amount a Cash Investor will receive in exchange for its Interest shall equal to the Exchange FMV of the Cash Investor's Interest as of the date the FMV Option is exercised, reduced the Cash Redemption Fee and subject to the Cash Redemption Cap (which is at the sole discretion of the OP). Because there is a possibility that the FMV Option will not be exercised, you should assume when you acquire an Interest that you will not ultimately receive OP Units or cash pursuant to the FMV Option. The Operating Partnership cannot exercise its FMV Option until the Beneficial Owners have held their Interests for at least two years. The Exchange FMV of a Beneficial Owner's Interests will be determined by multiplying: (i) a Beneficial Owner's percentage of Interests in the Trust by (ii) the FMV Option Appraised Value of the Property, as determined by an independent appraisal firm selected by the Manager in its sole discretion, less any liabilities of the applicable Property/ies. The appraisal will be determined without any discounts but taking into account that each relevant Property is subject to a long-term master lease. Should the Operating Partnership exercise the FMV Option, any Beneficial Owner who accepts OP Units will be considered a Contributing Investor and will no longer have a direct interest in the applicable Trust. Once a Beneficial Owner becomes a holder of OP Units in the Operating Partnership, such OP Units will be subject to the terms of the OP Partnership Agreement.

A holder of OP Units in the Operating Partnership will have the right to exchange its OP Units for shares of the corresponding class of Common Stock in BIGR on a one-for-one basis, provided however, that such exchange will be governed by the terms of any applicable organizational documents for BIGR at the time of such exchange. In addition, if and after the FMV Option is exercised, a Beneficial Owner will not be able to engage in any subsequent, individual Section 1031 Exchanges. Furthermore, a Beneficial Owner's ability to sell its OP Units or shares in BIGR received in exchange for OP Units, may be impacted due to the general volatility of the capital markets, the risks associated with the market for BIGR shares, and the limited market for OP Units. See "*Summary of Trust Agreements.*"

Operating and Financial Information

For portfolio information, operating and financial information, including financial statements of BIGR, please contact IR@bluerock.com.

THE OPERATING PARTNERSHIP

The Operating Partnership is the entity through which BGR conducts substantially all of its business and owns (either directly or indirectly through subsidiaries, partnerships or joint ventures) substantially all of its assets. Please see the “*The Operating Partnership Agreement*” in the BGR Memorandum for additional information regarding the Operating Partnership and the OP Partnership Agreement.

BGR is the sole general partner of the Operating Partnership and has the exclusive power to manage and conduct the business of the Operating Partnership. BGR holds substantially all of its assets in the Operating Partnership or in subsidiary entities in which the Operating Partnership owns an interest, and intends to make future acquisitions of real properties either directly for cash or in exchange for units of the Operating Partnership using the UPREIT structure. Certain fees and expense reimbursements are payable by the Operating Partnership and BGR to its external manager and its affiliates. For a description of such fees and expense reimbursements, please see “*Management Compensation*” in the BGR Memorandum.

Description of OP Units

The Operating Partnership has five separate classes of ownership units, four of which correspond to BGR’s four classes of Common Stock, and one separate class of cumulative redeemable preferred interest. Each OP Unit is intended to be the substantial economic equivalent of one share of the corresponding class of Common Stock. Each OP Unit is entitled to the same distributions as made with respect to shares of Common Stock, and, as described below, are redeemable for Common Stock on a one-for-one basis. However, OP Units are a different investment from Common Stock in many respects, including tax treatment, voting rights, and redemption rights.

While the OP Units are intended to be the substantial economic equivalent of one share of the corresponding class of Common Stock, should a Beneficial Owner require that the Operating Partnership redeem such Beneficial Owner’s OP Units (as discussed herein) and the Operating Partnership elects to redeem such OP Units for Common Stock, the Beneficial Owner will receive the corresponding class of Common Stock. Shares of the various classes of Common Stock are identical in all respects except their respective eligibility to receive a special stock dividend, which varies by class of Common Stock. BGR’s Class A-4 Common Stock, which is the class of Common Stock which Beneficial Owners would potentially receive as a result of a conversion of the OP Units they would receive if BGR exercised the FMV Option are not eligible for the special stock dividend.

The rights and obligations of OP Unitholders are set forth in the OP Partnership Agreement. The following is a summary of certain provisions of the OP Partnership Agreement. This summary is not complete and is qualified in its entirety by reference to the OP Partnership Agreement. Because the following is only a summary, it does not contain all the information that you may find useful. For further information, you should read the discussion under the caption “*The Operating Partnership Agreement*” in the BGR Memorandum. References below to “limited partners” of the Operating Partnership include OP Unitholders. A copy of the Operating Partnership Agreement will be made available upon request.

Capital Contributions

OP Unitholders have no right or obligation to make any additional capital contributions or loans to the Operating Partnership. As the general partner of the Operating Partnership, BGR may contribute additional capital to the Operating Partnership and receive additional partnership units and, under the OP Partnership Agreement, BGR is obligated to contribute the net proceeds of offerings of its shares as additional capital to the Operating Partnership. If BGR contributes additional capital to the Operating Partnership, it will receive additional partnership units, and its percentage interest will be increased on a proportionate basis based upon the amount of such additional capital contributions and the value of the Operating Partnership at the time of such contributions. Conversely, the percentage interests of the other limited partners will be decreased on a proportionate basis in the event of additional capital contributions by BGR. In addition, if BGR contributes additional capital to the Operating Partnership, the general partner will revalue the property of the Operating Partnership to its fair market value (as determined by the general partner) and the capital accounts of the partners will be adjusted to reflect the manner in which the unrealized gain or loss inherent in such property (that has not been reflected in the capital accounts previously) would be allocated among

the partners under the terms of the OP Partnership Agreement if there were a taxable disposition of such property for its fair market value (as determined by the general partner) on the date of the revaluation. BGR may also cause the Operating Partnership to issue additional partnership units for such consideration and on such terms and conditions as it sees fit and without the approval of OP Unitholders. These additional partnership units may have preferences, powers and rights senior to OP Units.

Operations

The OP Partnership Agreement requires that the Operating Partnership be operated in a manner (i) as to permit BGR at all times to qualify as REIT, unless it otherwise ceases to qualify as a REIT or its board of directors determines that it should no longer qualify as a REIT and (ii) avoid any federal income or excise tax liability imposed by the Code (other than any federal income tax liability associated with our retained capital gains). BGR is also empowered to do any and all acts necessary to ensure that the Operating Partnership will not be classified as a “publicly traded partnership” for purposes of Code Section 7704, which classification could result in the Operating Partnership being taxed as a corporation, rather than as a partnership. See “*Material U.S. Federal Income Tax Considerations—Other Tax Considerations—Tax Aspects of Our Investment in Our Operating Partnership and Subsidiary Partnerships—Classification as a Partnership.*” in the BGR Memorandum.

In addition to the administrative and operating costs and expenses incurred by the Operating Partnership in acquiring and operating real properties, the Operating Partnership will pay all administrative costs and expenses of BGR and such expenses will be treated as expenses of the Operating Partnership. These costs and expenses include:

- all expenses relating to the formation and continuity of existence of BGR;
- all expenses relating to the public offering and registration of securities by BGR;
- all expenses associated with the preparation and filing of any periodic reports by BGR under federal, state or local laws or regulations;
- all expenses associated with compliance by BGR with applicable laws, rules and regulations; and
- all other operating or administrative costs of BGR incurred in the ordinary course of its business on behalf of the Operating Partnership.

Distributions

General. The OP Partnership Agreement provides that the Operating Partnership will, subject to any preferential rights of any preferred units, distribute cash from operations (including net sale or refinancing proceeds, but excluding net proceeds from the sale of the Operating Partnership’s property in connection with the liquidation of the Operating Partnership) at such time and in such amounts as determined by the general partner in its sole discretion, to BGR and the other limited partners in accordance with their respective percentage interests in the Operating Partnership. Specifically with respect to investors in the Program that acquire OP Units, distributions with respect to such OP Units are expected to be made with the same frequency as those paid with respect to the Common Stock and in amounts per OP Unit that substantially match the amounts per share of Common Stock, so that a holder of one OP Unit will receive substantially the same amount of annual cash flow distributions as the amount of annual distributions paid to the holder of one share of the Common Stock (before taking into account certain tax withholdings certain states may require with respect to OP Units). The distributions paid to stockholders of BGR will be determined by its board of directors and will typically depend on the amount of distributable funds, current and projected cash requirements, tax considerations and other factors, as more fully described in the BGR Memorandum. Distributions are not guaranteed; the timing and amounts of these distributions, if any, may change, as determined by the BGR board of directors.

Allocations. Profits and losses of the Operating Partnership (including depreciation and amortization deductions) for each fiscal year generally will be allocated to BGR and the other limited partners in accordance with their respective percentage interests in partnership. All of the foregoing allocations are subject to compliance with

the provisions of Sections 704(b) and 704(c) of the Code and Treasury regulations promulgated thereunder. To the extent Treasury regulations promulgated pursuant to Section 704(c) of the Code permit, the general partner shall have the authority to elect the method to be used by the Operating Partnership for allocating items with respect to contributed property acquired for OP Units for which fair market value differs from the adjusted tax basis at the time of contribution. Any such election shall be binding on all partners. See “*Federal Income Tax Consequences—Tax Consequences Relevant to OP Units—The Operating Partnership—Tax consequences relating to contributed assets.*”

Liquidation. Upon liquidation of the Operating Partnership, after payment of, or adequate provision for, debts and obligations of the Operating Partnership, including any partner loans, any remaining assets of the Operating Partnership will be distributed to BGR and the other limited partners with positive capital accounts in accordance with their respective positive capital account balances.

Rights and Obligations of OP Unitholders

No right to participate in management. OP Unitholders do not have the right to participate in the management or control of the business of the Operating Partnership.

Limited liability. OP Unitholders are not liable for any debts, liabilities, contracts or obligations of the Operating Partnership in excess of their capital contribution to the Operating Partnership.

Redemption rights. Pursuant to the OP Partnership Agreement, limited partners (other than BGR or any subsidiary of BGR) will receive redemption rights, which will enable them to cause the Operating Partnership to redeem their OP Units in exchange for cash or, at the option of the general partner, shares of BGR Common Stock on a one-for-one basis, commencing one year from the date of issuance of such OP Units. Redemptions will generally occur only on the first day of each calendar quarter. Limited partners must submit an irrevocable notice to the Operating Partnership of the intention to be redeemed no less than 60 days prior to the redemption date, and each limited partner must submit for redemption at least 1,000 OP Units or, if such limited partner holds less than 1,000 OP Units, all the OP Units owned by such limited partner. The number of shares of BGR Common Stock issuable upon redemption of OP Units held by limited partners may be adjusted upon the occurrence of certain events such as share dividends, share subdivisions or combinations. We expect to fund any cash redemptions out of available cash or borrowings. Notwithstanding the foregoing, a limited partner will not be entitled to exercise its redemption rights if the delivery of common stock to the redeeming limited partner would:

- result in any person owning, directly or indirectly, shares of BGR Common Stock in excess of the stock ownership limit in its charter;
- result in BGR’s shares being beneficially owned by fewer than 100 persons (determined without reference to any rules of attribution);
- result in BGR being “closely held” within the meaning of Code Section 856(h);
- cause BGR to own, actually or constructively, 10% or more of the ownership interests in a tenant (other than a TRS) its, the Operating Partnership’s or a subsidiary partnership’s real property, within the meaning of Code Section 856(d)(2)(B);
- cause BGR to fail to qualify as a REIT under the Code; or
- cause the acquisition of BGR Common Stock by such redeeming limited partner to be “integrated” with any other distribution of BGR Common Stock or OP Units for purposes of complying with the registration provisions of the Securities Act.

The general partner may, in its sole and absolute discretion, waive any of these restrictions.

Transfer Limitations

There are certain limitations in connection with the transferability of OP Units as described below.

OP Units may not be transferred, in whole or in part, without the written consent of BIGR, which is the general partner of the Operating Partnership, which consent may be granted or withheld in the general partner's sole and absolute discretion. OP Units are also subject to other terms and restrictions contained in the OP Partnership Agreement among the Sponsor and certain limited partners of the Sponsor.

The OP Units have not been registered under the Securities Act or the securities laws of any state or other jurisdiction. In addition to the limitations set forth in the preceding paragraph, neither OP Units nor any interest or participation therein may be reoffered, sold, assigned, transferred, pledged, encumbered or otherwise disposed of ("**Transfer**") in the absence of such registration or unless such transaction is exempt from, or not subject to, such registration.

No Transfer by any OP Unitholder, in whole or in part, may occur if (i) in the opinion of the Operating Partnership's legal counsel, the Transfer would result in the Operating Partnership being treated as an association taxable as a corporation (other than a qualified REIT subsidiary within the meaning of Code Section 856(i)), (ii) in the opinion of the Operating Partnership's legal counsel, the Transfer it would adversely affect the ability of the General Partner to continue to qualify as a REIT or subject the General Partner to any additional taxes under Code Sections 857 or 4981, (iii) the General Partner determines, in its sole discretion, that such transfer, along or in connection with any other Transfers could cause the OP Units to be treated as readily on an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Code Section 7704, or (iv) in the opinion of the Operating Partnership's legal counsel, such Transfer is reasonably likely to cause the Operating Partnership to fail to satisfy the 90% qualifying income test described in Code Section 7704(c).

An OP Unitholder, by its acceptance of OP Units, will be required to agree, for the benefit of the Sponsor, that in addition to the foregoing limitations, OP Units may be offered, resold, pledged or otherwise transferred, only (i) to the Sponsor, (ii) pursuant to a registration statement that has been declared effective under the Securities Act, (iii) to an "accredited investor" that is purchasing for its own account, (iv) outside the U.S. in a transaction complying with the provisions of rule 904 under the Securities Act, or (v) under any other available exemption from the registration requirements of the Securities Act, and in each case in accordance with any applicable securities laws of any state of the United States or any other applicable jurisdiction. Each OP Unitholder will notify any purchaser of OP Units from it of the resale restrictions referenced above.

The above restrictions on resale of OP Units (other than the need to obtain written consent from BIGR for any transfer, which will apply in all cases) will apply from the date on which such OP Units are issued to the Beneficial Owners as a result of the FMV Option (the "**FMV Option Closing Date**") until the date that is three years after the later of the FMV Option Closing Date and the last date that we or any of our affiliates were the owner of such OP Units or any predecessor of such OP Units and will not apply after such period ends.

We reserve the right to require you to deliver to us an opinion of counsel, certifications and other information reasonably satisfactory to us in connection with any offer, sale or other transfer of OP Units. We reserve the right to be reimbursed by the Beneficial Owner for any reasonable expenses associated with a transfer of OP Units.

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SUMMARY OF MASTER LEASES

Each Property is leased by its respective Operating Trust to its respective Master Tenant pursuant to its respective Master Lease, a sample copy of which is attached to this Memorandum as Exhibit A. Each Master Lease is, with certain exceptions regarding Landlord Costs, an “absolute net” lease allocating to the applicable Master Tenant all expenses and debt service associated with the operation of the applicable Property. Each Master Tenant operates its respective Property and will be entitled to retain any positive difference between such Property’s operating cash flow and its Master Lease payments, which include but are not limited to the payments due on behalf of the applicable Operating Trust under the Loan Documents. Likewise, each Master Tenant will bear the risk of any cash shortfalls between the net operating cash flow, after certain mandatory payments, and the payments required under its respective Master Lease.

The following is a summary of some of the significant provisions of the Master Leases. This summary is qualified in its entirety by reference to the full text of the Master Leases. A sample copy of a Master Lease is attached as Exhibit A to this Memorandum (all of the Master Leases are available upon request). Each prospective Purchaser should carefully review the Master Leases in their entirety before investing.

Term

The Master Leases commenced on the date of the Acquisition Closings, and shall continue for a base term expiring June 30, 2032, unless sooner terminated pursuant to the terms of the Master Lease.

Base Rent

The following rent is due under each Master Lease on a monthly basis: (1) Base Rent as set forth and identified in the applicable Master Lease; (2) other miscellaneous amounts payable by the Master Tenant to the applicable Operating Trust pursuant to the applicable Master Lease.

Additionally, the Master Lease contemplates Projected Uncontrollable Costs with respect to each Property: In the event that (a) the Projected Uncontrollable Costs for any calendar year exceed the actual uncontrollable costs, each Master Tenant is required to pay its respective Operating Trust the amount of such excess; and (b) if the actual uncontrollable costs for any calendar year exceed the Projected Uncontrollable Costs, such Master Tenant is responsible for the payment of such excess, but is entitled to a reimbursement by offsetting such amount against monthly Rent, subject to the terms of the Loan Documents.

The monthly Base Rent calculation are specified in Exhibit A to each Master Lease, replicated below:

Rent Amount Pursuant to the Adam Aircraft Master Lease

<u>Lease Period</u>	<u>Base Rent</u>
Year 1	\$597,165
Year 2	\$611,813
Year 3	\$621,340
Year 4	\$623,680
Year 5	\$627,189
Year 6	\$658,282
Year 7	\$666,088
Year 8	\$692,035
Year 9	\$697,035
Year 10	\$726,160

Rent Amount Pursuant to the Tucker Street Master Lease

<u>Lease Period</u>	<u>Base Rent</u>
Year 1	\$339,519
Year 2	\$308,614
Year 3	\$303,063
Year 4	\$298,956
Year 5	\$513,174
Year 6	\$758,200
Year 7	\$763,491
Year 8	\$789,386
Year 9	\$791,338
Year 10	\$862,580

Rent Amount Pursuant to the 6015 Enterprise Master Lease

<u>Lease Period</u>	<u>Base Rent</u>
Year 1	\$849,413
Year 2	\$854,084
Year 3	\$860,924
Year 4	\$864,919
Year 5	\$853,769
Year 6	\$899,302
Year 7	\$903,645
Year 8	\$932,302
Year 9	\$933,170
Year 10	\$967,068

Rent Amount Pursuant to the 6056 Enterprise Master Lease

<u>Lease Period</u>	<u>Base Rent</u>
Year 1	\$1,194,664
Year 2	\$1,197,252
Year 3	\$1,198,157
Year 4	\$1,193,788
Year 5	\$1,174,255
Year 6	\$1,224,959
Year 7	\$1,221,759
Year 8	\$1,251,037
Year 9	\$1,242,397
Year 10	\$1,093,219

Rent Amount Pursuant to the Cornatzer Master Lease

<u>Lease Period</u>	<u>Base Rent</u>
Year 1	\$569,028
Year 2	\$580,816
Year 3	\$587,165
Year 4	\$590,790
Year 5	\$591,336
Year 6	\$617,735
Year 7	\$597,929
Year 8	\$513,232
Year 9	\$514,501
Year 10	\$533,360

Additionally, the Property Manager may elect to be paid less than the full amount of the Property Management Fee to which it may be entitled under the applicable Property Management Agreement, in which event the Property Manager may also elect to accrue such amounts, without interest, to be paid at a later point in time. Any deferred and accrued Property Management Fees shall be due and payable in full upon a disposition of the applicable Property from the proceeds of the sale thereof.

Impositions

Under the Master Leases, the Master Tenants are required to pay certain ancillary fees and costs related to the Loan (excluding certain fees and costs), and all taxes (including all real property taxes and personal property taxes), assessments, utilities not paid for by the tenants of the Property, excises, levies, license and permit fees and other government impositions and charges attributable to or assessed against the relevant Property.

Maintenance and Repair; Alterations

Each Operating Trust is responsible for any expenses incurred to make repairs to maintain its respective Property and for expenditures with respect to (1) repairs and replacements of the structure, foundations, roofs, exterior walls, parking lots and improvements to meet the needs of tenants; (2) leasing commissions; (3) certain hazardous substances costs; (4) any repairs identified in the applicable PCA Report, or similar engineering report, performed in connection with the acquisition of such Property (including minor deferred maintenance or immediate needs for repairs); and (5) other improvements or replacements to such Property that would be considered Capital Expenditures or are required by law. Other than the Landlord Costs as defined in the applicable Master Lease, each Master Tenant is solely responsible for all other costs and expenses associated with the management and operation of its respective Property.

Each Master Tenant may make structural and non-structural alterations to its respective Property in its sole discretion, and at its sole cost and expense (other than Landlord Costs, which will be at the applicable Operating Trust's expense), provided that (i) all permits and authorizations of all municipal departments and subdivisions have been obtained; (ii) the alterations do not materially reduce the value of such Property, result in a material change in the usefulness of such Property for its intended use or violate the terms of a lease with a tenant of such Property; (iii) the alterations are made promptly and in a good workmanlike manner in compliance with all permits and authorizations; (iv) the cost of the alterations will be promptly paid by such Master Tenant so that such Property is at all times free and clear of any liens and/or encumbrances; (v) the alterations will be and become the property of such

Operating Trust upon termination of the applicable Master Lease; (vi) the alterations will comply with the terms of the Loan; and (vii) certain levels of insurance will be obtained in connection with the alterations.

If a Master Tenant makes any changes or alterations to its respective Property that constitute more than minor, non-structural modifications, such Master Tenant must, prior to making such changes or alterations, (1) provide 30 days' advance written notice to its respective Operating Trust setting forth the details of such alterations so that such Operating Trust may effectuate a Transfer Distribution, if necessary, or (2) execute an agreement with such Operating Trust to the effect that, at the end of the applicable Master Lease term, such Master Tenant will restore such Property to a condition substantially the same as the condition of the Properties at the beginning of the applicable Master Lease term.

Damage or Destruction; Condemnation

Each Master Tenant is obligated to repair any material casualty to its respective Property, at such Master Tenant's expense and, subject to the Loan Documents, is entitled to receive any insurance proceeds made available for such repair of such Property. If the proceeds from any casualty insurance are insufficient to complete the repairs, such Master Tenant is obliged to fund any excess required to complete such repairs (other than capital improvements that are Landlord Costs and certain costs (i) attributable to the negligence or willful misconduct of the applicable Operating Trust or its agents; (ii) incurred when such Operating Trust or its agents have taken control or possession of the applicable Property; or (iii) incurred after the expiration of the applicable Master Lease (collectively, the "**Trust Costs**")). To the extent the proceeds from any casualty insurance exceed the cost to complete the repairs, the applicable Master Tenant is entitled to retain the difference, less any funds attributable to Trust Costs. If a casualty occurs within the last 12 months of the term of the applicable Master Lease, and the casualty affects more than 50% of the applicable Property, the applicable Master Tenant may elect to terminate its Master Lease and not restore its Property, unless otherwise prohibited by the Loan. If the applicable Master Lease is terminated pursuant to a casualty, then Rent under such Master Lease will be pro-rated to the date of termination.

Upon a total taking of a Property through a condemnation, the applicable Master Lease will terminate and the base Rent will be apportioned and paid to the date of the taking. In the case of a taking of less than all of a Property, the applicable Operating Trust (subject to its respective Loan Documents) will be entitled to receive the entire award for such taking. Upon a taking of less than all of a Property, the applicable Master Tenant may terminate its Master Lease if the taking renders the remaining portion of its respective Property unsuitable for such Master Tenant's use or such Master Tenant determines that it cannot complete a restoration for an amount that is less than or equal to the proceeds of the taking (provided, however, that if there are at least 12 months remaining on the term of the applicable Master Lease, the applicable Operating Trust may agree to pay the excess expenses of restoration and, in turn, its Master Lease will not terminate and the applicable Master Tenant will undertake such restoration). If the applicable Master Lease is not terminated, its Master Tenant must proceed to restore its Property, provided, that its Operating Trust must make any condemnation award proceeds available to its Master Tenant. If the applicable Master Lease is not terminated and restoration has been undertaken by the applicable Master Tenant, the monthly Base Rent is required to be reduced by an amount reasonably determined by the applicable Operating Trust and its Master Tenant commencing from the date of the taking.

Termination Rights

Other than the termination rights discussed above in connection with a casualty or a taking, a Master Lease will terminate in the event that all or substantially all of its respective Property is sold or transferred by its respective Operating Trust in one transaction. Such termination will occur immediately after the sale. A Master Lease will survive, however, in the event of a Transfer Distribution with respect to its Operating Trust.

Assignment and Subletting

A Master Tenant may not sell, assign, transfer, mortgage, pledge or otherwise dispose of its respective Master Lease or any interest of such Master Tenant in such Master Lease, except with the prior written consent of the applicable Operating Trust. A Master Tenant may sublet all or any portion of its respective Property without the

necessity of obtaining the prior consent of its Operating Trust; provided, however, that no such sublease will be valid unless it complies with the provisions set forth in the applicable Master Lease. An assignment or sublease will not release the Master Tenant from its obligations under its respective Master Lease. Notwithstanding the foregoing, each Master Lease allows and permits the applicable Master Tenant to enter into sublease arrangements with end user tenants at its respective Property.

TLSA

In connection with each set of Loan Documents, the respective Lender requires the applicable Operating Trust and its respective Master Tenant to enter into the applicable TLSA, pursuant to which such Operating Trust and such Master Tenant subordinated their rights in and to their respective Master Lease to the applicable Mortgage and provide for collateral assignment to the Lender of all of the underlying leases, rents and occupancy rights. In addition, a default under a Master Lease will constitute a default under the Loan Documents.

Default/Remedies

A Master Tenant will default under its Master Lease, subject to certain applicable cure rights, in the event of: (i) such Master Tenant's failure to pay any monthly installment of Base Rent; (ii) such Master Tenant's failure to comply with or observe any other term or condition of its Master Lease or any breach of a material representation or warranty made by such Master Tenant; (iii) a taking of such Master Tenant's leasehold interest via execution or other process of law; (iv) the filing of a voluntary petition in bankruptcy by such Master Tenant, the adjudication of its bankruptcy or insolvency, the filing by such Master Tenant of a petition in bankruptcy or its acquiescence to the appointment of a trustee or a receiver for it; (v) the levy on its Master Lease or any other agreement of such Master Tenant under any attachment or execution; (vi) the institution of a proceeding, or entrance of a final court order, for such Master Tenant's dissolution; (vii) such Master Tenant makes a general assignment, or takes other action, for the benefit of creditors; or (viii) such Master Tenant violates its respective Loan Documents.

If a Master Tenant defaults under its Master Lease, past all applicable cure periods, its respective Operating Trust may (i) terminate the applicable Master Lease (with 10 days' notice); (ii) with 10 days' notice, but without terminating such Master Lease, terminate such Master Tenant's right to occupy the applicable Property and re-enter and take possession of such Property; (iii) enter such Property and take any action required of such Master Tenant under such Master Lease, for which such Master Tenant is required to reimburse the applicable Trust for its costs and expenses; (iv) upon termination of the Master Lease, if such Master Tenant has not vacated, treat such Master Tenant as a holdover, month-to-month tenant for which such Master Tenant is required to pay 125% Rent; and (v) exercise all other remedies available at law or in equity.

Indemnification

Each Master Tenant will indemnify its respective Operating Trust, and its officers, directors, trustees, employees, and beneficial interest holders, including the Purchasers, from claims, damages, losses and expenses, including reasonable attorneys' fees, incurred or asserted against such Operating Trust by reason of such Master Tenant's gross negligence, willful misconduct, fraud, or breach of its respective Master Lease. Each Master Tenant will also indemnify its respective Operating Trust for any payments it is required to make in respect of any non-recourse carve-outs under its respective Loan Documents, if such payments are caused by: (i) such Master Tenant's fraud, willful misconduct or misappropriation, (ii) such Master Tenant's commission of a criminal act, (iii) the misapplication of funds by such Master Tenant, and / or (iv) damage or destruction to the applicable Property caused by such Master Tenant's gross negligence.

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SUMMARY OF THE TRUST AGREEMENTS

The Trust

The Trusts are governed by their respective Trust Agreements. The Parent Trust owns 100% of the beneficial interests in each of the Operating Trusts. The Purchasers will acquire their Interests in the Parent Trust subject to the Parent Trust Agreement, and will thereupon become Beneficial Owners of the Parent Trust. The rights and obligations of the Beneficial Owners will be governed by the Parent Trust Agreement.

The Operating Trusts

BR 13202 E. Adam Aircraft Circle, DST. The Second Amended and Restated Adam Aircraft Trust Agreement is dated August 10, 2022. The Adam Aircraft Trust Agreement will terminate on the earlier of a Transfer Distribution or the sale or other disposition of the Adam Aircraft Property, provided that the Loan has been repaid in full.

The Parent Trust owns 100% of the beneficial interests in the Adam Aircraft Trust. The Delaware Trust Company, a Delaware corporation, is the Delaware trustee of the Adam Aircraft Trust. BR Diversified Industrial Portfolio I DST Manager, LLC, a Delaware limited liability company and an affiliate of BVEX, is the Manager.

BR 3020 Tucker Street, DST. The Second Amended and Restated Tucker Street Trust Agreement is dated August 10, 2022. The Tucker Street Trust Agreement will terminate on the earlier of a Transfer Distribution or the sale or other disposition of the Tucker Street Property, provided that the Loan has been repaid in full.

The Parent Trust owns 100% of the beneficial interests in the Tucker Street Trust. The Delaware Trust Company, a Delaware corporation, is the Delaware trustee of the Tucker Street Trust. BR Diversified Industrial Portfolio I DST Manager, LLC, a Delaware limited liability company and an affiliate of BVEX, is the Manager.

BR 6015 Enterprise Park Drive, DST. The Second Amended and Restated 6015 Enterprise Trust Agreement is dated August 10, 2022. The 6015 Enterprise Trust Agreement will terminate on the earlier of a Transfer Distribution or the sale or other disposition of the 6015 Enterprise Property, provided that the Loan has been repaid in full.

The Parent Trust owns 100% of the beneficial interests in the 6015 Enterprise Trust. The Delaware Trust Company, a Delaware corporation, is the Delaware trustee of the 6015 Enterprise Trust. BR Diversified Industrial Portfolio I DST Manager, LLC, a Delaware limited liability company and an affiliate of BVEX, is the Manager.

BR 6056 Enterprise Park Drive, DST. The Second Amended and Restated 6056 Enterprise Trust Agreement is dated August 10, 2022. The 6056 Enterprise Trust Agreement will terminate on the earlier of a Transfer Distribution or the sale or other disposition of the 6056 Enterprise Property, provided that the Loan has been repaid in full.

The Parent Trust owns 100% of the beneficial interests in the 6056 Enterprise Trust. The Delaware Trust Company, a Delaware corporation, is the Delaware trustee of the 6056 Enterprise Trust. BR Diversified Industrial Portfolio I DST Manager, LLC, a Delaware limited liability company and an affiliate of BVEX, is the Manager.

BR 2016 Cornatzer Road, DST. The Second Amended and Restated Cornatzer Trust Agreement is dated August 10, 2022. The Cornatzer Trust Agreement will terminate on the earlier of a Transfer Distribution or the sale or other disposition of the Cornatzer Property, provided that the Loan has been repaid in full.

The Parent Trust owns 100% of the beneficial interests in the Cornatzer Trust. The Delaware Trust Company, a Delaware corporation, is the Delaware trustee of the Cornatzer Trust. BR Diversified Industrial Portfolio I DST Manager, LLC, a Delaware limited liability company and an affiliate of BVEX, is the Manager.

The following is a summary of some of the significant provisions of the Trust Agreements. This summary is qualified in its entirety by reference to the full text of the agreements. A copy of the Parent Trust Agreement and a

sample of an Operating Trust Agreement are attached as Exhibit B to this Memorandum (all of Trust Agreements are available upon request).

Summary of Certain Provisions of the Trust Agreement

The Beneficial Owners will own beneficial interests in the Parent Trust subject to the Parent Trust Agreement, and their corresponding rights and obligations will be governed by the Parent Trust Agreement. The Operating Trust Agreements are substantially similar to the Parent Trust Agreement, unless noted otherwise in the foregoing discussion. The following is a summary of some of the significant provisions included in the Parent Trust Agreement and a Parent Springing LLC Limited Liability Company Agreement (which will be applicable upon a Parent Transfer Distribution). It is qualified in its entirety by reference to the full text thereof. Each prospective Purchaser should review the entire Parent Trust Agreement, a copy of which is included as an exhibit to this Memorandum, before investing. A copy of the Parent Trust Agreement and Parent Springing LLC Limited Liability Company Agreement are provided as Exhibit B to this Memorandum.

Purchasers as Beneficial Owners; Trust's Use of Proceeds

Pursuant to this Offering, the Parent Trust is offering Interests for sale to prospective Purchasers. As Interests are sold to Purchasers, up to 100% of the Depositor's Parent Class 2 Beneficial Interests will be redeemed by the Parent Trust on a one-for-one basis until the Maximum Offering Amount has been achieved and all Interests have been sold.

The Parent Trust may and shall retain and utilize the first \$2,500,000 of the net proceeds received by the Parent Trust from the sale of Interests to fund the Supplemental Trust Reserve on behalf of the Operating Trusts. The net proceeds thereafter will be used by the Parent Trust, in accordance with the Parent Trust Agreement, to repay the Bridge Financing (including Carry Costs). After the Bridge Financing has been repaid in full, the Parent Trust will retain and utilize any remaining net proceeds to fund any reimbursements, compensation and fees owed to the Sponsor and/or its affiliates in connection with the Offering, including reimbursement of amounts contributed by the Depositor on account of the Acquisition Fee, if applicable. With regard to the above, the "net proceeds" from the sale of Interests shall be equal to the purchase price of each Interest, less the Sales Commissions, Marketing/Due Diligence Expense Allowances, Managing Broker-Dealer Fee and Organization and Offering Expenses allocable to each such sale. See "*Estimated Use of Proceeds*" and "*Compensation and Fees*."

Term

The Parent Trust will terminate upon the first to occur of (i) a sale of the Properties, (ii) the Trust Estate is in jeopardy of being lost due to any reason, or (iii) the Manager determined that the Purchasers are at risk of losing all of a substantial portion of their investment in the Interests. The death, incapacity, dissolution, termination or bankruptcy of the Trustee, the Manager or any Beneficial Owner will not result in the termination or dissolution of the Parent Trust.

The Trustee

Delaware Trust Company, has been appointed as the Trustee of the Trusts. The Trustee holds the Properties in trust for the benefit of the Beneficial Owners. The Trustee only has the limited powers and authority specified in the Parent Trust Agreement. The Trustee shall take such actions as may be directed in writing by the Manager, provided however, the Trustee is not permitted or required to take any action that is contrary to the Parent Trust Agreement or applicable law. The Trustee has no duty to take any action except as expressly provided for in the Parent Trust Agreement.

The Trustee will receive compensation for its services under the Parent Trust Agreement and will be reimbursed for out-of-pocket expenses, fees and disbursements, counsel fees and expenses. The Trustee may resign at any time by giving at least 60 days' prior written notice to the Manager. The Beneficial Owners will indemnify the Trustee for all actions taken on behalf of the Trusts except for liabilities resulting from willful misconduct, bad faith, fraud or gross negligence, in the case of the Trustee, and fraud or gross negligence, in the case of the Manager. The

Manager may remove the Trustee at any time, but only for the willful misconduct, bad faith, fraud or gross negligence of the Trustee; provided that the Manager may not remove the Trustee without the consent of the Lender while the Loan are outstanding.

The Manager

BR Diversified Industrial Portfolio I DST Manager, LLC, an affiliate of BVEX, will serve as the Manager of the Trusts. The Manager has the power and authority to manage the limited investment activities and affairs of the Trusts as permitted under the Parent Trust Agreement; provided, that the Manager has no power to engage on behalf of the Trusts in activities in which the Trusts could not engage directly, and all of the Manager's power and authority is limited to the extent such powers and authority is materially consistent with the powers and authority conferred upon the trustee in Revenue Ruling 2004-86. The Manager has the primary responsibility for performing the administrative actions set forth in the Parent Trust Agreement, including collecting rents and making distributions. The Manager is authorized to execute and deliver, and cause the Trusts to perform its obligations under transaction documents to which the Trusts becomes a party. The Manager has the sole discretion to determine when it is appropriate to sell the Properties.

The Manager may (but is not anticipated to) receive fees for its services under the Parent Trust Agreement. The Manager may resign at any time by giving at least 30 days' prior written notice to the Trustee. The Beneficial Owners will indemnify the Manager for all actions taken on behalf of a Trusts except for fraud or gross negligence of the Manager. Any indemnity obligations shall be limited to and only paid out of the Trust Estate. The Manager will not have any liability to any person except for its own fraud or gross negligence. Subject to the next sentence, the Trustee may either (1) limit the duties of the Manager under the Parent Trust Agreement, or (2) remove the Manager at any time, but only for the fraud or gross negligence of the Manager which causes material damage to, or diminution in value of, the Properties. If any portion of the Loan remains outstanding, the Lender must consent to the Trustee's removal of the Manager or to any limitation of the Manager's duties.

Except as expressly provided in the Parent Trust Agreement or other transaction documents contemplated thereby, the Manager does not have any duties or obligations with respect to the Trusts, the Parent Trust Agreement or other transactional documents contemplated therein. Notwithstanding the foregoing, following the issuance of a conversion notice, which will occur prior to the Initial Closing of Interests, the Trustee will have no ability to take any action that would cause the Trusts to cease to qualify as an investment trust within the meaning of Treasury Regulation Section 301.7701-4(c). The Manager will keep customary and appropriate books and records relating to the Trusts and the Properties.

Power of Trustee and Manager

The Parent Trust Agreement expressly prohibits the Trustee and the Manager from taking a number of actions, including the following: (a) selling, transferring or exchanging the Properties except as required or permitted under the Parent Trust Agreement; (b) reinvesting any monies of the Trusts, except to make permitted modifications or repairs to the Properties or in short-term liquid assets; (c) renegotiating the terms of the Loan or entering into new financing; (d) renegotiating the Master Leases on the Properties or entering into new leases, except in the case of a Master Tenant's bankruptcy or insolvency; (e) making modifications to the Properties (other than minor non-structural modifications) unless required by law; (f) accepting any capital from a Beneficial Owner (other than capital from a Purchaser that will be used to pay the fees, costs and expenses of the offer and sale of the Interests, fund initial reserves or repurchase up to 99% of the Depositor's Parent Class 2 Beneficial Interests and thereby reduce the Depositor's ownership interest, as discussed above); or (g) taking any other action that in the reasoned opinion of Tax Counsel to the Trusts should cause the Trusts to be treated as a business entity for federal income tax purposes if the effect would be that such action or actions would constitute a power under the Parent Trust Agreement to "vary the investment of the certificate holders" under applicable tax law.

As a result, the Trusts may be required to effectuate a Transfer Distribution in order to take any of the above actions which may be necessary, in the Manager's sole discretion, to preserve and protect the Properties. While the Properties will remain subject to the Loan after any such Transfer Distribution, the Beneficial Owners will no longer

be considered to own, for federal income tax purposes, a direct ownership interest in the Properties. Instead, the Beneficial Owners will become members in a Springing LLC, which will then own the Property or Properties, as the case may be. The Manager (or an affiliate of the Manager), will be the manager of a Springing LLC. See “*Summary of Certain Provisions of the “Springing LLC” Limited Liability Company Operating Agreement*” below.

Limited Transfer Rights

Except in certain limited circumstances, any selling Beneficial Owner must obtain the prior written consent of the Manager, which consent may be withheld in the Manager’s sole and absolute discretion, in connection with the assignment or transfer of the Beneficial Owner’s Interests.

Any transferee will take such Interest subject to the Trust Agreement and will become a Beneficial Owner only upon written acceptance and adoption of the Trust Agreement. Each Beneficial Owner will be responsible for compliance with applicable securities laws with respect to any sale of Interests.

Waivers

Except as expressly provided in the Parent Trust Agreement, no Beneficial Owner (i) has an interest in the Properties or (ii) will have any right to demand and receive from the Parent Trust an in-kind distribution of the Properties or any portion thereof. Each Beneficial Owner expressly waives any right, if any, under the DST Act to seek a judicial dissolution of the Parent Trust, to terminate the Parent Trust or, to the fullest extent permit by law, to partition the Properties. In addition, each Beneficial Owner expressly waives any right, to the fullest extent permitted by law, to file a petition in bankruptcy on behalf of the Trust or take any action that consents to, aides, supports, solicits or otherwise cooperates in the filing of an involuntary bankruptcy proceeding involving the Parent Trust.

Distributions

The Manager will distribute all available cash to the Beneficial Owners on a monthly basis, after paying or reimbursing the Manager for any reasonable fees or expenses paid by the Manager on behalf of the Parent Trust and reserving and retaining such additional amounts as the Manager determines are necessary to pay anticipated ordinary current and future expenses of the Trusts. The Trusts’ reserves, to the extent they are controlled by any of the Trusts, shall be invested by the Manager only in short-term obligations of (or guaranteed by) the United States, or any agency or instrumentality thereof and in certificates of deposit or interest-bearing bank accounts of banks or trust companies. The Manager will furnish reports annually to the Beneficial Owners as to the receipts, expenses and reserves of the Trusts.

Termination of the Trust to Protect the Properties; Transfer Distribution

Regarding the Parent Trust, if the Manager determines that (i) all or any portion of the Trust Estate is in jeopardy of being lost due to any reason, (ii) the Purchasers are at risk of losing all or a substantial portion of their investment in their Beneficial Interests, or (iii) it needs to take a prohibited action as detailed in the Parent Trust Agreement, then the Manager may elect to either (x) to the extent the foregoing circumstances apply to all of the assets comprising the Trust Estate, transfer title to all of the assets comprising the Trust Estate, or convert to the Parent Springing LLC, or (y) to the extent the foregoing circumstances apply to less than all of the Operating Trusts, with respect to the Operating Trust(s) to which such circumstances apply, the Manager shall distribute the interests in such Operating Trust(s) to the Beneficial Owners in partial liquidation of the Parent Trust. The form of the limited liability company operating agreement of the Parent Springing LLC is available to Beneficial Owners as part of Exhibit B to this Memorandum.

Regarding the Operating Trusts subject to the terms and conditions of the Loan Documents, if the Manager determines that (a) either Master Tenant is insolvent or has failed to timely pay the full rent due under its respective Lease after the expiration of any applicable notice and cure provisions in a Master Lease (not including any permitted deferral of rent due pursuant to Section 4.2 of the Master Leases), (b) the Trust Estate is in jeopardy of being lost due to a default or imminent default on any Loan, and in either case the Manager is prohibited from acting pursuant to

Section 3.3 of the Operating Trust Agreements, (c) a Master Tenant files for bankruptcy, seeks appointment of a receiver, makes an assignment for the benefit of its creditors or there occurs any similar event, (d) a Loan will commence hyper-amortization within 90 days under which all cash flow from a Property would need to be utilized to pay down the principal and interest on a Loan, (e) an Operating Trust is otherwise terminated in violation of Section 3.3(c) of the Operating Trust Agreements, (f) the Manager needs to take, but is precluded from taking, one of the actions enumerated in Section 3.3(c) of the Operating Trust Agreements and the Manager determines in writing that dissolution of an Operating Trust is necessary and appropriate to preserve and protect the Trust Estate for the benefit of the Beneficial Owners, or (g) an Operating Trust is otherwise terminated or dissolved without the consent of Lender, then, in any such case, the Manager will transfer title to the assets comprising the Trust Estate to a Springing LLC, a newly-formed Delaware limited liability company that has a limited liability company operating agreement substantially similar to the form thereof attached to the Operating Trust Agreements. If an Operating Trust is terminated pursuant to a Transfer Distribution, the Beneficial Owners will become members in a Springing LLC, and the Manager of an Operating Trust, or an entity controlled by the Manager of an Operating Trust, will become the manager of the that Springing LLC.

If a determination has been made to make a Transfer Distribution, the Manager may, in its discretion and upon advice of counsel, utilize such other form of transaction (including, without limitation, a conversion of the Parent Trust into a limited liability company if then permitted by applicable law) to accomplish the transaction contemplated by the Manager pursuant to the Transfer Distribution (which other form of transaction will only require the approval of the Manager and will not require the approval of any Beneficial Owners or the Trustee), provided that such alternative form of transaction is entered into to preserve and protect the Trust Estate for the benefit of the Beneficial Owners and is otherwise in compliance with the Statutory Trust Act. See below “*Summary of Certain Provisions of “Springing LLC” Limited Liability Company Operating Agreement*”.

Sale of the Properties

Pursuant to Section 2806(b)(3) of the Statutory Trust Act, the Manager will sell the Trust Estate upon its determination (in its sole discretion) that a sale of the Trust Estate is appropriate. However, absent unusual circumstances, it is anticipated that the Parent Trust will hold the Trust Estate for at least two years. The Manager will be responsible for (i) determining the fair market value of the Properties, (ii) providing notice to the Trustee of the sale of the Trust Estate and (iii) conducting the sale of the Trust Estate on behalf of the Parent Trust under commercially reasonable terms and executing such documents and instruments required to be executed by the Parent Trust to affect such sale (Manager will also provide to the Trustee in execution form any documents and instruments required to be executed by the Trustee to affect such sale). The Manager (and the Trustee, if necessary) will take all reasonable action that would seek to enable the sale to qualify, with respect to each Beneficial Owner, as a like-kind exchange within the meaning of Code Section 1031. After paying all amounts due to the Trustee and the Lender, if any, the Manager will distribute the balance of the proceeds (net of any closing costs payable by the Parent Trust including any fee due to the Manager) to the Beneficial Owners.

The Manager will receive the Disposition Fee (a fee from the Trust equal to 2.0% of the gross proceeds of the sale, exchange or other disposition of the Property; “Property,” with respect to the Disposition Fee that applies at the Parent Trust level, means, depending on context, each, or more than one, or all of the tracts of real property (and appurtenances) owned by each or all of the Operating Trusts) from which the Manager will pay all sales commissions payable to any third-party broker in connection with the sale, such that the aggregate amount of the Disposition Fee plus the third-party brokerage commission does not exceed 2.0% of the gross sales price of the Property. The Disposition Fee does not apply if the FMV Option is exercised. The Disposition Fee also does not apply with respect to a particular Property at the Parent Trust level if a Disposition Fee applied at the level of an Operating Trust.

FMV Option

The Beneficial Owners will grant the Operating Partnership a FMV Option. If the Operating Partnership exercises the FMV Option, a Contributing Investor will receive OP Units equal to the Exchange Consideration.

If the Operating Partnership exercises the FMV Option, Beneficial Owners may elect to have the Operating Partnership purchase its Interests for cash (Cash Investors) with the cash purchase price for the Cash Amount equaling such Cash Investor's pro rata share of the Exchange FMV, less the Cash Redemption Fee. However, the total Cash Amount for all Cash Investors shall not exceed the Cash Redemption Cap, subject to the discretion of the Operating Partnership. If the Cash Redemption Cap is reached, then the total available cash proceeds will be pro-rated among the Cash Investors based on Percentage Share (as defined in the relevant Trust Agreement), and Cash Investors may receive both cash and OP Units in exchange for such Cash Investors' Interests. Because the Operating Partnership has sole discretion over whether to exercise the FMV Option, you should not assume the FMV Option will be exercised. It is possible that the consideration you receive in connection with the exercise of the FMV Option by the Operating Partnership may be less than the amount you paid for your Interest. The Operating Partnership may exercise its FMV Option at the Parent Trust level or at the level of one or more Operating Trusts.

Each Purchaser will be required to execute such documents and signatures as the Manager may reasonably require in connection with the exercise of the FMV Option or the cash purchase, described above. Pursuant to Section 5.1 of the Trust Agreement, each Purchaser will grant the Manager a special and limited power of attorney as the attorney-in-fact for the Purchaser, with power and authority to act in the name and on behalf of the Purchaser to execute, acknowledge, and swear to in the execution, acknowledgment and filing of documents relating to the FMV Option. For the Contributing Investors, the Manager will provide a the Tax Protection Agreement in which the Manager: (i) will agree not to directly or indirectly sell, exchange, transfer, or otherwise dispose of the relevant Property or any interest therein (without regard to whether such disposition is voluntary or involuntary) in a transaction within three years of the date of the date of the exercise of the FMV Option that would cause a Contributing Investor to recognize any gain under Code Section 704(c) (Triggering Event), and (ii) for a period of two years following the occurrence of a Triggering Event, will agree to pay a Contributing Investor's damages equal to the aggregate federal, state and local income taxes incurred by such Contributing Investor in connection with such Triggering Event. Upon receipt of any and all documents and signatures required by the Manager or OP on the Receipt Date, the Manager shall distribute (i) to any Contributing Investor the OP Units within ten (10) business days of the Receipt Date and (ii) to any Cash Investor the Cash Amount within ten (10) business days of the Receipt Date.

Restriction of Certain Rights

Beneficiaries of a DST have rights to certain information from the Trusts under the DST Act. In prior investment programs of the Sponsor, including prior DST programs, small minority investors have attempted to use certain of these statutory information rights to seek to "greenmail" the Trusts and to otherwise adversely affect the interests of legitimate investors in the investment program. Therefore, the Sponsor has determined it to be in the best interest of the program to eliminate the statutory information rights in favor of the following:

- The Manager will furnish annual reports to investors regarding rent received from the Master Tenants, expenses of the Trusts, the amount of the Trusts' reserves and the amount of distributions made by the Parent Trust to Beneficial Owners;
- Beneficial Owners may, on written demand to the Manager, once a quarter receive a copy of the Parent Trust Agreement (with all Beneficial Owner identifying information redacted) and a copy of the Certificate of Trust;
- Beneficial Owners have no further informational rights, including no right to receive any list of the other Beneficial Owners or any of their contact information; and
- In addition, the Parent Trust Agreement eliminates certain liabilities and duties of the Manager except as expressly set forth in the Parent Trust Agreement; provided, however, no provision in the Parent Trust Agreement is intended to or will operate to eliminate the implied covenant of good faith and fair dealing.

Tax Status of the Trust

The Parent Trust Agreement provide that the Trust is intended to qualify as an "investment trust" and a "grantor trust" for federal income tax purposes, and not as a partnership or other business entity. Thus, although the Parent Trust is respected as a separate entity for state law purposes, each Purchaser should be treated as owning a direct interest in the Properties for purposes of Code Section 1031. See "*Federal Income Tax Consequences.*" Each

Purchaser will be required to report his, her or its Interests in the Parent Trust in a manner that is consistent with the foregoing.

**Summary of Certain Provisions of
“Springing LLC” Limited Liability Company Operating Agreement**

The following is a summary of some of the more significant provisions of the Limited Liability Company Operating Agreement of each Springing LLC (collectively, the “**Springing LLC Operating Agreements**,” each a “**Springing LLC Operating Agreement**”) to be entered into upon a Transfer Distribution. A form of the Springing LLC Operating Agreement is attached to the Parent Trust Agreement (which is Exhibit B to this Memorandum) and should be referred to for a complete statement of the rights and obligations of its members. The following is merely a summary of the terms of a Springing LLC Operating Agreement and is qualified in its entirety by the full text thereof. The forms of a Springing LLC Agreements attached to the Operating Trust Agreements are substantially similar to the form of Springing LLC Agreement attached to the Parent Trust Agreement, unless noted otherwise. **Prospective Purchasers should carefully review a Springing LLC Operating Agreement before subscribing for Interests.**

Management. The Manager or its affiliate of a respective Trust will become the manager of a Springing LLC resulting from upon a Transfer Distribution with respect to such Trust. The manager of a Springing LLC will have exclusive discretion in the management and control of the business and affairs of a Springing LLC. A Springing LLC Operating Agreement will grant to the manager broad authority in the exercise of the management and control of a Springing LLC. The manager of a Springing LLC will have complete power to do all things necessary or incident to the management and conduct of a Springing LLC’s business.

Rights of Members of a Springing LLC. The Beneficial Owners will become members in a Springing LLC. The members of a Springing LLC will not have the right to take part in the management or control of the business or affairs of a Springing LLC, to transact any business for a Springing LLC, or to sign for or bind a Springing LLC. The members, however, will have the right to receive information required for federal income tax reporting and certain other financial information and to inspect certain records of a Springing LLC. Upon the requisite vote of the members, the members will have the right to: (i) amend a Springing LLC Operating Agreement, subject to certain limitations specified in a Springing LLC Operating Agreement, with the consent of the manager, (ii) remove the manager for cause (as defined in a Springing LLC Operating Agreement), (iii) elect a successor manager, with the consent of the manager, (iv) elect a successor tax matters partner, with the consent of the manager, and (v) elect to continue a Springing LLC after a dissolution event, with the consent of the manager. The exercise of the foregoing specific rights will require the affirmative vote of the owners of record of more than 50% of the membership interests held by members in each case.

Transfer of Membership Interests. No transfer of a membership interest in a Springing LLC may be made unless the manager of a Springing LLC, in its sole discretion, has consented to such transfer. In addition, no transfer may be made if the effect of such transfer would be for a Springing LLC to be classified as a publicly traded limited partnership for federal income tax purposes. Further, no assignment of any membership interest may be made if the membership interests to be assigned, when added to the total of all other membership interests assigned within the 13 immediately preceding months, would, in the opinion of counsel for a Springing LLC, result in the termination of a Springing LLC under the Code. The manager may require an opinion of counsel that is acceptable to the manager that such transfer will not violate any federal or state securities laws or any provisions of any underlying loan agreements. Moreover, any transfer of a membership interest will be subject to a right of first refusal, similar to that which is applicable under the Parent Trust Agreement with respect to transfers of Interests, discussed above. A person to whom a transfer is to be made will not become a substituted member in a Springing LLC unless (i) the manager, in its sole discretion, has consented to such substitution, (ii) the person to whom the transfer is to be made has assumed any and all of the obligations under a Springing LLC Operating Agreement with respect to the membership interests to which the transfer relates, (iii) all reasonable expenses required in connection with the transfer have been paid by or for the account of the person to whom the transfer is to be made, and (iv) all agreements, certificates or amended certificates and all other documents have been executed and filed and all other acts have been performed which the manager deems necessary to make the person to whom the transfer is to be made a substituted member in a Springing LLC and to preserve a Springing LLC’s status.

Additional Voluntary Capital Contributions. The manager may request at any time that the members make additional capital contributions to a Springing LLC on a pro rata basis in proportion to each member's membership interest. The members are not required to comply with any such request. The manager will adjust the members' capital contributions and membership interests to equitably reflect any additional capital contributions made by members.

Termination and Winding Up. A Springing LLC will be dissolved upon the occurrence of any of the following events:

- (i) The manager of a Springing LLC determines to terminate a Springing LLC;
- (ii) The sale, exchange or other disposition of the applicable Property;
- (iii) The occurrence of any event of dissolution in a Springing LLC's certificate of formation; or
- (iv) The death, insanity, withdrawal, retirement, resignation, expulsion, insolvency or dissolution of the manager unless members holding more than 50% of the membership units of a Springing LLC consent to continue the business of a Springing LLC.

However, for so long as a Springing LLC's obligations under the Loan Documents remain outstanding, a Springing LLC may not be terminated without the prior written consent of the Lender.

The bankruptcy, death, dissolution, liquidation, termination or adjudication of incompetency of a member will not cause the termination or dissolution of a Springing LLC and the business of a Springing LLC will continue.

In the event of a Springing LLC's dissolution, (a) a Springing LLC's affairs will be terminated and wound up, (b) an accounting will be made, (c) a Springing LLC's liabilities will be paid or adequately provided for, (d) a reserve will be established to satisfy any legal requirements, and (e) a Springing LLC's remaining assets will be distributed to the members as provided for in proportion to their membership interests.

Meetings and Voting. A meeting of the members may be called at any time by the manager. The manager will call for a meeting following receipt of a written request of members holding more than 10% of the membership units of a Springing LLC. At a meeting of the members, the presence of members holding more than 50% of the membership interests, in person or by proxy, will constitute a quorum. A member may vote either in person or by written proxy signed by the member or by his, her or its duly authorized attorney in fact. Persons present by telephone will be deemed to be present "in person" for purposes thereof. Matters may also be brought on for action and implemented by the manager by majority vote.

However, notwithstanding these provisions, as long as the Loan is outstanding the members will be conclusively deemed to have elected to continue the existence of a Springing LLC.

Removal or Withdrawal of Manager and Election of Successor Manager. The manager of a Springing LLC can be removed and its successor chosen by the members holding more than 50% of the membership interests. However, at any time the Loan is outstanding, consent of the Lender will also be required for removal of the manager and appointment of a successor manager.

Fees and Compensation to the Manager and its Affiliates. The manager of the Springing LLC, its affiliates, and affiliates of officers of the manager will be entitled to receive an administrative fee and additional compensation for any additional service performed on behalf of the Springing LLC equal to the then-prevailing market rates for similar services performed in the area where the Properties are located. In addition, the Manager will receive a disposition fee from the Trust equal to 2.0% of the gross proceeds of the sale, exchange or other disposition of the Property from which it will pay all sales commissions payable to any third-party broker in connection with the sale, such that the aggregate amount of the Disposition Fee plus the third-party brokerage commission does not exceed 2.0% of the gross sales price of the Properties. For the avoidance of doubt, the Disposition Fee shall not be payable in

the event the FMV Option is exercised. In addition, the Trust will pay the Manager an amount equal to the amount, if any, of deferred and unpaid Asset Management Fee under the terms of the Property Management Agreement.

Books and Records. A Springing LLC Operating Agreement will require the manager to distribute to each member, promptly following the close of a Springing LLC's fiscal year on December 31, annual information necessary for tax purposes.

Indemnification. Subject to certain conditions, a Springing LLC will indemnify the manager against certain claims or lawsuits arising out of a Springing LLC's activities or operations.

Power of Attorney. The manager of a Springing LLC will not be liable to any member of a Springing LLC or to a Springing LLC for honest mistakes of judgment, or for action or inaction, taken reasonably and in good faith for a purpose that was reasonably believed to be in the best interests of a Springing LLC, or for losses due to such mistakes, action or inaction, or for the negligence, dishonesty or bad faith of any employee, broker or other agent of a Springing LLC. However, this provision will not relieve the manager from liability attributable to gross negligence, willful misconduct or intentional wrongdoing or to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law.

Restriction of Information Rights. The rights of members of a Springing LLC to information may be restricted similarly to how the rights of Beneficial Owners have been restricted as summarized above.

FMV Option. The Springing LLC Operating Agreements also contain provisions pursuant to which the members grant the OP a fair market value option to purchase each member's membership interests in a Springing LLC for OP Units in a transaction intended to qualify as a tax-deferred exchange under Code Section 721. The relevant provisions of the Springing LLC Operating Agreements are substantially similar to the FMV Option provisions contained in the Trust Agreements.

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SUMMARY OF PROPERTY MANAGEMENT AGREEMENTS

The Property Manager and the Master Tenants have entered into the Property Management Agreements with respect to the respective Properties. Each Property Management Agreement governs the rights and obligations regarding the management of the applicable Property and the compensation, if applicable, to be paid to the Property Manager.

The following is a summary of some of the significant provisions of the Property Management Agreement. This summary is qualified in its entirety by reference to the full text of one of the agreements, a copy of which is attached as a representative sample as Exhibit C to this Memorandum (all of the Property Management Agreements are available upon request).

<i>Term</i>	The Property Management Agreements have an initial term of 12 months, but will be automatically renewed thereafter for successive one-year terms, unless terminated by one of the parties.
<i>Rights and Duties of the Property Manager</i>	In general, the Property Manager will manage, coordinate and supervise the ordinary and usual business and affairs pertaining to the operation, maintenance, leasing, licensing and management of the Properties. The Property Manager may engage the services of a property sub-manager.
<i>Property Management Fee</i>	For the applicable properties, the Property Manager may receive the Property Management Fee of up to 5% of the monthly Gross Receipts (as defined in the Property Management Agreement) realized for the Property. The Property Manager may elect to defer all or a portion of the Property Management Fee, in which event the Property Manager may also elect to accrue such amounts to be paid at a later point in time. The Property Manager intends to defer \$20,000 of the Property Management Fee for the first year following the Closing and to recoup such fee in the fifth year following the Closing. In addition, the Property Manager will be reimbursed for certain expenses. The Property Management Fee and any expense reimbursements will be paid solely by the applicable Master Tenant/s.
<i>Termination</i>	If a Property Management Agreement is terminated other than through the expiration of the Term by the action of a Master Tenant or the Master Tenant's default, Master Tenant shall owe Property Manager a termination fee in an amount equal to the Property Management Fee that shall accrue over the remainder of the stated Term.
<i>Budget</i>	The Property Manager will prepare and deliver each year to the Master Tenant an annual approved operating budget for each Property.

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SUMMARY OF ASSET MANAGEMENT AGREEMENTS

The Asset Manager (BR Diversified Industrial Portfolio I DST Manager, LLC) and each Operating Trust have entered into an Asset Management Agreement with respect to each respective Property. The Asset Management Agreements govern the rights and obligations regarding the provision of asset management services for the Properties and the compensation to be paid by the Operating Trusts to Asset Manager.

The following is a summary of some of the significant provisions of the Asset Management Agreements. This summary is qualified in its entirety by reference to the full text of the agreements, a sample copy of which is attached as Exhibit F to this Memorandum (all of the Asset Management Agreements are available upon request).

<i>Term</i>	The Asset Management Agreements remain in effect until terminated pursuant to the terms therein.
<i>Duties of the Asset Manager</i>	In general, the Asset Manager will provide asset management services to the Trusts with respect to the Properties, will arrange for financing of the Properties, as applicable, implement all decisions and policies of the applicable Trust and will oversee and supervise the provision of services by the Property Manager to ensure that the Property Manager is performing in a manner consistent with the terms of the Property Management Agreements.
<i>Asset Management Fee</i>	The Asset Manager will be paid an annual Asset Management Fee equal to 0.2% of the original contract purchase price for the Properties, pro-rated for 2022 and paid monthly in arrears. In addition, the Asset Manager will be reimbursed for certain expenses. The Asset Management Fee and any expense reimbursements shall be paid by the applicable Trust. The Asset Manager may elect to be paid less than the full amount of the Asset Management Fee to which it is entitled under the Asset Management Agreement, in which event the Asset Manager may also elect to defer or accrue such amounts, without interest, to be paid at a later point in time. Any deferred and accrued Asset Management Fees will be due and payable in full upon a disposition of the relevant Property from the proceeds of the sale thereof.
<i>Indemnification</i>	The Trust will hold the Asset Manager, as its agent, harmless from liability, except for willful misconduct, gross negligence, fraudulent or criminal conduct of the Asset Manager.

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SUMMARY OF THE PURCHASE AGREEMENT

General

Each prospective Purchaser must execute a Purchase Agreement. Prospective Purchasers should review the entire Purchase Agreement with their own independent legal counsel before submitting an offer to purchase an Interest. The following is merely a summary of some of the significant provisions of the Purchase Agreement, and is qualified in its entirety by the full text thereof, a copy of which is attached to this Memorandum as Exhibit E.

Submission of Offer to Purchase

A summary of the procedures for the offer and purchase of an Interest is set forth under “Method of Purchase.”

Closing

Prior to closing, each prospective Purchaser is required to deliver to the Parent Trust (i) the Purchase Agreement, (ii) an executed signature page or joinder to the Parent Trust Agreement, and (iii) such other documents as may reasonably be requested by the Parent Trust and/or the escrow agent. At the closing of its purchase of an Interest, each Purchaser will receive an Interest in the Parent Trust.

Limited Representations

The Parent Trust provides limited representations or warranties in the Purchase Agreement, including with respect to the ownership and condition of the Properties. Consequently, each Purchaser must rely on his, her, or its own investigations and analysis of the Properties and is encouraged to seek the advice of his, her, or its own independent legal counsel, accountants, and real estate advisors.

Indemnity

The Purchase Agreement contains an indemnity provision whereby each Purchaser will be required to indemnify, defend and hold the Parent Trust, the Sponsor, Bluerock and their affiliates harmless from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys’ fees and costs) that they may incur by reason of the untruth or inaccuracy of any of the representations, warranties, covenants or agreements contained in the Purchase Agreement or in any other document the Purchaser has furnished to them.

No Tax Advice

Purchasers also will acquire their Interests without any representations from the Parent Trust, the Sponsor, the Depositor or the Manager regarding tax implications of the transaction. The Parent Trust received an opinion of Tax Counsel on which each Purchaser may rely, but only concerning the matters specifically addressed therein. Notwithstanding the preceding sentence, the opinion of Tax Counsel is not intended or written to be used, and it cannot be used, by any Purchaser for the purpose of avoiding penalties that may be imposed under the Code. The Tax Opinion was written to support the promotion or marketing of a particular transaction, and each Purchaser should seek advice based on the Purchaser’s particular circumstances from an independent tax advisor. A copy of the Tax Opinion is attached to this Memorandum as Exhibit D.

Each Purchaser should consult his own independent legal counsel and other tax advisors regarding the tax implications of an investment in an Interest, including whether or not such investment will qualify for deferral of gain under Code Section 1031, if so contemplated. See “*Federal Income Tax Consequences*” below.

Bad Actor Addendum

Purchasers who subscribe for a 20% or more beneficial interest in the Parent Trust, as determined in accordance with the Parent Trust Agreement as of the date of the Purchaser's subscription, shall be required to complete a "bad actor addendum" in the form attached to the Purchase Agreement (the "**Bad Actor Addendum**"). Purchasers acquiring a 20% or more beneficial interest in the Parent Trust ("**20% Investors**" and each a "**20% Investor**") shall be further required to complete and deliver to the Manager, concurrently with the execution and delivery of the Bad Actor Addendum, an irrevocable proxy granting the Manager the right to vote any and all Interests held by such 20% Investor (the "**Bad Actor Proxy**") upon the effectiveness of the Bad Actor Proxy. A Bad Actor Proxy shall become effective at such time as a 20% Investor becomes subject to a "disqualification event" as described in Rule 506(d) of Regulation D. Once effective, a Bad Actor Proxy shall remain in effect until the date upon which the applicable 20% Investor is no longer subject to any disqualification event.

Dispute Resolution

Each Purchaser agrees that any dispute arising out of the Purchase Agreement must be brought in a court of competent jurisdiction located in New York, New York, and voluntarily waives any right he, she or it may have to a jury trial in such proceeding.

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FEDERAL INCOME TAX CONSEQUENCES

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

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

Accordingly, there is uncertainty concerning certain tax aspects discussed herein, and there can be no assurance that the IRS may not challenge some of the deductions you may claim or positions you may take. Specifically, as of the date of this Memorandum, there has been limited guidance issued to address the uncertainties under the TCJA and the CARES Act. Should the IRS challenge the tax treatment of an investment in an Interest, even if the challenge is unsuccessful, you could be faced with substantial legal and accounting costs in resisting the challenge.

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

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

- (i) have independently obtained advice from your legal counsel and/or accountant about any tax-deferred exchange under Code Section 1031 and applicable state laws, including, without limitation, whether your acquisition of an Interest pursuant to this Offering will enable you to defer the recognition of gain on your disposition of “relinquished property” pursuant to Code Section 1031, and you are relying on such advice;**
- (ii) understand that neither the Trusts, the Sponsor, the Trustee, the Manager nor any of their affiliates have obtained a ruling from the Internal Revenue Service that an Interest will be treated as an undivided interest in real estate, as opposed to an interest in a partnership, a security or a certificate of trust or beneficial interest;**
- (i) understand that the federal income tax consequences of an investment in an Interest, especially the treatment of the transaction under Code Section 1031 and the related Section 1031 Exchange rules, are complex and vary with the facts and circumstances of each individual Purchaser, and**
- (ii) understand that the opinion of Tax Counsel is only Tax Counsel’s view of the anticipated federal income tax treatment and there is no guarantee that the IRS will agree with such opinion.**

Nature of Interests

Classification of Trust. The Sponsor has attempted to structure the Offering of Interests so that a Purchaser acquiring an Interest will be treated for Code Section 1031 purposes as acquiring an interest in real estate and not either an interest in a partnership, a security or a certificate of trust or beneficial interest. If an Interest was to be treated as an interest in a partnership, a security or a certificate of trust or beneficial interest, then a Purchaser of an Interest would be unable to use its acquisition of an Interest as part of a transaction to defer gain under Code Section 1031.

The Parent Trust has obtained an opinion from Tax Counsel in connection with the Offering that: (i) the Parent Trust and the Operating Trusts should be treated as investment trusts described in Treasury Regulation Section 301.7701-4(c) that are classified as “trusts” under Treasury Regulation Section 301.7701-4(a), (ii) the Beneficial Owners should be treated as “grantors” of the Parent Trust and the Operating Trusts, (iii) as “grantors” of the Trusts the Beneficial Owners should be treated as owning an undivided fractional interest in the Properties for federal income tax purposes, (iv) the Interests should not be treated as securities for purposes of Code Section 1031, (v) the Interests should not be treated as certificates of trust or beneficial interests for purposes of Code Section 1031, (vi) the Master Leases should be treated as true leases and not financings for federal income tax purposes, (vii) the Master Leases should be treated as true leases and not deemed partnerships for federal income tax purposes, (viii) the discussions of the federal income tax consequences contained in the Memorandum are correct in all material respects, and (ix) certain judicially created doctrines should not apply to change the foregoing conclusions. The issues which are the subject of such opinion have not been definitely resolved by statutory, administrative or case law. A Purchaser who is acquiring an Interest as “replacement property” in a Section 1031 Exchange for an interest in real estate must be aware that in order to qualify any of his gain realized in such exchange for tax deferral under Code Section 1031, the Interest must be treated as an interest in real estate.

Tax Counsel’s opinion is based upon existing cases and rulings, and, in particular, the analysis in Revenue Ruling 2004-86, 2004-2 CB 191. Revenue Ruling 2004-86 sets forth the limited circumstances under which a DST may be classified as an “investment trust” for federal income tax purposes rather than as a business entity taxable as a corporation or partnership. Revenue Ruling 2004-86 concludes that because the owner of an “investment trust” is considered to own an undivided fractional interest in the trust assets attributable to that interest for federal income tax purposes, the exchange of real property for an interest in an “investment trust” that holds only real property through a qualified intermediary is treated as an exchange of real property for an interest in real property, and not the exchange of real property for a certificate of trust or beneficial interest for purposes of Code Section 1031.

Tax Counsel’s opinion that the Beneficial Owners should be treated as grantors of the Parent Trust means that a Beneficial Owner is required to take into account, in computing his federal income tax liability, his proportionate share of all items of income, gain, loss, deduction and credit attributable to the Parent Trust and the Operating Trusts. In addition, all property owned by the Parent Trust and the Operating Trusts will be deemed for federal income tax purposes to be owned by the grantors of the Parent Trust in proportion to their Interests in the Parent Trust.

A Beneficial Owner should be treated as a grantor of the Parent Trust because the Beneficial Owner conveyed cash to the Parent Trust in exchange for an Interest. In addition, each Beneficial Owner will have a reversionary interest in the Parent Trust corpus and will be automatically entitled to receive his proportionate share of the income of the Parent Trust. Therefore, the Beneficial Owners should be treated, for federal income tax purposes, as if they own the Properties held by the Trusts, notwithstanding the fact that an Interest could be treated as intangible property or securities for securities law, state law, or local law purposes. The TCJA eliminated the specific exceptions under Code Section 1031 for securities and other intangible assets. Although the specific language providing for the exceptions has been eliminated, Tax Counsel believes that an analysis of these terms remains relevant and concluded that the Interests should not be treated as securities for purposes of Code Section 1031. However, due to the current lack of guidance regarding the scope of the TCJA’s amendment to Code Section 1031, it is possible that the IRS could take a contrary position on these issues.

The Parent Trust and the Sponsor have not received and will not request a private ruling from the IRS regarding the federal income tax classification of the Trusts. After examining the relevant cases, Treasury Regulations

and rulings (and, in particular, Revenue Ruling 2004-86 and Treasury Regulation Section 301.7701-4(c)), however, Tax Counsel has concluded that the Trusts should be treated as “investment trusts” for federal income tax purposes because the powers and authority granted to the Trustee, Manager, Beneficial Owners and the Trusts in the Trust Agreements do not exceed the powers and authority of the “investment trust” described in Revenue Ruling 2004-86. Tax Counsel has also concluded that the Beneficial Owners should be treated as grantors of the Trusts. Tax Counsel further believes that these conclusions are consistent with the underlying cases, Treasury Regulations and rulings that govern whether a DST is classified for federal income tax purposes as an “investment trust” or instead as a business entity taxable as a corporation or partnership.

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

The Parent Trust, each of the Operating Trusts and other related arrangements have been structured to be substantially similar to the trust and other related arrangements described in Revenue Ruling 2004-86. There are several possible distinctions, however, including, but not limited to: (i) the ongoing role of the Manager; (ii) the potential termination of a Trusts as a result of a Transfer Distribution; (iii) providing the Manager with discretion to cause a sale of a Property; and (iv) parent-subsidiary trust structure utilized to own the Properties. Tax Counsel has concluded that all of these provisions are consistent with the analysis in Revenue Ruling 2004-86 and the underlying cases and rulings, but no ruling will be obtained from the IRS in this regard.

THE ABOVE IS A SUMMARY OF THE OPINION FROM TAX COUNSEL. PURCHASERS SHOULD REVIEW THE ATTACHED OPINION IN ITS ENTIRETY.

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

Code Section 1031 Non-Recognition Treatment

Identification. The Treasury regulations under Code Section 1031 require that a taxpayer identify “replacement property” during the period (the “**Identification Period**”) that begins on the date that the taxpayer transfers his “relinquished property” and ends at midnight on the 45th day thereafter (although if, as part of the same deferred exchange, the taxpayer transfers more than one relinquished property and the relinquished properties are transferred on different dates, then the Identification Period is determined by reference to the earliest date on which any of the properties are transferred). Also, any “replacement property” that is received by a taxpayer before the end of the Identification Period is in all events treated as identified before the end of the Identification Period.

Taxpayers are permitted to identify three properties without regard to the fair market value of the properties (the so-called “three property rule”) or multiple properties with a total fair market value not in excess of 200% of the value of the relinquished property (the “200% rule”). A taxpayer also may identify any number of properties if it acquires at least 95% of the identified properties (the “95% rule”).

For purposes of both the 200% rule and 95% rule, “fair market value” means the fair market value of the applicable property without regard to any liabilities secured by the property. Thus, a taxpayer identifying under the 200% rule for an unencumbered Relinquished Property having a value of \$20 million could only identify Replacement

Property(ies) having an aggregate gross fair market value (without regard to any liabilities which may encumber such property(ies)) of \$40 million, in which case the identification of a single Replacement Property having a \$30 million equity value but which is secured by a \$20 million liability (and, thus, having a \$50 million gross value) would violate the 200% rule.

After consulting with Tax Counsel, the Sponsor believes that the Properties should constitute five separate properties for purposes of the three property rule, although since there can be no assurance that a Purchaser's offer to acquire an Interest will be accepted, a Purchaser should not identify only the Properties. The Offering consists of five Properties (i.e., the Adam Aircraft Property, the Tucker Street Property, the 6015 Enterprise Property, the 6056 Enterprise Property, and the Cornatzer Property) for purposes of Code Section 1031, so each of the Properties must be specifically identified for a Section 1031 Exchange. In general, the identification rules of Code Section 1031 are strictly construed, and a Purchaser's exchange will not qualify for deferral of gain under Code Section 1031 if too many properties are identified or if the deadlines for identification are not met.

Tax Counsel will not render an opinion on identification matters and prospective Purchasers should seek the advice of their own tax advisors prior to subscribing for the Interests or identifying the Properties as "replacement property" for a Section 1031 Exchange.

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

Each Purchaser will have to determine with such Purchaser's own tax advisors whether an exchange engaged in by the Purchaser satisfies the requirements of Code Section 1031.

Receipt of Identified Property. In addition to satisfying the identification rules, a taxpayer seeking to complete a Section 1031 Exchange must actually receive identified replacement property by no later than midnight on the earlier of the 180th day after the date that the taxpayer transfers the relinquished property or the due date (including extensions) for the taxpayer's income tax return for the taxable year in which the transfer of the relinquished property occurs.

"Real property" for purposes of Code Section 1031. As discussed above, subject to certain transition rules, the TCJA limited Section 1031 Exchanges to only apply to "real property" effective after December 31, 2017. Thus, tangible personal property and intangible property (even if associated with the real property) are no longer eligible for Section 1031 Exchanges under the TCJA. The TCJA, however, provided no guidance on the definition of "real property" for purposes of Code Section 1031. The existing Treasury Regulations defined "real property" by reference to local law. On June 12, 2020, proposed regulations were issued under Code Section 1031 and provided a broad definition of "real property" for purposes of Code Section 1031. Subsequently, on November 23, 2020, the Treasury and the IRS released final regulations (the "**Final 1031 Regulations**") defining "real property" for purposes of Code Section 1031. Under the Final 1031 Regulations, property is classified as real property for purposes of Code Section 1031 if the property is (i) classified as real property under the law of the state or local jurisdiction in which the property is located (subject to certain exceptions), (ii) specifically listed as real property in the Final 1031 Regulations, such as land, improvements to land, unsevered natural products of land, water and air space superjacent to land, and certain intangible interests in real property, or (iii) considered real property based on all the facts and circumstances under the various factors provided in the Final 1031 Regulations. The Final 1031 Regulations have also provided guidance for

taxpayers receiving incidental personal property or paying for incidental personal property with funds being held by a qualified intermediary during a Section 1031 Exchange. Paying for or receiving personal property during a Section 1031 Exchange will not disqualify the entire transaction as long as the personal property is considered “incidental.” Personal property will be considered “incidental” to real property acquired in a Section 1031 Exchange if, (i) in standard commercial transactions, the personal property is typically transferred together with the real property, and (ii) the aggregate fair market value of the incidental personal property transferred with the real property does not exceed 15% of the aggregate fair market value of the Replacement Property. Each prospective Purchaser will have to determine with such his, her, or its own tax advisors whether an exchange engaged in by the prospective Purchaser satisfies the requirements of Code Section 1031.

Treatment as Securities. Code Section 1031 excludes securities from the categories of property that may qualify for non-recognition. Thus, if the IRS were to classify the Interests as securities for Code Section 1031 purposes, the Interests would not qualify as replacement property for a Section 1031 Exchange. The term security is not defined in Code Section 1031 or the Treasury Regulations promulgated thereunder.

Based on an analysis of relevant authorities, however, Tax Counsel has concluded that, in all material respects, an Interest should not be considered a security for purposes of Code Section 1031 even though an Interest may be a security under applicable federal and state securities laws.

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

20% Passthrough Deduction. The TCJA also provides a 20% deduction on a taxpayer’s “qualified business income” which sunsets for the taxable year ending December 31, 2025. This deduction, under Code Section 199A, reduces the highest marginal effective tax rate for ordinary income from 37% to 29.6% for income arising from a “qualified trade or business” conducted by a partnership, S corporation, or sole proprietorship. In the case of a partnership or S corporation, Code Section 199A applies at both the entity and individual partner or shareholder level. For taxpayers above certain income thresholds, the “qualified trade or business” must have sufficient amounts of W-2 wages paid or a combined sufficient amount of wages plus the unadjusted basis of certain property (including buildings, but not land).

On January 18, 2019, the IRS announced the release of final regulations providing guidance regarding many of the open issues and technical questions posed with respect to Code Section 199A following passage of the TCJA, including final rules relating to aggregation of certain real estate activities engaged in through multiple partnerships or S corporations, as well as enumerating certain factors relevant for determining real estate trade or business status. In the final regulations, the IRS elected not to apply the grouping rules of Code Section 469; however, the final regulations allow for aggregation of direct and indirectly held real estate businesses provided certain requirements set out in the final regulations are satisfied. Additionally, on January 18, 2019, the IRS announced the release of a related notice, Notice 2019-07, regarding a rental real estate trade or business safe harbor. In the notice, the IRS provided that certain taxpayers who meet the requirements of the notice will be allowed trade or business income treatment from certain “rental real estate enterprises.” However, the rental real estate trade or business safe harbor is not available where the property used by the taxpayer is subject to a triple net lease. On September 24, 2019, the IRS issued Revenue Procedure 2019-38 and reaffirmed that real estate rented or leased under a triple net lease may not be included in a “rental real estate enterprise.” Further, in Revenue Procedure 2019-38, the IRS defined a “triple net lease” as “a lease agreement that requires the tenant or lessee to pay taxes, fees, and insurance, and to pay for maintenance activities for a property in addition to rent and utilities.” The definition of a triple net lease for the purpose of Revenue Procedure 2019-38 may overlap significantly with the Master Lease.

Prospective Purchasers should consult with their own tax advisor regarding the possible application of Code Section 199A to their own particular circumstances.

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

In particular, the TCJA, which generally takes effect for taxable years beginning on or after January 1, 2018 (subject to certain exceptions), makes many significant changes to the federal income tax laws (including Code Section 1031). To date, the IRS has issued only limited guidance with respect to certain of the new provisions, and there are numerous interpretive issues that will require guidance. It is highly likely that technical corrections legislation will be needed to clarify certain aspects of the new law and give proper effect to Congressional intent. There can be no assurance, however, that technical clarifications or changes needed to prevent unintended or unforeseen tax consequences will be enacted by Congress in the near future. An investment in an Interest involving solely real property was not impacted by the TCJA for purposes of a Section 1031 Exchange. Specifically, subject to certain transition rules, for transfers effective after December 31, 2017, Section 1031 Exchanges are only allowed with respect to real property that is not held primarily for sale. Generally, tangible personal property and intangible property are no longer eligible for Section 1031 Exchanges. Thus, Purchasers will be able to utilize a Section 1031 Exchange to achieve tax deferral on gain in connection with the disposition of real property, but not with respect to tangible or intangible personal property. However, no assurance can be given that the currently anticipated federal income tax treatment of an Interest will not be modified by future legislative, judicial or administrative changes possibly with retroactive effect. For example, repeal or amendment of Code Section 1031 or the Treasury Regulations promulgated thereunder could negatively impact the use of a Section 1031 Exchange in connection with a Beneficial Owner's exit strategy.

Status as True Leases for Federal Income Tax Purposes. Transactions structured as leases may be recharacterized for federal income tax purposes to reflect their economic substance. For example, in appropriate circumstances a purported lease of property may be recharacterized as a sale of the property providing for deferred payments. Such a recharacterization in this context would have significant (and adverse) tax consequences. For example, if a Master Lease were to be recharacterized as a sale of a Property, then a Purchaser would be unable to treat the acquired Interest as qualified "replacement property" in a Section 1031 Exchange in that the Interest would constitute an interest in real property that the Purchaser would not hold for investment. That is, the Purchaser would be treated as having immediately sold the acquired interest in each Property to a Master Tenant with a Master Tenant being treated as purchasing its respective Property (and all of the interests therein) from the Purchasers in exchange for an installment note for federal income tax purposes. As a result, Purchasers attempting to participate in Section 1031 Exchanges would not be treated as having received qualified replacement property when they acquired their Interest because the Purchaser would be treated as having made a loan to such Master Tenant. As the owner of the Property for federal income tax purposes, the Master Tenants would be entitled to claim any depreciation deductions. To the extent that payments of "rent" were recharacterized as payments of interest and principal, the payment of principal would not be treated as the receipt of taxable income by the Purchasers and would not be deductible by the Master Tenants, as applicable. All of these consequences could have a significant impact on the tax consequences of an investment in an Interest.

Rev. Proc. 2001-28 sets forth advance ruling guidelines for "true lease" status. We have not sought, and do not expect to request, a ruling from the IRS under Revenue Procedure 2001-28. These ruling guidelines provide certain criteria that the IRS will require to be satisfied in order to issue a private letter ruling that a lease is a "true lease" for federal income tax purposes. In the event of an examination by the IRS, the IRS and, ultimately, the courts of applicable jurisdiction, would consider these ruling guidelines, together with existing cases and rulings, for purposes of determining whether a lease qualifies as true leases for federal income tax purposes. However, Tax Counsel does not believe that strict compliance with Rev. Proc. 2001-28 is required to conclude that the Master Leases should be

characterized as true leases for federal income tax purposes. Rather, Tax Counsel believes that satisfying most of the material ruling guidelines should be sufficient for purposes of determining the characterization of the Master Leases for federal income tax purposes. We will receive an opinion of Tax Counsel that Tax Counsel believes the Master Leases satisfy most of the pertinent material conditions set forth in Rev. Proc. 2001-28 and that the Master Leases should be treated as true leases rather than as financings for federal income tax purposes. Similarly, if the Master Tenants were treated as mere agents of the Trusts rather than as lessees, the power of the Master Tenants to make improvements to the Properties and to re-lease the Properties could be attributed to the Trusts, and the Trusts could be deemed to have powers prohibited under Rev. Rule 2004-86. We have considered the issue and, after having consulted with Tax Counsel, have concluded that that Master Tenants should not be treated as agents of the Trusts. However, there is no assurance that the IRS would agree with these positions.

Other Tax Consequences

Taxation of the Parent Trust. Tax Counsel has opined that the Parent Trust should be classified as an “investment trust” treated as a “trust” for federal income tax purposes and, further, that the Beneficial Owners should be treated as “grantors” of the Parent Trust. Accordingly, the Parent Trust should not be subject to federal income tax and each Beneficial Owner should be subject to federal income taxation as if he owned directly the portion of the Properties proportionate to the Interest owned by the Beneficial Owner and as if he paid directly his share of expenses paid by the Parent Trust.

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

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

The Code provides separate cost recovery rules for certain “qualified improvement property.” Qualified improvement property is any improvement to an interior portion of a building that is non-residential real property if the improvement is placed in service after the date the building itself was first placed in service. Prior to the TCJA, there were three categories of qualified improvement property (qualified leasehold improvement property, qualified restaurant property, and qualified retail improvement property) and each was subject to a 15-year recovery period. The TCJA eliminated these categories with the intention of establishing a single 15-year recovery period for all qualified improvement property. However, the Code as it was actually amended does not include this intended 15-year recovery period. As such, the Code as written subjects qualified improvement property to the 39-year recovery period that generally applies to real property. Due to the limitation on expenditures for improvements imposed upon the Trusts, the Manager does not anticipate that the Trusts will make significant expenditures for “qualified improvement property.”

Under the TCJA, up to \$1,000,000 of certain improvements made to non-residential real property after the property is first placed in service may be expensed and currently deducted for tax purposes during the taxable years beginning after December 31, 2017 and ending before January 1, 2026 (subject to certain limitations). Due to the limitations on expenditures for improvements imposed on the Trusts, the Manager does not anticipate that the Trusts will incur a significant amount of any such expenses. The amount of depreciation a Purchaser will be entitled to claim with respect to the Properties will depend on the Purchaser’s adjusted basis in depreciable assets that are part of the Properties. A Purchaser who acquires an Interest as part of a Section 1031 Exchange generally will have a “carryover” basis equal to such Purchaser’s basis in its relinquished property, decreased by the amount of money (if any) received in the Section 1031 Exchange and not reinvested in like-kind property in accordance with Section 1031, and increased by the amount of gain (e.g., taxable boot) and decreased by the amount of loss recognized by the Purchaser in such Section 1031 Exchange. In addition, the Purchaser’s basis must be allocated among the depreciable and nondepreciable assets that are part of the Properties and special rules apply to the determination of the period and method that must be used to calculate depreciation with respect to property received in a Section 1031 Exchange.

Each Purchaser will have to compute his, her or its own cost basis in the Properties for tax purposes, including any adjustment to basis as may be required if a Purchaser is buying an Interest in the Parent Trust in order to take advantage of the rules deferring the recognition of gain on real property under Section 1031, when computing depreciation allowed with respect to the Properties.

Allocation of Liabilities. Any liabilities incurred by a Trust will be allocated, for federal income tax purposes, to the Beneficial Owners pro rata in proportion to their Interests. For purposes of determining the purchase price of replacement property in a Section 1031 Exchange, each Purchaser should be able to include his proportionate share of the liabilities that encumber the Properties at the time of the acquisition of an Interest.

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

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

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

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

In addition, a portion of the Offering proceeds will be used to fund the Supplemental Trust Reserve. Exchange proceeds used to fund the Supplemental Trust Reserve will not be treated as reinvested in qualifying replacement property for purposes of Code Section 1031. As a result, Purchasers may recognize gain on a Section 1031 Exchange to the extent these contributions are not made from a source other than exchange proceeds. For federal income tax purposes, each Purchaser will be deemed to have funded a pro rata share of the Supplemental Trust Reserve out of the Offering proceeds in proportion to its Interest regardless of whether the funds paid by the Purchaser to acquire its Interest are used to fund the Supplemental Trust Reserve or redeem the Parent Class 2 Beneficial Interests from the Depositor.

Receipt of Boot. In a Section 1031 Exchange, money received or deemed received in addition to the like-kind property is referred to as "boot." Gain realized on the relinquished property transaction is recognized up to the amount of "boot" received or deemed received. Generally, personal property, amounts used to establish reserves and impounds or other similar items, as well as seller credits, funded out of relinquished property proceeds may not be treated as an interest in real estate in connection with acquiring replacement property and may be treated as "boot." Prospective Purchasers should be aware that the IRS may take the position that certain costs, escrows, reserves and impounds, as well as seller credits, paid in connection with the sale of relinquished property and purchase of replacement property may be deemed "boot" and be taxable income to the investor. However, the IRS has provided guidance in Revenue Ruling 72-456, 1972-2 C.B. 468 regarding transactional costs paid by the taxpayer with exchange proceeds. In such ruling the IRS indicated that transactional costs paid by the investor, such as brokerage commissions, can be deducted against transactional costs paid out in connection with the exchange. It is also possible

that some of these items considered “boot” and not treated as like-kind amounts may be offset by similar items from a taxpayer’s relinquished property transaction, thereby reducing taxable gain recognition.

No opinion of Tax Counsel will be provided with respect to the amount of “boot” in the transaction and no representation or warranty of any kind is made with respect to the tax consequences of a Section 1031 Exchange. Any amounts that are not treated as a like-kind interest in real estate will also result in taxable income to a Purchaser to the extent of such Purchaser’s gain. Loan fees, points, loan application fees, mortgage insurance, lender’s title insurance, assurance, assumption fees, and other costs related to the acquisition of a loan for the replacement property, such as appraisals, are most likely not exchange expenses and do not reduce realized or recognized gain. These costs generally are treated as part of the costs of obtaining a loan as opposed to costs in obtaining the property. Thus, if these costs are paid with exchange funds, they have the effect of potentially causing taxable “boot” to the investor.

Deductibility of Trust’s Fees and Expenses. In computing his or her federal income tax liability, a Purchaser will be entitled to deduct, consistent with his or her method of accounting, the Purchaser’s share of reasonable administrative fees, trustee fees and other fees, if any, paid or incurred by the Parent Trust as provided in Code Sections 162 or 212, which may be subject to the limitations applicable to miscellaneous itemized deductions. The TCJA suspended all miscellaneous itemized deductions for taxable years between 2018 and 2025. As such, a Beneficial Owner will not be able to deduct his or her share of such fees paid by the Parent Trust during this period. However, if a Beneficial Owner owns its Interests in connection with a trade or business, Trust fees and expenses may be deductible under Code Section 162. Prospective Purchasers should seek the advice of a qualified tax advisor as to the proper treatment of such items.

Transfer to a Springing LLC. If a Transfer Distribution occurs, the one or more of the Properties (or the Parent Trust’s interest in the Operating Trusts) will be transferred from the Parent Trust and/or the Operating Trusts to one or more Springing LLCs, and the interests in a Springing LLC resulting from the any Trust will be held by the Beneficial Owners. It is anticipated that the Manager or its affiliate will serve as the manager of a Springing LLC. A Springing LLC will be treated as a partnership for federal income tax purposes. A Transfer Distribution may occur under the circumstances set forth in a Trust Agreement without regard to the tax consequences that arise as a result of the transaction. Under current law, such a transfer would not be subject to federal income tax pursuant to Section 721. The transfer could be subject, however, to state or local income, transfer or other taxes. In addition, there can be no assurances that such transfer will not be taxable under the federal income or other tax laws existing at the time the transfer occurs. Because a Transfer Distribution could occur in several situations, it is not possible to determine all of the tax consequences to the Beneficial Owners in the event of a Transfer Distribution of the Parent Trust and/or the Operating Trusts. **PURCHASERS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF A TRANSFER DISTRIBUTION AND THE EFFECT OF THE PROPERTIES OR THE OPERATING TRUSTS BEING HELD BY A SPRINGING LLC RATHER THAN THE OPERATING TRUSTS OR THE PARENT TRUST, RESPECTIVELY.**

Likely Lack of Deferral of Tax upon Sale of Springing LLC Membership Interests. Unlike interests in the Parent Trust, interests in a Springing LLC (or interests in the Operating Trusts where the Operating Trusts have been converted to Springing LLCs) will not be treated as interests in real property for federal income tax purposes, including for purposes of the like-kind exchange provisions of Section 1031. **THUS, IF THE PROPERTIES OR THE PARENT TRUST’S INTERESTS IN THE OPERATING TRUSTS ARE TRANSFERRED TO A SPRINGING LLC IN A TRANSFER DISTRIBUTION, IT IS UNLIKELY THAT ANY OF THE BENEFICIAL OWNERS WHO RECEIVE INTERESTS IN SUCH SPRINGING LLC WILL THEREAFTER BE ABLE TO DEFER THE RECOGNITION OF GAIN UNDER SECTION 1031.**

Step transaction doctrine. There are a number of judicial doctrines which may conceivably apply to a Beneficial Owner’s acquisition of Interests, followed by a subsequent exchange of those Interests by the Beneficial Owner for ownership interests in a partnership. Courts have applied the so-called “step transaction doctrine” to determine whether a series of formally separate “steps” should be treated as a single transaction because those steps are integrated, interdependent or focused towards a particular end result. If the step transaction doctrine were to apply, the IRS could argue that the Beneficial Owners’ acquisition of their Interests and any subsequent conversion of their Interests into OP Units should be integrated such that Beneficial Owners should be treated as having initially acquired

OP Units. Because the receipt of interests in a partnership does not qualify for like-kind exchange treatment under Code Section 1031, if this position were sustained, Beneficial Owners acquiring Interests would not qualify for like-kind treatment. The IRS could also argue, based on the existence of the FMV Option, that Beneficial Owners held their Interests for sale rather than for investment. Because the acquisition of an interest for sale does not qualify for like-kind exchange treatment, if this argument were successful, the acquisition of an Interest also would not qualify for Section 1031 Exchange treatment.

The step transaction doctrine embodies a general requirement that all steps which are an integral part of a transaction will be considered in determining the proper tax treatment for a transaction. The step transaction doctrine may be applied by the IRS if (i) there was a pre-existing binding commitment to take each of the steps at the time the transaction was commenced (the “binding commitment” test); (ii) the steps were functionally interdependent in the sense the earlier step would have been unproductive without the later steps (the “mutual interdependence” test); or (iii) if there exists an intention to undertake each supposedly separate transaction in order to achieve a specific end result (the “end result” test).

The step transaction doctrine should not be applicable to the proposed arrangement in this Offering. The FMV Option is a call option which provides the Operating Partnership the right, but not the obligation, to acquire Interests in exchange for OP Units. There is no binding commitment by the parties to exchange the Interests for OP Units. The Operating Partnership may never exercise the FMV Option, or it may attempt but fail to exercise the FMV Option. In such a case, none of the Beneficial Owners will have the opportunity to exchange their Interests for OP Units.

In addition, the Interests are intended to qualify immediately as real property interests for federal income tax purposes, and the Trust and the Properties will be owned by each of the Beneficial Owners for at least two years. Because the Interests are valuable as replacement property for a Section 1031 Exchange whether or not the FMV Option is ever exercised, the acquisition of an Interest is not a step which is unproductive without a later step. This should prevent a conclusion that these steps are functionally interdependent.

Unless and until the FMV Option is exercised, a Beneficial Owner will have no ownership rights whatsoever in the Operating Partnership. Moreover, the number of OP Units that a Beneficial Owner may receive is also completely uncertain at this time. As a result, the economic effect of the exercise of the FMV Option cannot be known at this time.

Finally, a Beneficial Owner will have no control over whether an Interest will be exchanged pursuant to the FMV Option, and there is a possibility that the FMV Option will not be exercised. Because a Purchaser must acquire an Interest with the understanding that it may not ultimately receive OP Units, it would be difficult for the IRS to characterize a Beneficial Owner’s acquisition of an Interest as having only been done in order to ultimately achieve a specific end result (i.e., to acquire the OP Units).

Thus, the step transaction doctrine should not be applied to recharacterize your acquisition of Interests as an immediate acquisition of OP Units which do not qualify as replacement property for purposes of Code Section 1031, or as the acquisition of property held for sale rather than for investment.

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

Losses (or credits that exceed the regular tax allocable to passive activities) from passive activities that exceed passive activity income are disallowed and can be carried forward and treated as deductions and credits from passive

activities in subsequent taxable years. Disallowed losses from an activity, except for certain dispositions to related parties, are allowed in full when the taxpayer disposes of his, her or its entire interest in the activity in a taxable transaction.

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

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

Limitation on Excess Business Loss Deduction. Under the TCJA, excess business losses of a taxpayer other than a corporation are not allowed for the taxable year. Such losses are carried forward and treated as part of the taxpayer’s net operating loss carryforward in subsequent taxable years. An excess business loss for the taxable year is the excess of aggregate deductions of the taxpayer attributable to trades or businesses of the taxpayer over the sum of aggregate gross income or gain of the taxpayer plus a threshold amount. The threshold amount, which is indexed for inflation, was \$250,000 (or twice the applicable threshold amount in the case of a joint return) for 2018. The provision applies after the application of the passive loss rules, and applies at the partner or shareholder level in the case of a partnership or S corporation.

Net Income and Loss of Each Purchaser. Each Purchaser will be required to determine his or her own net income or loss from the Properties and the Parent Trust for income tax purposes. Each Purchaser will be required to pay his share of expenses of the Properties and the Parent Trust, and will be entitled to his or her share of income therefrom. Certain expenses, such as depreciation, will be different for different Purchasers. The Manager will keep or otherwise engage a third party recordkeeping service provider to manage the records and provide information about expenses and income of the Properties and the Parent Trust for each Purchaser. A Purchaser, however, will be required to keep separate records to separately report his income.

Any gain or loss realized on the sale or exchange of an Interest will generally be treated as capital gain or loss, provided the seller is not deemed a “dealer” in real property. As a general rule, the holding of interests in real property for investment is not the type of activity that would cause a person or entity to be considered a “dealer” in real property. The question of “dealer” status is a question of fact, will depend on all of the facts and circumstances and will be determined at the time of a sale. If a Purchaser is deemed a “dealer” and his Interest is not considered either a capital asset or real property held by Purchaser for more than one year and used by Purchaser in a trade or business under Code Section 1231 (“**Section 1231 Real Property**”) any gain or loss on the sale or other disposition

of the Interest would be treated as ordinary income or loss. However, regardless of whether the selling Purchaser is a “dealer,” any portion of the gain that is attributable to unrealized receivables, depreciation recapture or inventory items will generally be treated as ordinary income. In general, if an Interest is a capital asset, any profit or loss realized on its sale or exchange (or the sale of the Properties) (except to the extent that such profit represents gain attributable to unrealized receivables or depreciation recapture taxable as ordinary income or at a 25% federal tax rate) will be treated as capital gain or loss under the Code. Any such capital gain attributable to an asset held more than 12 months will generally be taxed to individuals at the highest applicable long term capital gain tax rate.

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

Treatment of Gifts of Interests. Generally, no gain or loss is recognized for federal income tax purposes as a result of a gift of property. However, if a gift (including a charitable contribution) of an Interest is made at a time when the Purchaser’s share of the Properties’ non-recourse indebtedness exceeds the adjusted basis of the Purchaser in its Interest, the Purchaser may recognize gain for income tax purposes upon the transfer. Such gain, if any, will generally be treated as capital gain. Gifts of Interests may also be subject to a gift tax imposed under the rules generally applicable to all gifts of property.

Foreclosure/Cancellation of Debt Income. In the event of a foreclosure of a mortgage or deed of trust on one or more Properties, a Purchaser would realize gain, if any, in an amount equal to the excess of the Purchaser’s share of the outstanding mortgage over its adjusted tax basis in the applicable Property, even though the Purchaser might realize an economic loss upon such a foreclosure. In addition, the Purchaser could be required to pay income taxes with respect to such gain even though the Purchaser may receive no cash distributions as a result of such foreclosure.

If Property debt were to be cancelled without an accompanying foreclosure of such Property, then a Purchaser could have to recognize cancellation of debt income (subject to the applicability of one or more of the cancellation of debt exclusions, in which event such exclusion(s) might constitute only a “deferral” of such income effectuated by the Purchaser’s reduction of tax attributes – including tax basis), which would be taxed as ordinary income, for federal income tax purposes. Also, the Purchaser would not be able to offset any such cancellation of debt income with any loss recognized by a Purchaser that would constitute a capital loss for federal income tax purposes (including any loss recognized by a Purchaser from the sale of his Interest in the likely event that the Interest could not be considered Section 1231 Real Property).

Tax Elections. The Sponsor will attempt to structure the Interests so that they will be treated as interests in an investment trust and not as interests in a partnership. As a result, the Purchasers will be required to make any applicable tax elections. However, if the Purchasers were treated as partners in a partnership, applicable elections would have to be made by the partnership. No mechanism is provided for the Parent Trust to make any such elections.

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

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

The Medicare Tax. Income and gain from passive activities may be subject to the Medicare Tax. Certain Purchasers who are U.S. individuals are subject to the Medicare Tax, an additional 3.8% tax on their “net investment income” and certain estate and trusts are subject to an additional 3.8% tax on their undistributed “net investment income.” Among other items, “net investment income” generally includes passive investment income, such as rent and net gain from the disposition of investment property, less certain deductions. Prospective Purchasers should consult their tax advisors with respect to the tax consequences to them of the rules described above.

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

Limitation on Losses under the At-Risk Rules. A Purchaser that is an individual or closely held corporation will be unable to deduct losses from the Properties, if any, to the extent such losses exceed the amount such Purchaser is “at risk.” A Purchaser’s initial amount at risk will generally equal the sum of (1) the amount of cash paid for the Interest, (2) the amount, if any, of recourse financing obtained by the Purchaser to acquire its Interest, and (3) the amount of any qualified non-recourse indebtedness encumbering the Properties. A Purchaser’s amount at risk will be reduced by the amount of any cash flow to such Purchaser and the amount of the Purchaser’s loss, and will be increased by the amount of the Purchaser’s income from the activity. Losses not allowed under the at-risk provisions may be carried forward to subsequent taxable years and used when the amount at risk increases. Tax Counsel will issue no opinion concerning the application of the at-risk rules to owners of Interests.

General Limitations on the Deductibility of Interest. In addition to the limitations on the deductibility of interest incurred in connection with passive activities, and the “at-risk” rules, the following are additional restrictions on the deduction of interest:

Capitalized Interest. Interest on debt incurred to finance construction of real property is not currently deductible and must be capitalized as part of the cost of the real property.

Interest Incurred to Carry Tax-Exempt Securities. Code Section 265(a)(2) disallows any deductions for interest paid by a taxpayer on indebtedness incurred or continued for the purpose of buying or carrying tax-exempt obligations. The application of Code Section 265(a)(2) turns on each Purchaser’s purpose for acquiring an Interest. Thus, Code Section 265(a)(2) might be applied to a Purchaser whose purpose for investing in an Interest rather than in a nonleveraged investment is to enable such Purchaser to continue to carry tax-exempt obligations. It should be noted that Code Section 7701(f) directs the IRS to prescribe regulations as may be necessary or appropriate to prevent the avoidance of provisions of the Code that deal with the linking of borrowings to investments through the use of related persons, pass-through entities or other intermediaries. Therefore, the provisions of Code Section 265(a)(2) may be applied to a Purchaser if the Purchaser does not himself or herself own tax-exempt obligations or stock of a regulated investment company that distributes exempt interest dividends but rather such obligations or stock are owned by a person, entity or other intermediary related to the Purchaser.

Prepaid Interest. Interest prepayments (including “points”) must be capitalized and amortized over the life of the loan with respect to which they are paid.

Limitation on Business Interest Deductions.

Under the TCJA, Code Section 163(j) limits annual deductions for “business interest” expense to the sum of business interest income plus 30% of “adjusted taxable income” (plus certain motor vehicle floor plan financing interest of the taxpayer). Business interest in excess of the allowed current deduction may be carried forward

indefinitely. The 2021 Final 163(j) Regulations clarified how taxpayers determine their ATI. Taxpayers generally determine their ATI by starting with “tentative taxable income” and applying additions and subtractions as specified in the existing Treasury Regulations consistent with the statute. The 2021 Final 163(j) Regulations provide taxpayers the option of an alternative method in determining such subtraction where it may be computed as the lesser of: (1) any gain recognized on the sale or disposition of such property, or (2) any depreciation, depletion and amortization with respect to such property.

Business interest means any interest paid or accrued on indebtedness properly allocable to a trade or business, provided that investment interest (within the meaning of Code Section 163(d)) does not constitute business interest. For this purpose, a trade or business does not include the trade or business of performing services as an employee or any electing real property trade or business (or any electing farming business or certain regulated utility businesses). A real property trade or business is any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing or brokerage trade or business.

To take advantage of this exception, a taxpayer must make an irrevocable election to be excluded from Code Section 163(j) and forego or limit certain other tax benefits. An electing real property trade or business is required to use the ADS for any nonresidential real property (which would then be depreciable by the straight line method over 40 years) or residential rental property (which would then be depreciable by the straight line method over 30 years), or for certain improvements to an interior portion of a building which is nonresidential real property (which would then be depreciable by the straight line method over 20 years). Each prospective Purchaser should consult with his, her, or its tax advisor concerning the possible application of Code Section 163(j) to his, her, or its particular circumstances.

On November 26, 2018, Treasury and IRS released an extensive set of proposed regulations under Code Section 163(j) which provide some guidance on certain open issues under Code Section 163(j) as revised by the TCJA. For example, the definition of “interest” has been expanded to include income and deductions from many items that have time-value components not treated as interest with respect to domestic taxpayers in the past. Further, adjusted taxable income is determined at the partnership level and to the extent the partnership has excess taxable income, the excess taxable income is allocated to the partners and used in determining each partner’s adjusted taxable income. Finally, proposed regulations include proposed amendments to provide rules relating to the definition of a “real property trade or business” under Code Section 469(c)(7)(C) that is eligible to make the election discussed above. The proposed regulations define terms such as “real property,” “real property operation,” and “real property management,” but reserve on the other categories of businesses that qualify as real property trades or businesses under Code Section 469(c)(7)(C). The preamble to the proposed regulations indicates that the categories of real property trades or businesses under Code Section 469(c)(7)(C) may be defined to not include trades or businesses that generally do not play a significant role in the creation, acquisition, or management of rental real estate.

On July 28, 2020, the Department of Treasury and the IRS finalized the 2018 proposed regulations with some changes and released a new set of proposed regulations under Code Section 163(j). The final regulations under Code Section 163(j), among other things: (1) provide that the amount of any depreciation, amortization or depletion that is capitalized into inventory under Code Section 263A during taxable years beginning before January 2022 is added back to tentative taxable income when calculating ATI for that taxable year, regardless of the period in which the capitalized amount is recovered through cost of goods sold, and (2) remove certain items from the definition of “interest” such as debt issuance costs, guaranteed payments for the use of capital, hedging income and expense, commitment fees and other fees paid in connection with lending transaction. In addition, the new proposed regulations define terms such as “real property development” and “real property redevelopment” for purposes of Code Section 469(c)(7)(C).

The final regulations were effective on July 28, 2020. The rules regarding the proposed regulations under Code Section 163(j) and the Treasury Regulations promulgated thereunder are complex and their application varies with the facts and circumstances particular to each Purchaser. Thus, each prospective Purchaser should consult with their tax advisor concerning as to the application of Code Section 163(j) to an investment in an Interest.

Tax Liability in Excess of Cash Distributions. It is possible that a Purchaser’s tax liability resulting from its Interest will exceed its share of cash distributions from the Parent Trust. This may occur, for example, because

cash flow from a Properties may be used to fund nondeductible operating or capital expenses of the Properties or reserves. In addition, as discussed above, in the event one or more Master Tenants elects to defer payments of rent, Purchasers may be required to recognize rental income in a year prior to the year in which such rental income is actually paid. See “*Section 467 Rent Allocation*” above. Thus, there may be years in which a Purchaser’s tax liability exceeds its share of cash distributions from the Parent Trust, in which case a Purchaser would have to use funds from other sources to satisfy its tax liability. The same tax consequences may result from a sale or transfer of an Interest, whether voluntary or involuntary, that gives rise to ordinary income or capital gain.

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

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

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

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

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

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

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

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

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

Codification of Economic Substance Doctrine (Code Section 7701(o)). In 2010, Congress codified the existing “economic substance doctrine” creating a new penalty equal to 20% of the portion of any underpayment attributable to the fact that a transaction lacks economic substance. The penalty increases to 40% if the transaction is not adequately disclosed and is imposed on a strict liability basis (i.e., the taxpayer may not avoid the penalty by demonstrating that their position was supported by substantial authority or that the taxpayer reasonably relied on advice from a tax advisor). The economic substance doctrine applies only if it is relevant to a transaction and determination of whether the economic substance doctrine is relevant to a transaction shall be made in the same manner as if the doctrine had never been codified. In the case of any transaction to which the economic substance doctrine is relevant, the transaction is treated as having economic substance if (1) the transaction changes in a meaningful way (apart from Federal income tax effects) the taxpayer’s economic position, and (2) the taxpayer has a substantial purpose (apart from Federal income tax effects) for entering into such transaction. In rendering its opinion, Tax Counsel has concluded that the economic substance doctrine should not apply and should not alter the tax consequences described in this opinion. There can be no assurance, however, that the IRS would agree.

State and Local Taxes. In addition to the federal income tax consequences described above, each prospective Purchaser should consider the state tax consequences of an investment in an Interest. A Purchaser’s share of income or loss generally will be required to be included in determining its reportable income for state and local tax purposes. Under the TCJA, an individual or married filers cannot deduct more than \$10,000 of combined state and local income and property taxes annually for taxable years beginning after December 31, 2017 and ending before January 1, 2026. Taxes attributable to income earned from the Interests should count towards the \$10,000 limitation. A prospective Purchaser must seek the advice of its own independent tax advisor as to state and local tax issues.

TAX CONSEQUENCES RELEVANT TO OP UNITS

This section is a summary of the rules governing the federal income taxation of U.S. unitholders of OP Units acquired as a result of an exercise of the FMV Option and is for general information only. Investors receiving OP Units are urged to consult their tax advisors to determine the impact of federal, state and local income tax laws on the acquisition, ownership and disposition of OP Units, including any reporting requirements.

General Tax Implications of the Exercise of the FMV Option.

The conversion of a Beneficial Owner’s Interests into OP Units pursuant to the Operating Partnership’s exercise of the FMV Option is intended to qualify as a tax-deferred exchange under Code Section 721 (i.e., non-recognition of gain or loss to a partnership or any of its partners in the case of a contribution of property to the partnership in exchange for an interest in the partnership).

Code Section 752(a) treats a decrease in a partner’s share of a partnership’s debt or assumption by a partnership of a partner’s individual debt as a distribution of cash by the partnership to the partner and an increase in a partner’s share of a partnership’s debt or assumption or allocation of a partnership’s debt to a partner as a contribution of cash by the partner to the partnership. Decreases and increases in the same year are netted. As a result, a Beneficial Owner receiving OP Units in connection with the exercise of the FMV Option will be treated as receiving a cash distribution to the extent of the Operating Partnership’s assumption of debt previously allocated to the Beneficial Owner’s Interest and treated as making a cash contribution in the amount of the Beneficial Owner’s allocable share of the Operating Partnership’s debt. This may result in a net decrease in debt allocable to the Beneficial Owner and a corresponding net deemed cash distribution. If such deemed cash distribution exceeds the Beneficial Owner’s basis in the contributed Interest, taxable gain could result. BIGR is generally not required to take into account the tax consequences to holders of OP Units in deciding whether to cause the Operating Partnership to undertake specific transactions that could cause such holders to recognize gain, including the exercise of the FMV Option.

Classification as a Partnership

We believe that the Operating Partnership currently is, and at the conclusion of this Offering, will be, properly classified as a partnership for federal income tax purposes and not as an association or as a publicly traded partnership taxable as a corporation. An unincorporated entity with at least two owners or members for federal income tax purposes will be classified as a partnership, rather than as a corporation or association taxable as a corporation, for federal income tax purposes if it:

- is treated as a partnership under the Treasury regulations relating to entity classification, or the “check-the-box” regulations; and
- is not a “publicly traded partnership.”

Under the check-the-box regulations, an unincorporated entity with at least two owners or members for federal income tax purposes may elect to be classified either as an association taxable as a corporation or as a partnership. If such an entity does not make an election, it will generally be treated as a partnership for federal income tax purposes. The Operating Partnership intends to be classified as a partnership for federal income tax purposes and will not elect to be treated as an association taxable as a corporation under the check-the-box regulations.

A “publicly traded partnership” is a partnership whose interests are traded on an established securities market or are readily tradable on a secondary market or the substantial equivalent thereof and is generally taxable as a corporation for federal income tax purposes. An exception provides, however, that a publicly traded partnership will not be treated as a corporation for any taxable year if, for each taxable year beginning after December 31, 1987 in which it was a publicly traded partnership, 90% or more of the partnership’s gross income for such year consists of certain passive-type income, including real property rents, gains from the sale or other disposition of real property, interest and dividends, or the 90% passive income exception. The OP Partnership Agreement contains restrictions intended to ensure that the OP Units are not considered to be traded on an established securities market or readily tradable on a secondary market or the substantial equivalent thereof. However, to the extent that such restrictions are ineffective to ensure that the OP Units are not considered to be traded on an established securities market or readily tradable on a secondary market or the substantial equivalent thereof, the Operating Partnership is expected to qualify for the 90% passive income exception.

However, the Operating Partnership has not requested, and does not intend to request, a ruling from the IRS that it will be classified as a partnership for federal income tax purposes. If for any reason the Operating Partnership were taxable as a corporation, rather than as a partnership, for federal income tax purposes, BIGR likely would not be able to qualify as a REIT unless it qualified for certain relief provisions. In addition, any change in the Operating Partnership’s status for federal income tax purposes might be treated as a taxable event, in which case holders of OP Units might incur tax liability without any related cash distribution. Further, items of income and deduction of the Operating Partnership would not pass through to holders of OP Units (as discussed below), and such holders would be treated as holders of stock for federal income tax purposes. The Operating Partnership would be required to pay tax at federal corporate income tax rates on its net income, and distributions to holders of OP Units would constitute dividends that would not be deductible in computing the Operating Partnership’s taxable income.

Allocation of Profits and Losses

As a partnership, the Operating Partnership will not be subject to federal income tax. Instead, income, gains, losses, deductions and credits from the Operating Partnership will be allocated among holders of OP Units for federal income tax purposes in accordance with the OP Partnership Agreement. Such allocations are intended to conform with existing Treasury Regulations. Each item of the Operating Partnership’s income, gains, losses, deductions and credits will have the same character in the hands of a holder of OP Units as in the hands of the Operating Partnership, as though the holder realized the item directly. It is possible that in a given year a holder will be allocated income or gain that will be subject to tax in an amount in excess of the amount of cash distributed by the Operating Partnership to such holder, thus requiring such holder to use funds from other sources to pay any tax liability arising from such allocation. Holders of OP Units will receive distributions equivalent to those paid with respect to BIGR Common Stock. Holders of OP Units may be eligible for the 20% passthrough deduction.

Distributions and Tax Basis

Cash distributions generally will not be taxable to a holder of OP Units except to the extent that such distributions exceed the holder's adjusted tax basis (as described below) in its OP Units. The excess of a distribution over the holder's adjusted tax basis in its OP Units will be taxable as long-term or short-term capital gain, depending on the holder's holding period for its OP Units. No loss will be recognized by a holder of OP Units upon the receipt of a distribution from the Operating Partnership except where the distribution is a liquidating distribution consisting solely of cash, and the amount of cash distributed is less than the holder's adjusted tax basis in its OP Units immediately before the distribution.

Generally a holder's tax basis in its OP Units initially will be the amount paid for the OP Units (in the case of an Investor, the amount paid for its Beneficial Interests) plus the holder's share (as determined for federal income tax purposes) of any borrowings of the Operating Partnership. Generally, such tax basis will be increased by subsequent capital contributions by such holder, if any, the holder's share of the Operating Partnership's taxable income and its share of any increase in borrowings of the Operating Partnership and will be decreased (but not below zero) by its share of the Operating Partnership's deductions and losses, its share of any decreases in the Operating Partnership's borrowings, its share of cash distributions from the Operating Partnership and its share of nondeductible expenditures of the Operating Partnership that are not properly chargeable to its capital account.

The rules governing tax basis adjustments and the taxation of distributions are complex, and holders are urged to consult with their tax advisors concerning these rules. As previously noted, there can be no assurance and it is not expected that the amount of taxable income allocated to a holder will correspond closely to the amount of cash distributed to such holder for each taxable year of the Operating Partnership.

Passive Activity Rules

Non-corporate holders (and certain closely held, personal service and S corporations) are subject to the limitations on using losses from passive business activities to offset business income, salary income, and portfolio income (i.e., interest, dividends, capital gains from portfolio investments, royalties, etc.). Certain of the Operating Partnership's investments may be treated as "passive activities." To the extent the Operating Partnership has losses or expenses for passive activities, a holder of OP Units is expected to be subject to the passive activity loss limitations on the use of any such losses and expenses, but any such income generally may be offset by other passive losses of the holder.

At-Risk Rules

Code Section 465 imposes certain limitations on the amounts of partnership items that can be deducted by certain partners (generally, non-corporate taxpayers and closely held corporations). Under Code Section 465, holders that are noncorporate taxpayers or closely held corporations may not deduct any losses of the Operating Partnership to the extent that such losses exceed the amount such holder has "at risk" with respect to its OP Units at the end of the year. In general, a partner's at-risk amount will be the aggregate amount the partner has contributed to the partnership, increased by the cumulative amount of income allocated to the partner, and decreased by the cumulative amount of distributions made and losses allocated to the partner. A holder's at-risk amount will generally be determined without regard to the liabilities of the Operating Partnership, but may take into account such holder's share of the Operating Partnership's "qualified nonrecourse financing," if any. "Qualified nonrecourse financing" is defined as any financing (i) which is borrowed by the taxpayer with respect to the activity of holding real property, (ii) which is borrowed by the taxpayer from a qualified person or represents a loan from, or a guarantee by, any federal, state or local government or instrumentality thereof and (iii) with respect to which no person is personally liable for repayment. It is possible that if the Operating Partnership generates losses, all or a portion of a holder's deduction for such holder's share of the Operating Partnership's losses would currently be disallowed pursuant to the at-risk rules. Losses which are currently disallowed under the at-risk limitations are suspended and may be carried forward to subsequent taxable years.

Investment Interest

Code Section 163(d) provides that a noncorporate taxpayer may take a deduction for “investment interest” only to the extent of the taxpayer’s “net investment income” for the taxable year. Investment interest generally is any interest that is paid or accrued on indebtedness incurred or continued to purchase or carry an investment, which could include debt incurred by the Operating Partnership or debt incurred by a holder of OP Units to finance its investment in the Operating Partnership. Investment interest includes interest expenses allocable to portfolio income and interest expense allocable to an activity in which the taxpayer does not materially participate, if such activity is not treated as a passive activity under the passive loss rules. Investment interest does not include any interest that is taken into account in determining a taxpayer’s income or loss from a passive activity. Net investment income consists of the excess of investment income over investment expenses. Investment income generally includes gross income from property held for investment, gain attributable to property held for investment and amounts treated as portfolio income under the passive loss rules. Investment income and investment expenses generally do not include income or expenses taken into account in computing gain or loss from a passive activity. Investment expenses are deductible expenses (other than interest) directly connected with the production of investment income. However, under the TCJA, such expenses may not be deductible for holders that are individuals. Investment interest that cannot be deducted for any year because of these limitations may be carried over and deducted in succeeding taxable years, subject to certain limitations.

In addition, the TCJA generally limits a taxpayer’s net interest expense deduction to 30% of the sum of adjusted taxable income, business interest, and certain other amounts. For partnerships, such as the Operating Partnership, this interest deduction limitation is applied at the partnership level, subject to certain adjustments to the partners for unused deduction limitation at the partnership level. Disallowed interest expense will be carried forward indefinitely, to a year in which the holder’s share of the Operating Partnership’s interest expense does not exceed 30% of the holder’s share of the Operating Partnership’s adjusted taxable income. The TCJA allows a real property trade or business to elect out of this interest limitation so long as certain requirements are met, but BGR has not yet determined whether it or the Operating Partnership will make this election.

Sale or Other Disposition of OP Units

Upon a sale or other disposition of its OP Units, a holder will recognize gain or loss equal to the difference between (1) the proceeds of such sale or other disposition plus its proportionate share of the liabilities of the Operating Partnership and (2) its adjusted tax basis in its OP Units. Such gain or loss realized on a sale or other disposition of its OP Units by a holder who is not a “dealer” in securities and who has held such interest for more than one year generally will be long-term capital gain or loss, as the case may be. See “*Capital Gains and Losses*” below. However, that portion of the selling holder’s gain allocable to “unrealized receivables” or “inventory items” or, in the case of a distribution by the Operating Partnership taxable to a holder as though it were a sale of an interest in the Operating Partnership, “inventory items which have appreciated substantially in value,” each as defined in Section 751 of the Code, will be treated as ordinary income.

Code Section 754 Elections and Mandatory Tax Basis Adjustments

Pursuant to Code Section 754, a partnership may make an election to adjust the basis of its assets in the event of a sale by a partner of its interest or certain other events. Depending upon the particular facts at the time of any such event, such an election could increase or decrease the value of the interest to the transferee, because the election would increase or decrease the basis of the Operating Partnership’s assets for the purpose of computing the transferee’s distributive share of the Operating Partnership’s income, gains, deductions and losses. The General Partner may make such an election. This election, once made, cannot be revoked without obtaining the consent of the Commissioner of Internal Revenue.

Partnerships are required to adjust the basis of their assets in connection with a transfer of an interest in the partnership if the partnership has a substantial built-in loss immediately after the transfer. A substantial built-in loss exists if the partnership’s adjusted basis in its property exceeds the fair market value of the property by more than \$250,000. If such basis adjustments are required in connection with the transfer of an interest in the Operating Partnership, they could impose significant accounting costs and complexities on the Operating Partnership. The

Operating Partnership would not be required to make such basis adjustments if it is an “electing investment partnership”; in that event, a transferee holder’s distributive share of losses would not be allowed except to the extent that such losses exceed the loss (if any) recognized by the transferor (or, in some cases, a prior transferor) on the transfer of the interest in the Operating Partnership. BGR has not determined whether the Operating Partnership will be eligible to, or will, make the election to be treated as an “electing investment partnership.”

Capital Gains and Losses

A taxpayer generally must hold a capital asset for more than one year for gain or loss derived from its sale or exchange to be treated as long-term capital gain or loss. The highest marginal individual federal income tax rate currently is 37%. The maximum federal income tax rate on long-term capital gain applicable to non-corporate taxpayers is 20%. The maximum federal income tax rate on long-term capital gain from the sale or exchange of “section 1250 property,” or depreciable real property, is 25% to the extent that such gain would have been treated as ordinary income if the property were “section 1245 property.”

The IRS has the authority to apply the rules on taxation of capital gains to sales of interests in pass-through entities, including partnerships. It is possible that the IRS could provide in regulations that the type of capital gain on the sale of a partnership interest, even if such interest has been held by the partner for more than one year, must be determined by looking through to the assets held by the partnership and treated as long-term capital gain, “unrecaptured section 1250 gain” or short-term capital gain to the extent such gain is attributable to assets (other than unrealized receivables, inventory and assets described in Code Section 1250) held by the partnership for more than one year, assets which would produce “unrecaptured section 1250 gain” if sold by the partnership, or assets held for one year or less, respectively. No regulations have yet been issued. Such regulations, if and when issued, may have retroactive effect.

A net capital loss allocated to a holder of OP Units may be used to offset other capital gains. For a taxpayer other than a corporation, such net capital loss also may be used to offset ordinary income up to \$3,000 per year. In general, for taxpayers other than corporations, the unused portion of such loss may be carried forward indefinitely, but not carried back. In the case of a corporate taxpayer, such capital loss may be used to offset only capital gains, but the unused portion of such loss generally may be carried back three years or forward five years. Further, the amount that may be carried back is limited to an amount which does not cause or increase a net operating loss in a carryback year.

Individuals, trusts and estates whose income exceeds certain thresholds will also be subject to the Medicare Tax (an additional 3.8% tax on gain from the sale of OP Units). Holders are urged to consult their tax advisors regarding the implications of the Medicare Tax resulting from an investment in OP Units.

Tax Returns, Tax Information and Penalties

The General Partner will use commercially reasonable efforts to provide to holders who held OP Units at any time during the applicable taxable year tax information with respect to the Operating Partnership necessary for holders to prepare their federal and state income tax returns within 75 days of the closing of the taxable year. The Code imposes certain penalties on partnerships and partners in the event of failure to make various filings in a timely manner and in the event of various understatements of income tax. The General Partner intends to cause the Operating Partnership to comply fully with all applicable filing and reporting requirements.

In the event of a tax audit of the Operating Partnership, the IRS may impose a partnership-level tax on any imputed underpayment resulting from partnership-level adjustments. The partnership-level tax (plus any penalty and interest) will be assessed and generally will be collected from the partnership in the year in which the IRS concludes the audit, referred to as the “**Adjustment Year**”, as opposed to the year of the tax return subject to the audit, referred to as the “**Return Year**”.

In certain circumstances and subject to certain conditions, a partnership may be able to elect to push out the partnership-level adjustment to the partners who participated in the partnership for the Return Year, in which case each such partner, not the partnership, would be responsible for the payment of any tax deficiency. If such an election is made by the Operating Partnership, interest on any deficiency will be at a higher interest rate than that which would

otherwise apply to tax underpayments. The Operating Partnership is required under the merger agreement to make the election (if available) for any audit with respect to a tax period or portions thereof ending on or before the merger effective time, and the relevant partners are required to take any other action such as filings, disclosures and notifications necessary to effectuate such election. If such an election is not made, the Operating Partnership's tax liability (including interest and penalties) arising from audit adjustments would be economically borne (through reductions in distributions by the Operating Partnership or payments to the Operating Partnership) by the partners of the Operating Partnership in the Adjustment Year (not the Return Year) and without regard to the partners' actual U.S. income tax liability that would have resulted from the adjustment. This means that each partner would bear its allocable share of the Operating Partnership's tax liability arising from an audit adjustment regardless of whether that partner was subject to U.S. income tax and irrespective of whether such partner was a partner in the Return Year.

It is possible that these rules could result in the Operating Partnership being required to pay additional taxes, interest and penalties as a result of an audit adjustment, and a holder of OP Units could be required to bear the economic burden of those taxes, interest and penalties. Investors are urged to consult their tax advisors with respect to these changes and their potential impact on their investment.

State and Local Taxes

In addition, holders of OP Units will likely have state and local tax filing obligations in jurisdictions in which the Operating Partnership has made investments. As a result, holders of OP Units will likely be required to file state and local income tax returns and pay state and local income taxes in some or all of these various jurisdictions. Further, holders may be subject to penalties if they fail to comply with those requirements.

Ability to Engage in Subsequent Like-Kind Exchanges

In general, an exchange of a Partnership Interest for other property cannot qualify as a Section 1031 Exchange. Accordingly, if the FMV Option were exercised, the OP Units that would be received by a Beneficial Owner in exchange for the Purchaser's Interest in a Trust could not thereafter be disposed of as part of a Section 1031 Exchange.

Federal Income Tax Considerations Relevant to an Investment in BGR

For a summary of material federal income tax considerations associated with an investment in Common Stock, including a discussion of the federal income tax requirements for BGR to qualify as a REIT, see "*Material U.S. Federal Income Tax Considerations*" in the BGR Memorandum. Tax Counsel did not prepare the BGR Memorandum and, therefore, is not expressing any opinion with respect to the accuracy or completeness of the discussion of tax issues in the BGR Memorandum.

Possible Legislation or Other Actions Affecting REITs

The present federal income tax treatment of REITs may be modified, possibly with retroactive effect, by legislative, judicial or administrative action at any time, which could affect the federal income tax treatment of an investment in our securities. The REIT rules are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department, which may result in statutory changes as well as revisions to regulations and interpretations. Additionally, several of the tax considerations described herein are currently under review and are subject to change. Prospective Purchasers are urged to consult with their tax advisors regarding the effect of potential changes to the federal tax laws on their investment.

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

The opinion and discussion are written to support the promotion or marketing of a particular transaction, and each Purchaser should seek advice based on the Purchaser's particular circumstances from an independent tax advisor.

Baker & McKenzie LLP (Tax Counsel) has acted solely as federal income tax counsel and has not acted as securities, finance, or real estate counsel or in any other capacity with respect to the Offering. Tax Counsel's tax opinion and advice to the Sponsor relates solely to federal income tax issues and does not include advice on state or local income tax issues, property taxes, transfer taxes, stamp duty, lease tax or other non-income taxes, or any other non-tax issues. Tax Counsel does not represent the prospective Purchasers. Prospective Purchasers seeking legal advice should retain their own counsel, consult their own advisors about an investment in the Interests and conduct any due diligence they deem appropriate to verify the accuracy of the representations or information in this Memorandum.

Please note that any discussions of federal income tax matters set forth in this Memorandum have been written solely to support the marketing of the Interests. All prospective Purchasers must consult their own independent legal, tax, accounting and financial 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.

PLAN OF DISTRIBUTION

General

Subject to the terms and conditions set forth in this Memorandum and the Parent Trust Agreement, the Parent Trust is offering a maximum of \$46,527,793 of Interests (i.e., the Maximum Offering Amount), representing 100% of the outstanding beneficial ownership interests in the Parent Trust. Each Purchaser must pay cash for its Interests. The Interests may be purchased only by prospective Purchasers who satisfy the investor suitability requirements. See “*Who May Invest.*”

Marketing of Interests

The Parent Trust will offer the Interests on a “best efforts” basis through the Managing Broker-Dealer and through other Selling Group Members.

The Managing Broker-Dealer will receive Sales Commissions of up to 5.0% of Total Sales, which it will re-allow to the Selling Group Members; provided, however, in the event a commission rate lower than 6.0% is negotiated with a Selling Group Member, the Managing Broker-Dealer will receive the lower agreed upon rate. In addition, the Managing Broker-Dealer will receive, on a non-accountable basis, and will re-allow to the Selling Group Members on a non-accountable basis, allowances for marketing and due diligence expenses of up to 1.25% of Total Sales. The Managing Broker-Dealer will also receive a Managing Broker-Dealer Fee of up to 1.4% of Total Sales, which it may at its sole discretion partially re-allow to the Selling Group Members. The Sponsor and its affiliates will be entitled to reimbursement for Organization and Offering Expenses (expenses incurred in connection with the Offering, on an accountable basis, of 0.75% of the Maximum Offering Amount, including, but not limited to, the costs of organizing the Trust and other entities, estimated marketing, legal, finance, accounting and printing fees and expenses incurred in connection with this Offering). The total aggregate amount of Organization and Offering Expenses, Sales Commissions, Marketing/Due Diligence Expense Allowances and the Managing Broker-Dealer Fee (Sales Commissions and Expenses) will not exceed 8.40% of Total Sales. See “*Estimated Use of Proceeds.*”

The Parent Trust may, in its discretion, accept purchases of Interests net of all or a portion of the Sales Commissions otherwise payable from Purchasers purchasing through a RIA with whom the Purchaser has agreed to pay a fee for investment advisory services in lieu of commissions, and affiliates of the Parent Trust, including the Sponsor, may purchase the Interests net of Sales Commissions and the Marketing/Due Diligence Expense Allowances. Further, a portion of the Sales Commissions payable from Purchasers purchasing through certain RIAs may be paid to the member firm that assist in the facilitation of such purchase including, without limitation, through the use of an online portal.

The Parent Trust, the Sponsor, or other persons related to or affiliated with them, or other broker-dealers may purchase Interests on the same terms and conditions as any other Purchaser. Any such Purchaser may subsequently transfer Interests so acquired by them on the same terms and conditions as any other Purchaser.

The Parent Trust and each broker-dealer participating in an Offering will agree to indemnify each other against certain liabilities including liabilities under the Securities Act or the Exchange Act, as amended, and state securities laws.

The Parent Trust reserves the unconditional right to terminate or modify the Offering, to reject purchases of Interests in whole or in part, to waive conditions to the purchase of Interests and to allow purchases of less than the minimum purchase amount.

Subscription Period

The Parent Trust may hold the Initial Closing at any time after one or more subscriptions for Interests have been accepted by the Parent Trust. Following the Initial Closing, the remaining Interests will continue to be sold and closings may from time to time be conducted with respect to additional Interests sold until the Offering Termination Date, which is the earlier of (i) the date on which the Maximum Offering Amount of Interests is sold or (ii) August 31, 2023. The Sponsor may, however, extend the Offering in its absolute and sole discretion. There is no assurance that all of the Interests will be sold.

Broker/Dealer Disqualifying Events

The Interests will be offered and sold pursuant to an exemption from the registration requirements of the Securities Act, in accordance with Rule 506(b) of Regulation D, and in compliance with any applicable state securities laws. Effective September 23, 2013, the Securities and Exchange Commission adopted amendments to Rule 506 requiring certain disclosures to customers in connection with Regulation D private placement offerings, which includes this Offering. Specifically, the amendments require that the Trust notify you if the broker/dealers selling Interests in this Offering have experienced certain specified “disqualifying events,” including certain criminal convictions, certain court injunctions and restraining orders, final orders of certain state and federal regulators and certain SEC disciplinary orders and SEC cease-and-desist orders, among other events.

Certain of the broker/dealers that may sell Interests in this Offering have previously informed Bluerock and the Managing Broker-Dealer that they have been subject to certain of the “disqualifying events” under Rule 506, as set forth below. The Trust is required to provide this same information to you.

Concorde Investment Services, LLC. Concorde Investment Services, LLC (“**Concorde**”), a placement agent involved in the Offering, has notified the managing dealer pursuant to a contractual covenant in the selling agreement for the Offering, that it has determined that one of its registered representatives is subject to a final order of a state securities commission fulfilling the circumstances defined in Rule 506(d)(iii)(B), which is summarized as follows:

- On January 22, 2013, Thomas Fanning, a registered representative (“**CR**”) currently associated with Concorde was temporarily suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or a registered national or affiliated securities association for an act or omission to act constituting conduct inconsistent with just and equitable principles of trade until March 21, 2013. Without consenting or denying the findings, the CR was temporarily suspended for violating FINRA/NASD Rules 2010, 2110, and 2370 and actions contrary to the former broker dealer’s written procedures.

Berthel Fisher & Company Financial Services, Inc. Berthel Fisher & Company Financial Services, Inc. (“**BFC**”) may become a participating broker for the sale of the Interests. BFC has informed us that it has been subject to certain of the disqualifying events under Rule 506(d) of the Regulation D promulgated by the SEC under the Securities Act, as set forth below:

- On June 4, 2013 BFC entered into a Consent Order with the State of South Dakota Division of Securities. The Order concerned alleged violations of South Dakota 47-31B-412(d)(13) and BFC’s obligations to determine the suitability of the sale of certain alternative investments to some investors in South Dakota. BFC agreed to pay 12 investors a total of \$69,000 in settlement of any claims they may have relating to the alleged violations.

WHO MAY INVEST

We will offer and sell the Interests in reliance on an exemption from the registration requirements of the Securities Act and state securities laws. Accordingly, distribution of this Memorandum has been strictly limited to persons who meet the requirements and make the representations set forth below. We reserve the right, in our sole discretion, to reject any subscription based on any information that may become known or available to us about the suitability of a prospective Purchaser or for any other reason.

An investment in the Interests involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity in this investment. Only Purchasers who (i) purchase the minimum Interest amount as set forth in this Memorandum, and (ii) represent in writing that they meet the investor suitability requirements set by us and as may be required under federal or state law, may acquire Interests. The written representations you make will be reviewed to determine your suitability.

The investor suitability requirements stated below represent minimum suitability requirements established by the Sponsor for Purchasers of the Interests. However, your satisfaction of these requirements will not necessarily mean that the Interests are a suitable investment for you, or that we will accept you as a Purchaser of Interests. Furthermore, we may modify such requirements in our sole discretion, and such modifications may raise the suitability requirements for Purchasers.

You must represent in writing that you meet, among others, all of the following requirements:

- (a) You have received, read and fully understand this Memorandum and are basing your decision to invest on the information contained in this Memorandum. You have relied only on the information contained in this Memorandum and have not relied on any representations made by any other person;
- (b) You understand that an investment in the Interests is highly speculative and involves substantial risks and you are fully cognizant of and understand all of the risks relating to an investment in the Interests, including those risks discussed in the "Risk Factors" section of this Memorandum;
- (c) Your overall commitment to investments that are not readily marketable is not disproportionate to your individual net worth, and your investment in the Interests will not cause such overall commitment to become excessive;
- (d) You have adequate means of providing for your financial requirements, both current and anticipated, and have no need for liquidity in this investment;
- (e) You can bear and are willing to accept the economic risk of losing your entire investment in the Interests;
- (f) You are acquiring the Interests for your own account and for investment purposes only and have no present intention, agreement or arrangement for the distribution, transfer, assignment, resale or subdivision of the Interests;
- (g) You have such knowledge and experience in financial and business matters that you are capable of evaluating the merits of investing in the Interests and have the ability to protect your own interests in connection with such investment;
- (h) You are an Accredited Investor as defined in Rule 501(a) of Regulation D under the Securities Act.

For purposes of the foregoing, an Accredited Investor means any:

- Natural person that is: (1) an individual who has a net worth, or a joint net worth with his or her spouse (or spousal equivalent), of more than \$1,000,000, or individual income in excess of

\$200,000, or joint income with his or her spouse (or spousal equivalent) in excess of \$300,000, in each of the two most recent years and has a reasonable expectation of reaching the same income level in the current year (2) an individual who is licensed and in good standing as a (a) General Securities Representative (Series 7), (b) Licensed Investment Adviser Representative (Series 65), or (c) Licensed Private Securities Offerings Representative (Series 82) or (3) a "knowledgeable employee" as defined under the Investment Company Act of 1940, of the Trust or the Trustee or an affiliated management person such as the Sponsor;

- Corporation, Massachusetts or similar business trust, partnership, limited liability company, Indian tribe, labor union, governmental body or fund, or organization described in Code Section 501(c)(3), not formed for the specific purpose of acquiring Interests, with total assets over \$5,000,000;
 - Trust, with total assets over \$5,000,000, not formed for the specific purpose of acquiring Interests and whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in Interests as described in Rule 506(b)(2)(ii) under the Securities Act;
 - Broker-dealer registered under Section 15 of the Exchange Act, as amended;
 - Purchaser is either: (1) registered with the United States Securities and Exchange Commission as an investment adviser or an exempt reporting adviser under Section 203 of the Advisers Act; or (2) registered as an investment adviser or equivalent under the laws of any state of the United States of America.
 - Investment company registered under the Investment Company Act of 1940 (the “**Investment Company Act**”) or a business development company (as defined in Section 2(a)(48) of the Investment Company Act);
 - Purchaser is a “rural business investment company” as defined in Section 384A of the Consolidated Farm and Rural Development Act, as amended.
 - Small business investment company licensed by the Small Business Administration under Section 301(c) or (d) or the Small Business Investment Act of 1958, as amended;
 - Private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended);
 - Purchaser is a “family office” or “family client” (each as defined in Rule 202(a)(11)(G)-1 of the Advisers Act) that (1) has at least \$5,000,000 in assets under management; (2) was not formed for the specific purpose of acquiring the securities offered; and (3) is directed by a person who has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of purchasing Interests.
 - Bank as defined in Section 3(a)(2) of the Securities Act, any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity, or any insurance company as defined in Section 2(13) of the Securities Act;
 - Plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets of more than \$5,000,000;
 - One of the executive officers of the Manager; or
 - Entity in which all of the equity owners are Accredited Investors; and
- (i) Neither you nor any subsidiary, affiliate, owner, shareholder, partner, member, indemnitor, guarantor or related person or entity:

- (i) is a Sanctioned Person (defined below);
- (ii) has more than 15% of its assets in Sanctioned Countries (defined below); or
- (iii) derives more than 15% of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Countries.

For purposes of the foregoing, a “Sanctioned Person” means:

- (X) a person named on the list of “specially designated nationals” or “blocked persons” maintained by the U.S. Office of Foreign Assets Control (“OFAC”) at <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>, or as otherwise published from time to time, or
- (Y) (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.

For purposes of the foregoing, a “Sanctioned Country” shall mean a country subject to a sanctions program identified on the list maintained by OFAC and available at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>, or as otherwise published from time to time.

For purposes of calculating your net worth, “net worth” means the excess of total assets at fair market value (including personal and real property, but excluding the estimated fair market value of a person’s primary home) over total liabilities. Total liabilities excludes any mortgage on the primary home in an amount of up to the home’s estimated fair market value as long as the mortgage was incurred more than 60 days before the securities were purchased, but includes (i) any mortgage amount in excess of the home’s fair market value and (ii) any mortgage amount that was borrowed during the 60-day period before the closing date for the sale of securities for the purpose of investing in the securities. In the case of fiduciary accounts, the net worth and/or income suitability requirements must be satisfied by the beneficiary of the account, or by the fiduciary, if the fiduciary directly or indirectly provides funds for the purchase of the Interests.

Investment Not Suitable For Certain Persons and Entities

Interests are not suitable investments for (i) an employee benefit plan within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974 (“ERISA”) that is subject to the fiduciary responsibility provisions of Title I of ERISA (a “plan”), or a plan within the meaning of Code Section 4975(e)(1) that is subject to Code Section 4975 (also, a “plan”), including a qualified plan (any pension, profit sharing or stock bonus plan that is qualified under Code Section 401(a)) or an individual retirement account, (ii) any person that is directly or indirectly acquiring the Interest on behalf of, as investment manager of, as fiduciary of, as trustee of, or with assets of a plan (including any insurance company using assets in its general or separate account that may constitute assets of a plan), (iii) any other tax-exempt entity, or (iv) a foreign person. Therefore, this Memorandum does not discuss the risks that may be associated with an investment in an Interest by such plans, accounts, persons, entities or by a foreign person.

IF YOU DO NOT MEET THE REQUIREMENTS DESCRIBED ABOVE, IMMEDIATELY RETURN THIS MEMORANDUM TO US OR THE APPLICABLE SELLING GROUP MEMBER. IN THE EVENT YOU DO NOT MEET SUCH REQUIREMENTS, THIS MEMORANDUM WILL NOT CONSTITUTE AN OFFER TO SELL INTERESTS TO YOU.

METHOD OF PURCHASE

If you are an “Accredited Investor” and, after carefully reading the entire Memorandum, would like to purchase an Interest, you must follow the procedures described below and in the Purchase Agreement.

To purchase an Interest, you must initially complete, execute and deliver to the Managing Broker-Dealer or your broker-dealer the Purchase Agreement attached hereto as Exhibit E, and other documents described in the Purchase Agreement. You will also be asked to confirm the availability of funds to you in the full amount of the purchase price for your Interests.

Upon receipt of the signed Purchase Agreement and verification of your investment qualifications, the Parent Trust will decide whether to accept your investment. If, after review of your suitability, the Parent Trust accepts your offer to purchase Interests, the Parent Trust will send you various due diligence documents and closing documents for your review and/or execution.

A prospective Purchaser’s Purchase Agreement will be terminated and his, her or its check or wired funds, if any, will be fully refunded by the Parent Trust if (i) the conditions to closing set forth in the Purchase Agreement are not satisfied, or (ii) a prospective Purchaser is not accepted by the Parent Trust. The Parent Trust may accept or reject a prospective Purchaser’s Purchase Agreement in its sole discretion. If the Parent Trust does not accept a Purchase Agreement within 30 days of its submission then it will be deemed rejected. In the event your Purchase Agreement is rejected, the full amount of any check or wired funds you have sent will be returned to you.

LITIGATION

The Sponsor and affiliates are subject to litigation from time to time, but in the opinion of the Sponsor, there are no actions pending against the Sponsor or its affiliates or their respective management members, or, to the knowledge of the Manager and Sponsor, contemplated, that, based on facts and circumstances, are expected to have a material adverse effect on the Trusts, the Manager, the Sponsor or the Properties, their financial condition or their operations.

OTHER DOCUMENTS

Copies of the documents referred to in this Memorandum or otherwise related to the Offering may be inspected at our office as set forth on the cover page hereof or upon your written request. The Purchase Agreement, and the Parent Trust Agreement as delivered are incorporated herein by reference.

REPORTS

The Parent Trust will prepare and send to each Beneficial Owner’s unaudited quarterly financial and operational reports and an annual report containing a cash basis audited trust-level year-end balance sheet and income statement. In addition, the Parent Trust shall send to each Purchaser such tax information as may be necessary for the preparation of the Beneficial Owner’s tax returns. See “*Reports.*”

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EXHIBIT A
SAMPLE MASTER LEASE

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MASTER LEASE AGREEMENT

BETWEEN

BR 13202 E. ADAM AIRCRAFT CIRCLE, DST,

a Delaware Statutory Trust

AS LANDLORD

AND

BIGR 13202 E. ADAM AIRCRAFT CIRCLE LEASECO, LLC,

a Delaware Limited Liability Company

AS MASTER TENANT

DATED AS OF JUNE 29, 2022

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EXHIBITS

EXHIBIT A – RENT

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MASTER LEASE AGREEMENT

THIS MASTER LEASE AGREEMENT, made as of this June 29, 2022 (“Agreement”), by and between BR 13202 E. Adam Aircraft Circle, DST, a Delaware statutory trust (“Landlord”), and BGR 13202 E. Adam Aircraft Circle Leaseco, LLC, a Delaware limited liability company (“Master Tenant”).

1. **Definitions.**

“Agreement” shall mean this Master Lease Agreement, as amended.

“Bankruptcy Code” has the meaning set forth in Section 19.9.

“Base Rent” shall have the meaning set forth in Section 4.1.

“Base Term” means a term beginning on the Commencement Date and expiring on June 30, 2032.

“Capital Expenditures” means any improvements, replacements or material repairs with respect to or relating to the Project which are properly capitalized (rather than expensed) in accordance with generally accepted accounting principles (“GAAP”).

“Capital Improvements” means the Capital Expenditures, but excluding Landlord Capital Improvements.

“Commencement Date” means the date of this Agreement.

“Condemnation Proceeding” means any action or proceeding brought by competent authority for the purpose of any taking of the fee of the Project, including the Improvements, or any part thereof or estate therein as a result of the exercise of the power of eminent domain, including, but not limited to, a voluntary conveyance to such authority either under threat of or in lieu of condemnation or while such action or proceeding is pending.

“Damages” has the meaning set forth in Section 16.1.

“Default” has the meaning set forth in Section 20.1, after giving effect to all applicable notice and cure periods.

“Default Rate” means the lesser of (i) the sum of 3% and the published Long Term Applicable Federal Rate (as defined herein) published in the month in which the applicable default occurred, or (ii) the highest interest rate per annum, permitted under the laws of the state in which the Project is located, or under federal law, to the extent applicable.

“DST” shall mean (i) a Delaware Statutory Trust as such term is defined under Delaware law, and (ii) an “investment trust” as defined in Treas. Reg. §301.7701-4(c).

“Excess Uncontrollable Costs” has the meaning set forth in Section 4.3.

“Existing Obligations” has the meaning set forth in Section 3.3.

“FMV Option” has the meaning as such term is defined in the Landlord Trust Agreement.

“Gross Revenues” shall mean the entire gross receipts of every kind and nature from rentals and services made in, upon, or from the Project, whether upon credit or for cash, in every department operating in the Project.

“Hazardous Substances” has the meaning set forth in Section 21.1.

“Hazardous Substances Costs” has the meaning set forth in Section 21.4.

“Imposition Payment” has the meaning set forth in Section 5.1.

“Impositions” means all ancillary fees and costs related to the Permitted Mortgage (excluding fees and costs attributable to a Landlord default under the Permitted Mortgage or other Landlord costs and expenses), and all taxes, assessments, charges for utilities not paid for by subtenants, excises, levies, license and permit fees and other governmental impositions and charges, general and special, ordinary and extraordinary, unforeseen and foreseen, of any kind and nature whatsoever, which are imposed, levied upon or assessed against or which arise with respect to the Project (or any portion thereof) or any rights or obligations of Master Tenant under this Agreement during the Term of this Agreement, including, but not limited to, any sums payable hereunder.

“Improvements” means all buildings, structures and other improvements of any and every kind or nature now or hereafter located on the Land. Such term shall include, without limitation, all fixtures now or hereafter attached or affixed, actually or constructively thereto, including, without limitation all pipes, engines, wiring, heating, ventilating and air-conditioning equipment and systems, plumbing and lighting fixtures, and other equipment or machinery used in or about or for the maintenance or operation of the Project. Such term shall not include any property owned by a sublessee.

“Intangible Property” has the meaning set forth in Section 3.3.

“Land” means all of the tracts or parcels of land described in Exhibit B, together with all rights, ways and easements appurtenant thereto.

“Landlord” means BR 13202 E. Adam Aircraft Circle, DST, a Delaware statutory trust and its successors or assigns.

“Landlord Capital Improvements” means expenditures with respect to (1) repairs and replacements of the structure, foundations, roofs, exterior walls, parking lots and improvements to meet the needs of tenants; (2) leasing commissions; (3) certain Hazardous Substances Costs; (4) any repairs identified in the property condition assessment report, or similar engineering report, performed in connection with the acquisition of the Project; and (5) other improvements or replacements to the Project that would be considered Capital Expenditures or that are required by law.

“Landlord Casualty Costs” has the meaning set forth in Section 17.2.

“Landlord Costs” means Landlord Capital Improvements, as well as certain costs to make repairs to maintain the Project, including annual repair and maintenance expenses incurred by the Master Tenant on behalf of the Landlord exceeding \$500 per repair or invoice total. Certain annual repair and maintenance expenses that are not Landlord Capital Improvements and that are less than \$500 per repair or invoice total will generally be expensed as incurred by the Master Tenant, at its sole cost and expense.

“Landlord Environmental Costs” has the meaning given such term in Section 21.4.

“Landlord Trust Agreement” means that certain Amended and Restated Trust Agreement of BR 13202 E. Adam Aircraft Circle, DST, by and among BR Diversified Industrial Portfolio I, DST, BR Diversified Industrial Portfolio I DST Manager, LLC, and Delaware Trust Company.

“Lender” means any lender under a Permitted Mortgage.

“Lender Requirements” means all requirements set forth in the Loan Documents relating to Landlord, Master Tenant or the operation of the Project.

“Loan Documents” means all loan documentation executed and delivered by or on behalf of the Landlord or Master Tenant to the holder of a Permitted Mortgage.

“Long Term Applicable Federal Rate” means the most current prescribed long-term applicable federal rates for purposes of Section 1274(d) of the Internal Revenue Code, as published by the Internal Revenue Service.

“Management Agreement” means an agreement for the management of the Project.

“Master Tenant” means BGR 13202 E. Adam Aircraft Circle Leaseco, LLC, a Delaware limited liability company, and its successor or assigns.

“Master Tenant Capital Reserve Account” has the meaning set forth in Section 6.4(a).

“Operating Costs” means all costs and expenses (and taxes, if any, thereon) paid or incurred in respect of the operations, maintenance, management and security of the Project which, in accordance with generally accepted accounting principles are properly chargeable to the operation, maintenance, management and security of the Project, such as the cost of electricity, gas, oil, steam, water, air conditioning and other fuel and utilities, property management fees, asset management fees, reasonable attorneys’ fees and disbursements and auditing, management and other professional fees and expenses. For the avoidance of doubt, Operating Costs does not include Rent.

“Parent Trust” shall mean BR Diversified Industrial Portfolio I, DST, a Delaware statutory trust.

“PCB” has the meaning set forth in Section 21.2.

“Permitted Mortgage” means any mortgage, deed of trust or other similar document placed on the Project by Landlord in compliance with the terms of this Agreement.

“Premium Payment” has the meaning set forth in Section 8.11.

“Project” means the Land and the Improvements.

“Projected Uncontrollable Costs” shall mean the projected Uncontrollable Costs as set forth on the projections.

“Property Management Fee” means the Management Fee under the Management Agreement payable to, and to be retained by, Bluerock Real Estate Holdings, LLC.

“Remedial Work” has the meaning set forth in Section 21.5.

“Rent” shall mean, collectively, Base Rent and any other amounts payable by Master Tenant to (or on behalf of) Landlord hereunder.

“Requirements” means all requirements relating to the Project, including without limitation, planning, zoning, subdivision, environmental, toxic and hazardous waste, health, fire safety, handicapped access and any other applicable federal, state and local statutes, laws, ordinances, rules and regulations, as well as any and all encumbrances, covenants, conditions, and restrictions, foreseen or unforeseen, ordinary as well as extraordinary, which may affect the design, construction, existence or use or manner of use of the Project or any portion thereof.

“Restoration” means the restoration, repair, replacement, rebuilding or alteration of the Project following a casualty or a partial Taking (including, without limitation, the cost of all temporary repairs for the protection of property pending the completion of permanent restoration, repair, replacement, rebuilding or alterations), to a complete architectural unit of as nearly as possible the same value, condition and character that existed immediately prior to such casualty or Taking, to the extent permissible under applicable Requirements, including, without limitation, all zoning and use requirements and regulations.

“Service Contracts” has the meaning set forth in Section 3.3.

“Springing LLC” shall mean the limited liability company participating in the “Transfer Distribution” as such term is defined in the Landlord Trust Agreement.

“Sublease” means any sublease of any or all of the Project permitted pursuant to the terms of this Agreement including, but not limited to, the Existing Obligations.

“Successor Landlord” has the meaning set forth in Section 19.10.

“Supplemental Trust Reserve” has the meaning set forth in Section 6.4(b).

“Taking” means the event of vesting of title to the Project or any part thereof or estate therein in the condemning authority as the result of any Condemnation Proceeding.

“Term” means the Base Term.

“Uncontrollable Costs” means real estate taxes, insurance costs, and the cost of utility service provided to the Project.

“Use” means use as an industrial property used for office, warehouse, and distribution functions.

“Vesting Date” means the date of any Taking.

2. **Lease.** Landlord hereby leases to Master Tenant and Master Tenant hereby leases from Landlord subject to the terms set forth in this Agreement, the Project together with all Improvements, all appurtenances pertaining to the Project and all rights of ingress and egress. Landlord shall deliver possession of the Project to Master Tenant on the Commencement Date.

3. **Project and Term of Agreement.**

3.1 The Term of this Agreement shall be for the Base Term unless sooner terminated pursuant to the terms of this Agreement.

3.2 Master Tenant hereby accepts the Project without any representation or warranty by Landlord, express or implied in fact or by law, and expressly without recourse to Landlord as to title to the Project, the nature, the physical condition, suitability or usability thereof. Master Tenant shall take the Project in an “As Is” condition as of the Commencement Date.

3.3 The parties hereto acknowledge that the Project or portions thereof are presently the subject of (i) leases, subleases, tenancies, licenses, occupancies and rights of others, other than those established hereby, which relate to the use of the Project or any portion thereof (collectively, the “Existing Obligations”) and (ii) service contracts, which relate to the Project (collectively, the “Service Contracts”). Landlord hereby assigns and transfers to Master Tenant, to the extent transferable, as of the Commencement Date and for the Term of this Agreement, all of Landlord’s rights, duties and obligations under the Existing Obligations and the Service Contracts, including, without limitation, the right to collect rents and other charges under the Existing Obligations and to enforce the terms of the Existing Obligations and the Service Contracts, and all of Landlord’s rights and interest in and to any intangible property relating to the Project, including, without limitation, all trade names and trademarks (collectively, the “Intangible Property”). Master Tenant does hereby undertake, covenant and agree for and during the Term of this Agreement, to do, perform and discharge any and all rights, duties and obligations in connection with matters affecting the Existing Obligations, the Service Contracts, the Intangible Property, the possession of the Project or the title thereto which Landlord might otherwise have incurred during the Term of this Agreement by reason of the Existing Obligations, the Service Contracts, the Intangible Property or the ownership of the Project by Landlord. Subject to the express terms, provisions and limitations set forth in this Agreement, Master Tenant shall indemnify, protect, defend and hold Landlord harmless from and against any and all liability, damage, loss, cost or expense (including reasonable attorneys’ fees and expenses) actually suffered or incurred by Landlord in direct connection with any or all of the Existing Obligations, the Service Contracts, the Intangible Property or the ownership of the Project arising or first accruing

during the Term of this Agreement; provided, however, that such indemnity shall not be applicable with respect to any liability, damage, loss, cost or expense suffered or incurred by Landlord as a result of, or due to, any negligent or willful act or omission of Landlord or its owners, agents, employees, officers, directors, managers, members and partners. Master Tenant's obligations under this Section shall, as to matters arising, or accruing from facts arising, prior to the termination or expiration of this Agreement, survive the termination of this Agreement. To the extent Landlord is required by the purchase agreement applicable to the acquisition of the Project to remit any rent to the seller, then Master Tenant shall remit such rents to the seller.

3.4 Landlord makes no warranty or representation, express or implied with respect to the Project or the condition thereof, it being agreed that all risks incident thereto are to be borne by Master Tenant. To the extent assignable, Landlord hereby assigns to Master Tenant during the Term of this Agreement all representations and warranties obtained by Landlord upon acquisition of the Project, and any indemnities, third party warranties, guaranties (environmental or otherwise) or rights to receive payment in favor of Landlord, or transferred to Landlord regarding the Project obtained by Landlord upon acquisition of the Project, to the extent such representations, warranties, indemnities, third party warranties, guaranties and rights to receive payment survive the closing of the purchase of the Project, and to the extent the same survive the closing, but are not assignable by Landlord, Landlord hereby agrees, at Master Tenant's request and at Master Tenant's sole cost and expense, to promptly raise and diligently pursue (in a manner and pursuant to a strategy directed by Master Tenant) claims against the seller of the Project or any other applicable party regarding such representations, warranties, indemnities, third party warranties, guaranties and rights to receive payment. In the event that Master Tenant fails to pursue or enforce any right or remedy available to Master Tenant under the purchase agreement, Landlord may, following written notice to Master Tenant, pursue any such claims at its own expense.

3.5 This Agreement is intended to be and shall be construed as an absolute net lease, pursuant to which Landlord shall not be expected or required to make any payment of any kind or be under any obligation or liability except for Landlord Costs or as otherwise expressly set forth herein. Landlord and Master Tenant agree that this Agreement is a true lease and does not represent a financing arrangement, joint venture, management arrangement, or any arrangement other than a true lease. Each party shall reflect the transactions represented by this Lease in all applicable books, records and reports (including, without limitation, income tax filings) in a manner consistent with "true lease" treatment. Notwithstanding any law to the contrary, and except as otherwise expressly set forth herein: (i) this Agreement shall not be terminable by Master Tenant and Master Tenant waives all rights, if any, conferred upon Master Tenant by any statute, decree, order or otherwise to terminate or surrender this Agreement; (ii) Master Tenant shall not be entitled to accept and waives all rights, if any, conferred upon Master Tenant by any statute, decree, order or otherwise to any abatement, deferral, reduction, set-off, counterclaim, defense or deduction with respect to any Rent, and (iii) Master Tenant's obligations under this Agreement including, but not limited to, Master Tenant's obligation to pay the full Rent due hereunder, shall not be affected by reason of: (a) any damage to or destruction of the Project except as set forth in Section 17, (b) any taking of the Project (or any part) by condemnation or otherwise except as set forth in Section 18, or (c) any other cause whether similar or dissimilar to the foregoing.

3.6 [Intentionally Deleted]

3.7 Landlord shall transfer all security deposits to Master Tenant. Master Tenant will indemnify Landlord from and against any or all losses, damages, costs and liabilities suffered or incurred by Landlord in connection with any such security deposits so transferred, but only to the extent caused by or due to the gross negligence or willful misconduct of Master Tenant or Master Tenant's members, managers, shareholders, partners, agents, employees, officers, directors or authorized representatives.

3.8 Upon the termination of this Agreement, Master Tenant's rights and obligations in and under all current Subleases shall automatically vest in Landlord and Landlord shall be deemed, without further action required, to have assumed all of Master Tenant's obligations under the Subleases from and after the effective date of the termination. Landlord also shall indemnify and hold Master Tenant harmless from and against any and all liabilities, claims, damages, losses, charges and expenses (including, without limitation, attorneys' fees and expenses) arising out of or pursuant to any Sublease, which relate to facts occurring from or after the effective date of the termination of this Agreement.

3.9 This Agreement shall terminate in the event that (i) either all or substantially all of the Project is sold or transferred by Landlord in one transaction, or (ii) the FMV Option is exercised. Such termination shall occur immediately after the sale. The transfer of the Project to the Springing LLC from the Landlord, however, shall not cause a termination, but rather in such event this Agreement shall be automatically assumed by the Springing LLC, which shall be thereupon considered the Successor Landlord (as defined below) for all purposes under this Agreement.

4. Rent.

4.1 Master Tenant covenants to pay to Landlord, in lawful money of the United States of America, without notice or demand and without any set-off, deduction or abatement whatsoever (except as otherwise set forth herein), the Rent as follows: Master Tenant shall pay the annual amount as set forth and identified as "Base Rent" on Exhibit A hereto ("Base Rent"), payable in arrears on the last day of each calendar month during the Term of this Agreement, or, if earlier, no later than such other day as may be required by the holder of a Permitted Mortgage under its applicable Loan Documents. Notwithstanding the foregoing, as an administrative convenience to Landlord, Landlord hereby irrevocably directs Master Tenant to pay a portion of such Base Rent directly to the holder of any Permitted Mortgage, or otherwise in accordance with any Permitted Mortgage, on or before the due date thereunder. Landlord will, for purposes of this Section, keep Master Tenant informed of any changes to such obligations.

4.2 Any Rent not paid when due, shall bear interest from the due date at the Default Rate until paid in full.

4.3 In the event that the Projected Uncontrollable Costs for any calendar year (or stub period thereof, in the event that a lease year begins after January 1 of a calendar year or ends before December 31 of a calendar year) exceed the actual Uncontrollable Costs for such calendar year or stub period thereof, Master Tenant shall pay to Landlord, as additional Rent hereunder, the amount of such excess, within ninety (90) days following the end of the applicable calendar year (or stub period thereof). If, however, the actual Uncontrollable Costs for any calendar year (or stub period thereof) exceed the Projected Uncontrollable Costs for such calendar year (or stub period thereof) (such amount the "Excess Uncontrollable Costs"), then Master Tenant shall be responsible for payment of such Excess Uncontrollable Costs, but shall be entitled to reimbursement of such Excess Uncontrollable Costs by offsetting such amount against Rent payable to the Landlord pursuant to Section 4.1, beginning with the first lease month that begins on or after ninety (90) days following the end of such calendar year (or stub period thereof), and against such amounts payable to Landlord in later months, if and as needed, until the full amount of the Excess Uncontrollable Costs incurred for such calendar year (or stub period thereof) have been reimbursed to the Master Tenant.

5. Impositions.

5.1 Master Tenant shall pay (except as provided in Section 5.5) before any fine, penalty, interest or cost may be added thereto, or become due or be imposed by operation of law for the non-payment thereof, all Impositions which at any time during the Term of this Agreement may be assessed, levied, imposed upon, or become due and payable out of or in respect of, or become a lien on (a) the Project or any part thereof or (b) any use or occupation of the Project. If Landlord receives any bills for such Impositions, Landlord shall promptly deliver such bills to Master Tenant. To the extent that Master Tenant has paid as additional Rent the amount of any Imposition or anticipated Imposition into any reserve or impound account established by the holder of a Permitted Mortgage (an "Imposition Payment"), Master Tenant shall be entitled to demand and receive funds directly from such reserve or impound account from the holder of the Permitted Mortgage for the payment of the applicable Imposition(s), in each case, subject to the provisions of the Permitted Mortgage. Upon the funding of any Imposition Payment, Master Tenant's obligation to pay the Imposition corresponding to the Imposition Payment shall be satisfied to the extent of the amount deposited. To the extent any Permitted Mortgage requires an Imposition to be paid into an impound or reserve, Master Tenant shall make such payment.

5.2 If at any time during the Term of this Agreement the methods of taxation prevailing at the Commencement Date shall be altered so as to cause the whole or any part of the Impositions now levied, assessed or imposed on real estate and the improvements thereon to be levied, assessed and imposed wholly or partially as a capital levy or otherwise, on the rents received therefrom, or if as a result of any such alteration of the methods of taxation, any gross receipts or franchise tax (other than income taxes), assessment, levy or other tax or charge shall be measured by or be based, in whole or in part, upon the Project and shall be imposed upon Landlord then all such taxes,

assessments, levies or charges so measured or based, shall be deemed to be included within the term "Impositions" for the purposes hereof, and Master Tenant shall pay and discharge the same as herein provided in respect of the payment of Impositions. Each such tax, assessment, levy or charge shall be deemed to be an item of additional Rent hereunder.

5.3 In the case of assessments for local improvements or betterments which may by law be payable in installments, Master Tenant (subject to Section 5.7) shall only be obligated to pay such installments which are currently due or such installments as fall due during the Term of this Agreement, together with interest on deferred payments, provided that Master Tenant shall take such steps as may be prescribed by law to convert the payment of the assessment into installment payments, and Landlord hereby agrees to cooperate with Master Tenant to effect the same. Such payments of installments and any interest thereon shall be made before any fine, penalty, interest or cost may be added thereto for non-payment of any installment.

5.4 Subject to Section 5.5, in any suit or proceeding arising out of the failure of Master Tenant to keep any covenant in the provisions of this Section 5, the certificate or receipt of the department, officer or bureau charged with collection of the Impositions, showing that the Impositions are due and payable or have been paid, shall be prima facie evidence that such Impositions were due and payable as a lien or charge against the Project or that the same have been paid as such by Landlord.

5.5 Master Tenant shall have the right, after prior written notice to Landlord and with Landlord's consent, to contest or review by appropriate legal proceedings or in such manner as Master Tenant in Master Tenant's opinion shall deem advisable (which proceedings or other steps taken by Master Tenant if instituted shall be conducted diligently and solely at Master Tenant's own expense) any and all Impositions levied, assessed or imposed against the Project or taxes in lieu thereof required to be paid by Master Tenant, provided that such contest shall not operate to prevent or in any way impair or delay a sale of the Project by Landlord or result in a tax sale of the Project or any portion thereof. Landlord, at the request of Master Tenant, will join in any such contest or proceeding and will execute any agreement in form and substance satisfactory to Landlord in settlement of any of those contests or proceedings and any documents in implementation thereof if it is necessary to do so in order to prosecute such proceeding, but Master Tenant in those circumstances must defend and hold Landlord harmless from and against any and all liability, loss, cost and expense (including without limitation, reasonable attorneys' fees and expenses) suffered or incurred by Landlord in connection therewith. All payments required to be made by Landlord pursuant to any Impositions shall be reimbursed to Landlord by Master Tenant within thirty (30) days. In any event, no such contest shall defer or suspend Master Tenant's obligations to pay the Impositions as herein provided, but if by law it is necessary that such payment be suspended to preserve or perfect Master Tenant's contest, then the contest shall not be undertaken without there being first furnished to Landlord security in form reasonably satisfactory to Landlord, and in an amount sufficient to pay such Impositions, together with all interest and penalties thereon upon conclusion of the contest and all costs thereof that may be imposed upon Landlord or the Project, and Master Tenant shall defend and hold Landlord harmless from and against any and all liability, loss, cost and expense suffered or incurred by Landlord in connection therewith. Nothing in this Section 5.5 shall be in derogation of Landlord's right to contest or review any Impositions by legal proceedings or in such other manner as may be available to Landlord upon ten (10) days prior written notice to Master Tenant.

5.6 At Landlord's written request, Master Tenant shall deliver to Landlord copies of all paid bills or other evidence of payment for Impositions prior to the date any fine, interest or cost may be imposed for the nonpayment thereof.

5.7 Any Impositions relating to a fiscal period of the taxing authority occurring at the beginning or end of the Term of this Agreement, only a part of which fiscal period is within the Term of this Agreement (whether or not such Impositions are assessed, levied, imposed or become a lien or shall become payable, during the Term of this Agreement) shall be apportioned and adjusted between Landlord and Master Tenant so that Landlord shall only be responsible in respect to that portion of such Impositions which bear the same ratio to the full Impositions that the part of the fiscal period which falls outside the Term of this Agreement bears to the entire fiscal period. Master Tenant shall be responsible for the Impositions that fall within the Term of this Agreement.

5.8 Landlord hereby designates Master Tenant to act on its behalf, and, during the Term of this Agreement, assigns to Master Tenant Landlord's rights and interest: (a) to complete, terminate or settle any appeal

proceedings pending on the Commencement Date with respect to real estate tax assessments of the Project for periods prior to the Commencement Date, (b) to determine the need to initiate an appeal of any real estate tax assessment of the Project with respect to periods prior to or after the Commencement Date, and to complete, terminate or settle any such appeals, and (c) to engage legal counsel in connection with the foregoing, provided, however, that any refunds or settlement monies resulting from such appeals shall be applied as follows: (i) first, to the payment of all attorneys' fees and costs attendant to such appeals, (ii) second, to any subtenants to the extent such subtenants are entitled to a portion of such refunds or monies under their respective subleases and (iii) third, so long as Master Tenant is not in Default hereunder, to Master Tenant. Master Tenant shall pay all costs, including attorneys' fees and costs, attendant to such appeals (to the extent not covered by the application of any refunds or settlement monies) and Landlord shall have no obligation to pay the same. At Master Tenant's sole cost and expense, Landlord shall cooperate with Master Tenant to the extent Landlord's participation is necessary to initiate, settle, terminate, extend or amend such appeals or to otherwise secure any refunds.

6. Repairs and Maintenance of the Project.

6.1 Except for Landlord Costs, throughout the Term of this Agreement, Master Tenant, at Master Tenant's sole cost and expense, shall take good care of the Project and shall put, keep and maintain the same and every part thereof in a condition substantially the same as the condition of the Project on the Commencement Date (ordinary wear and tear excepted), and shall make all necessary repairs thereto of whatsoever nature or kind, interior and exterior, structural and nonstructural, ordinary and extraordinary and whether now foreseeable or not foreseeable, and including, without limitation, any repairs or other work required (i) by contract or Requirements under all Existing Obligations affecting all or any part of the Project or (ii) subject to any contrary terms of Sections 17 or 18, following a Taking or a casualty. Other than responsibility for Landlord Costs, and subject to any contrary provisions of Sections 17 and 18, Master Tenant (and not Landlord) shall have full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the Project. For the avoidance of doubt, the requirements of this Section 6 shall be subject to Section 13.4, which provides, in pertinent part, that Master Tenant shall remain entitled to reimbursement by Landlord for any Landlord Capital Improvements incurred by Master Tenant in performing its obligations under this Agreement.

6.2 To the extent there are reserves established under the Permitted Mortgage that are applicable to any maintenance, repairs or replacements, Master Tenant shall have access to such reserves to fund some or all of any such costs to the same extent as Landlord would have such access under the Loan Documents. If any reserve is established under the Loan Documents for or permitted for the payment of Landlord Costs, or if any portion of any monthly payments or reserves required under the Loan Documents is reasonably attributable to Landlord Costs, Landlord, and not Master Tenant, shall be responsible for payment of all related contributions to such reserve(s), and Master Tenant shall have access to such reserves to pay for the work for which the reserves were set aside.

6.3 In addition to the foregoing, during the existence of a Permitted Mortgage, Master Tenant shall further maintain and repair the Project in accordance with any Lender Requirements.

6.4 (a) Master Tenant shall be responsible to perform all Capital Improvements that, in Master Tenant's reasonable discretion, are necessary to properly maintain the Project in accordance with its Use. Master Tenant may in its discretion establish a reserve account to fund and pay for Capital Improvements for which it is responsible to fund (the "Master Tenant Capital Reserve Account"). If the Master Tenant Capital Reserve Account, if established, does not contain sufficient funds to fully reimburse Master Tenant, Master Tenant shall be obligated to separately fund such costs, but in all instances excluding Landlord Costs, which shall remain the responsibility of and shall be funded by the Landlord. Landlord, however, shall not be obligated to pay for any Landlord Costs required (i) due to the gross negligence or willful misconduct of Master Tenant or Master Tenant's members, managers, shareholders, partners, agents, employees, officers, directors or authorized representatives or (ii) that arise directly or indirectly from or in connection with the presence or release of any Hazardous Substance (as defined in Section 21) in or into the air, soil, surface, water, groundwater or soil vapor at, on, under, over or within the Project, or any portion thereof from and after the Commencement Date and otherwise during the Term, in either of which event such Landlord Capital Improvements shall be the responsibility of Master Tenant. Any funds held in the Master Tenant Capital Reserve Account shall belong to Master Tenant and shall be transferred to Master Tenant upon termination of this Agreement.

(b) The Parent Trust shall establish a "Supplemental Trust Reserve" in part, for the benefit of Landlord and the Project to pay for Landlord Costs and other Project costs, expenses and fees, including but not limited to repairs and renovations and the Property Management Fee. Master Tenant may draw upon these reserves to satisfy Landlord Costs, and for other Project costs and expenses including without limitation the payment of the Property Management Fee. Parent Trust shall fund into the Supplemental Trust Reserve from the funds raised in the private placement offering of DST interests in the Parent Trust, in an amount not to exceed \$4,000,000 if the maximum amount of DST interests is sold. All funds held in such Supplemental Trust Reserve shall belong to the Parent Trust and to the extent that any funds remain upon termination of this Agreement and, subject to any contrary terms of any Loan Documents, such funds shall remain the property of the Parent Trust.

(c) Master Tenant may draw upon the Supplemental Trust Reserve (and any such other reserves available under the Loan Documents) for Capital Improvements (including Landlord Cost items) with a useful life beyond the term of this Agreement.

6.5 Master Tenant may satisfy its funding obligations for any Capital Improvements to the extent, if any, that insurance proceeds are made available to Master Tenant's or Landlord's insurance carrier and such proceeds are used to perform the Capital Improvements.

6.6 Throughout the Term of this Agreement, Master Tenant shall not intentionally cause any waste, damage, disfigurement or injury to the Project or any part thereof.

6.7 Master Tenant may enter into a Management Agreement for the management and operation of the Project as contemplated hereunder. Landlord shall not have any rights or obligations under the Management Agreement; provided, that at all times the Management Agreement shall be subject and subordinate to this Agreement.

7. Compliance with Requirements.

7.1 Throughout the Term of this Agreement, Master Tenant, at Master Tenant's sole cost and expense (except for Landlord Capital Improvements which shall be at Landlord's expense) and in all material respects, shall promptly comply with all present and future Requirements whether or not such Requirements shall necessitate structural changes or improvements or interfere with the use and enjoyment of the Project, or any part thereof. If Landlord receives any notices regarding Requirements, Landlord shall promptly deliver the same to Master Tenant.

7.2 Master Tenant shall have the right, after prior notice to Landlord, solely at Master Tenant's own expense, without cost or expense to Landlord, to contest by appropriate legal proceedings diligently conducted in good faith, in the name of Master Tenant, the validity or application of any Requirements, provided, however, that Master Tenant may delay compliance therewith until the final determination of such proceeding only if by the terms of any such Requirements, compliance therewith pending the prosecution of any such proceeding may legally be delayed without the incurrance of, or the risk of incurring, any fine, lien, charge or liability of any kind against the Project or Master Tenant's leasehold interest therein and without subjecting Master Tenant or Landlord to the risk of any liability, civil or criminal, for failure so to comply therewith. To the extent reasonably required and at Master Tenant's request and sole cost and expense, Landlord hereby agrees to cooperate with and assist Master Tenant with such contests.

8. Insurance.

8.1 Master Tenant shall, at Master Tenant's sole cost and expense, at all times throughout the Term of this Agreement, maintain the insurance below enumerated on the Project, or cause such insurance to be maintained, for the mutual benefit of Landlord and Master Tenant:

8.1.1 "All Risks" property insurance on the Improvements in an amount not less than 100% of the full replacement costs of the Improvements with a "replacement cost endorsement". "Full replacement cost" as used herein means the cost of replacing the Improvements (exclusive of the cost of excavations, foundation and footings below the lowest basement floor) without deduction for physical depreciation thereof;

8.1.2 "Boiler and Machinery" insurance as may reasonably be required to cover physical damage to the Improvements and to the major components of any central heating, air-conditioning or ventilation systems;

8.1.3 Provided that the Project, or any portion thereof, is located in an area designated as a flood prone area participating in the National Flood Insurance Program, flood insurance in an amount equal to the full replacement cost or the maximum amount then available, unless neither the Project, nor any portion thereof, is located within a 100 year flood plain as determined by the Federal Insurance Administration; and

8.1.4 During any changes or alterations of the Project or any part thereof and during any Restoration following a Taking or a casualty, all risk builder's risk insurance in an amount not less than 100% of the full replacement cost of the Improvements.

8.2 Master Tenant shall also maintain, at Master Tenant's sole cost and expense, or cause to be maintained by its sublessee and at all times throughout the Term of this Agreement, the following insurance:

8.2.1 insurance against loss of profits or rental under a business interruption insurance policy or under a rental value insurance policy covering risk of loss due to the occurrence of any of the hazards covered by the policies described in Sections 8.1.1, 8.1.2 and 8.1.3, and (to the extent insurance covering such hazards is generally obtainable) in Section 8.1.4 in an amount not less than the aggregate requirements for the period of twelve (12) months following the occurrence of the insured casualty for: (i) Base Rent, or, if such amounts exceed the Base Rent, the rental payments due to Master Tenant under the Subleases, (ii) Impositions and (iii) premiums on insurance required to be carried pursuant to this Section;

8.2.2 comprehensive general liability insurance including contractual liability insurance specifically covering the indemnification obligations of Master Tenant under this Agreement (including, without limitation, the obligations referred to in Section 16.1), on an occurrence basis against claims for personal injury, (including, without limitation, elevators and/or escalators) and the sidewalks, driveways and curbs adjacent thereto with limits not less than \$1,000,000 combined single limit and \$2,000,000 in the annual aggregate in the event of bodily injury or death to any number of persons in any accident; and

8.2.3 any other insurance or coverages applicable to the Project which are required to be maintained by the owner or operator of the Project pursuant to the terms of any Permitted Mortgage; provided that such insurance shall only be required to be maintained by Master Tenant during the term of the Permitted Mortgage.

8.3 All insurance provided for under this Agreement shall be effected under valid enforceable policies issued by insurers of responsibility and licensed to do business in the State where the Project is located. The original policies under Section 8.1 and the certificates for the policies under Section 8.2 shall be delivered to Landlord within five (5) days of Master Tenant's receipt of Landlord's written request therefor. Prior to the expiration date of any policy required pursuant to this Section, the original renewal policy (or the certificate as concerns the insurance required pursuant to Section 8.2) for such insurance shall be delivered by Master Tenant to Landlord, together with satisfactory evidence of payment of the premium on such policy. To the extent obtainable, all such policies shall contain agreements by the insurers that (i) no act or omission by Master Tenant shall impair or affect the rights of the insured to receive and collect the proceeds under the policies; (ii) such policies shall not be cancelled except upon not less than ten (10) days prior written notice to each named insured and loss payee; and (iii) the coverage afforded thereby shall not be affected by the performance of any work in or about the Project.

8.4 The rental value policy referred to in Section 8.2.1 shall name Landlord as loss payee. To the extent Master Tenant is in Default under this Agreement, Landlord shall retain and apply the proceeds, if any, of such rental value insurance first towards the payment of Base Rent, second to the payment of Impositions, and third to the portion of accrued Rent. Any balance of such portion of the total proceeds remaining after such Default has been cured shall be paid to Master Tenant, unless Master Tenant is again in Default under this Agreement, in which case said proceeds shall be retained by Landlord.

8.5 Except as provided in Section 8.4, all policies of insurance shall name Master Tenant as the insured and Landlord (and Master Tenant, if applicable) as an additional insured, as their respective interests may appear.

Subject to the terms of any loan documents evidencing a Permitted Mortgage, the loss, if any, under said policies referred to in Section 8.1 shall be adjusted with the insurance companies solely by Master Tenant, except that in case of any particular casualty occurring during the last year of the Term of this Agreement and resulting in damage or destruction exceeding \$3,000,000, no adjustment shall be made with the insurance companies without the prior written approval of Landlord.

8.6 The loss, if any, under all policies of insurance of the kind referred to in Section 8.1 shall be payable to Master Tenant, unless the casualty results in Master Tenant's termination of this Agreement pursuant to the provisions of Section 17, in which event the loss shall be payable to Landlord. All policies of insurance of the kind aforesaid shall expressly provide that all losses thereunder shall be adjusted and paid as provided in Sections 8.5 and 8.6.

8.7 Nothing contained in the foregoing provisions of this Section shall prevent Master Tenant from taking out insurance of the kind and in the amount provided for under Sections 8.1 or 8.2 under a blanket insurance policy or policies which cover the properties owned or operated by Master Tenant or its affiliates as well as the Project; provided, however, if such insurance is provided pursuant to a blanket policy, Master Tenant shall obtain an "Agreed Value Endorsement" applicable to the Project.

8.8 All policies under Section 8.1 and Section 8.2 shall contain endorsements that the rights of the insured to receive and collect the proceeds shall not be diminished because of any additional insurance carried by Master Tenant on Master Tenant's own account.

8.9 The requirements of this Section shall not be deemed or construed to negate or modify Master Tenant's obligations to defend and indemnify Landlord pursuant to the provisions of this Agreement, or to negate or modify Master Tenant's obligations to restore the Project following a Taking or casualty pursuant to the provisions of this Agreement.

8.10 Notwithstanding anything herein to the contrary, to the extent required in any Permitted Mortgage the holder of the Permitted Mortgage shall be named an additional insured under any liability policies and proceeds under such other policies shall be payable to holder as a mortgagee under a standard mortgagee clause in favor of, and acceptable to, such holder. Master Tenant's obligations hereunder to deliver certificates of insurance or original insurance policies to Landlord shall, during the time any Permitted Mortgage is in existence, include delivery of such items to such lender in addition to (or where necessary in lieu of) delivery of such items to Landlord. To the extent that any insurance proceeds are paid to the lender under a Permitted Mortgage in accordance with the requirements of the Permitted Mortgage, such payment (and, as applicable, the use of any such proceeds by Master Tenant to repair any related damage in accordance with the terms of the Permitted Mortgage), will be deemed to satisfy Master Tenant's obligations under this Agreement, including Section 17, where such proceeds would, without such Permitted Mortgage, be available to Master Tenant to perform its repair obligations under this Agreement. Master Tenant's and Landlord's rights in and to any insurance proceeds are subject to the rights of the holder of a Permitted Mortgage under the Permitted Mortgage.

8.11 To the extent that Master Tenant has paid as Base Rent any amount for the payment of any insurance premium or anticipated insurance premium into any reserve or impound account established by the holder of a Permitted Mortgage (a "Premium Payment"), Master Tenant shall be entitled to demand and receive funds directly from such reserve or impound account from the holder of the Permitted Mortgage for the payment of the applicable insurance premium(s) in each case, in accordance with the terms and conditions of the Permitted Mortgage. Upon the funding of any Premium Payment, Master Tenant's obligation to maintain the insurance corresponding to the Premium Payment shall be satisfied in full for the applicable period. To the extent any Permitted Mortgage requires a Premium Payment to be paid into an impound or reserve, Master Tenant shall make such payment.

9. Surrender at End of Term.

9.1 Upon termination of this Agreement, Master Tenant shall quit and surrender the entire Project (including, without limitation the Improvements) to Landlord, without payment or off-set, in a condition substantially similar to the condition of the Project on the Commencement Date, reasonable wear and tear and Capital Improvements excepted, free and clear of all leases and occupancies other than (a) the Existing Obligations (to the

extent the same have not expired or have since been terminated), (b) Subleases and (c) any other leases and occupancies which Landlord has expressly agreed in writing shall survive the expiration or sooner termination of this Agreement, and free and clear of all liens and encumbrances other than those, if any, created by Landlord and any Permitted Mortgage. Upon termination of this Agreement, Master Tenant shall assign the items set forth in (a), (b) and (c) above to Landlord.

9.2 Any personal property of Master Tenant, any subtenant, any space tenant, any occupant, any business invitee or any licensee, which shall remain upon the Project after the expiration or sooner termination of this Agreement and the removal of Master Tenant, such subtenant, such space tenant, such occupant, such business invitee or such licensee from the Project, or the abandonment or vacation of the Project by Master Tenant or such subtenant, space tenant, occupant, business invitee or licensee, may, at the option of Landlord, be deemed to have been abandoned and either may be retained by Landlord as Landlord's property or may be disposed of, without accountability, in such manner as Landlord may see fit, and Master Tenant agrees to defend, indemnify and hold Landlord harmless from and against any and all liabilities, claims, damages, losses, charges and expenses (including, without limitation, attorneys' fees and expenses) arising in any way from such retention or disposition.

9.3 If Master Tenant does not vacate the Project upon expiration or sooner termination of this Agreement, then Landlord shall have the option to treat Master Tenant as a month-to-month tenant, subject to all of the provisions of this Agreement, except that: (i) the term shall be month-to-month and (ii) the rent (excluding Impositions which will also be payable) shall be an amount equal to 125% of the prior monthly installment of Rent.

9.4 Landlord shall not be responsible for any loss or damage occurring to any property owned by Master Tenant, any subtenant, any space tenant, any occupant, any business invitee or any licensee.

9.5 The terms, covenants, provisions and conditions of this Section 9 shall survive the expiration or sooner termination of this Agreement.

10. Landlord's Right to Perform Master Tenant's Covenants.

10.1 If Master Tenant shall at any time fail to (i) pay any Impositions in accordance with the provisions of Section 5, (ii) maintain any of the insurance policies provided for in Section 8, (iii) discharge any lien or other encumbrance that Section 12 requires Master Tenant to discharge, (iv) comply with the provisions of Section 21, or (v) make any other payment or perform any other act on Master Tenant's part to be made or performed pursuant to this Agreement, then, after twenty (20) days prior written notice to Master Tenant or without notice in case of an emergency (which shall include, but shall not be limited to, danger to person or property or the imposition of a monetary fine or penalty on Landlord or Landlord's exposure to possible liability or where the due date for such payment or performance shall have passed or shall occur within such 20 day period) and without waiving, or releasing Master Tenant from any obligation of Master Tenant contained in this Agreement, Landlord may (but shall be under no obligation to):

10.1.1 pay all Impositions payable by Master Tenant pursuant to the provisions of Section 5;

10.1.2 take out, pay for and maintain any of the insurance policies provided for in Section 8;

10.1.3 discharge such lien or encumbrance for Master Tenant's account;

10.1.4 make any payment and perform any action on Master Tenant's behalf to be made or performed pursuant to Section 21, and enter upon the Project for that purpose and take all such action thereon as may be necessary therefor; and/or

10.1.5 make any other payment or perform any act on Master Tenant's behalf to be made or performed hereunder as provided in this Agreement, and enter upon the Project for that purpose and take all such action thereon as may be necessary therefor.

10.2 All sums so paid by Landlord and all costs and expenses incurred by Landlord in connection with the performance of any such act, together with interest thereon at the Default Rate from the respective dates of Landlord's making of each such payment or incurring of each such cost and expense, shall constitute additional Rent payable by Master Tenant under this Agreement and shall be paid by Master Tenant to Landlord on demand. Landlord shall not be limited in the proof of any damages which Landlord may claim against Master Tenant arising out of or by reason of Master Tenant's failure to provide and keep in force insurance which Master Tenant is required to keep in force under this Agreement. Landlord shall also be entitled to recover, as damages for such breach, the uninsured amount of any loss to the extent of any deficiency in the insurance required by the provisions of this Agreement, damages, costs and expenses of suit suffered or incurred by reason of damage to, or destruction of, the Project, or any part thereof, occurring during any period when Master Tenant shall have failed or neglected to provide insurance as aforesaid.

10.3 Master Tenant's obligations under this Section 10 shall, as to matters arising prior to the expiration or sooner termination of this Agreement, survive for one (1) year following the expiration or sooner termination of this Agreement.

11. Changes and/or Alterations by Master Tenant.

11.1 Subject to the Loan Documents and Section 11.3 below, Master Tenant shall have the right at any time and from time to time during the Term of this Agreement to make, at Master Tenant's sole cost and expense (provided that any Landlord Costs shall be at Landlord's expense) and in its sole discretion, structural and nonstructural changes and alterations in or to the Improvements without Landlord's consent, subject however, in all cases to the following:

11.1.1 No change or alteration shall be undertaken until Master Tenant shall have procured and paid for, so far as the same may be required, from time to time, all permits and authorizations of all municipal departments and governmental subdivisions having jurisdiction. Landlord shall join in the application for such permits and authorizations whenever such action is necessary; provided that Landlord shall not incur or be subject to any liability or expense as a result of joining in said application.

11.1.2 No change or alteration shall be made that could materially reduce the value of the Project below its value immediately before such change or alteration, result in a material change in the usefulness of the Project from its intended Use, or that would violate the terms of any Sublease.

11.1.3 Any change or alteration shall be made promptly and in a good and workmanlike manner and in compliance with all applicable permits and authorizations, and all Requirements shall be completed at least three (3) months prior to the end of the Term of this Agreement.

11.1.4 The cost of any such change or alteration shall be promptly paid by Master Tenant (or from the Master Tenant Capital Reserve Account, if any, in the event of a Capital Improvement other than disputed items) so that the Project shall at all times be free and clear of liens and/or encumbrances for labor and materials supplied or claimed to have been supplied to the Project.

11.1.5 All changes and alterations to the Improvements made by or on behalf of Master Tenant shall be and become the property of Landlord upon termination of this Agreement and for purposes of this Agreement shall be deemed to be a part of the Improvements. Master Tenant shall diligently prosecute to completion all such changes and alterations once commenced, and Master Tenant's obligation to complete the same pursuant to the terms of this Agreement shall survive the expiration or sooner termination of this Agreement.

11.1.6 Any such changes and alterations provided for in this Section 11 shall be performed by Master Tenant in full compliance with the Lender Requirements.

11.1.7 Worker's compensation insurance covering all persons employed in connection with the work and with respect to whom death or bodily injury claims could be asserted against Landlord, Master Tenant or the Project, and general liability insurance for the mutual benefit of Master Tenant and Landlord with a combined

single limit of not less than \$1,000,000 "per occurrence" against all claims for personal injury, bodily injury, death and property damage and all risk builder's risk as provided in Section 8.1.4 shall be maintained by Master Tenant, at Master Tenant's sole cost and expense, at all times when any work is in process in connection with any change or alteration. All such insurance shall be provided by a company or companies of recognized responsibility, and all policies or certificates therefor issued by the respective insurers, bearing notations evidencing the payment of premiums or accompanied by other evidence of such payment, shall be delivered to Landlord prior to the commencement of any work in connection therewith.

11.2 Master Tenant covenants that in performing any work or repairs to, or restoration, replacement or rebuilding of, any portion of the Improvements required or permitted to be performed by Master Tenant pursuant to this Agreement, Master Tenant shall, to the extent applicable, comply with the provisions set forth in this Section 11.

11.3 Notwithstanding anything in this Agreement or in the Loan Documents, to the extent that Master Tenant makes any changes or alterations to the Project that constitute more than minor, non-structural modifications, Master Tenant must, prior to making any such changes or alterations, (a) provide thirty (30) days' advance written notice to the Landlord setting forth the details of such alterations so that the Landlord, to the extent it is a DST, may effectuate a transfer of the Project if necessary to a newly-formed Delaware limited liability company and in accordance with the Landlord Trust Agreement, or (b) execute an agreement with the Landlord to the effect that at the end of the Term of this Agreement, Master Tenant shall restore the Project to a condition substantially the same as the condition of the Project on the Commencement Date. Notwithstanding anything else in this Agreement, at any time that Landlord is a DST, Landlord shall not have the right, power or ability to make more than minor non-structural modifications to the Project (in accordance with Revenue Ruling 2004-86).

12. Discharge of Liens.

12.1 Master Tenant covenants and agrees that Master Tenant shall not create or permit to be created or to remain, and shall discharge, any lien, encumbrance or charge which might be or become a lien, encumbrance or charge upon the Project or any part thereof or the income therefrom, and Master Tenant shall not suffer any other imposition whereby the estate, right and interest of Master Tenant in the Project or any part thereof might be impaired, provided that any Impositions may, after the same become a lien on the Project, be paid or contested in accordance with Section 5, and any mechanic's, laborer's or materialman's lien may be discharged in accordance with Section 12.2.

12.2 If any mechanic's, laborer's or materialman's lien shall at any time be filed against the Project or any part thereof, Master Tenant, within thirty (30) days after notice of the filing thereof, shall cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Master Tenant shall fail to cause such lien to be discharged within the period aforesaid, then, in addition to any other right or remedy available to Landlord hereunder, at law or in equity and including those set forth in Section 20, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings. Any amount so paid by Landlord and all costs and expenses incurred by Landlord in connection therewith, including, without limitation, amounts paid in good faith settlement of such lien and attorneys' fees and expenses, together with interest thereon at the Default Rate from the respective dates of Landlord's making the payment or incurring the cost and expense to the date Landlord is in actual receipt of such amount from Master Tenant, shall constitute additional Rent payable by Master Tenant under this Agreement and shall be paid by Master Tenant to Landlord on demand. In the event that any mechanic's, laborer's or materialmen's lien cured by Master Tenant relates to any Landlord Capital Improvement expense that is the responsibility of Landlord, Master Tenant shall be reimbursed therefor in the manner described in Section 6.

NOTICE IS HEREBY GIVEN THAT LANDLORD WILL NOT BE LIABLE FOR ANY LABOR, SERVICES OR MATERIALS FURNISHED OR TO BE FURNISHED TO MASTER TENANT, OR TO ANYONE HOLDING AN INTEREST IN THE PROJECT (OR ANY PART THEREOF) THROUGH OR UNDER MASTER TENANT, AND THAT NO MECHANIC'S OR OTHER LIENS OR ANY SUCH LABOR, SERVICE OR MATERIALS SHALL ATTACH TO OR AFFECT THE INTEREST OF LANDLORD IN THE PROJECT.

13. Use of Project.

13.1 Master Tenant shall use the Project for the Use and for no other purpose, and hereby covenants to use and operate the Project for the Use at all times during the Term of this Agreement. Master Tenant hereby covenants and agrees to act in compliance with all laws, ordinances, rules, regulations and guidelines relating to operation of the Project.

13.2 Master Tenant shall not use or allow the Project or any part thereof to be used or occupied for any unlawful purpose or in material violation of any certificate of occupancy or certificate of compliance or of any other material certificate, permit, law, statute, ordinance, rule or regulation or any of the other Requirements, or any lease, mortgage, easement, restriction or other material agreement covering or affecting the use of the Project or any part thereof, and shall not suffer any act to be done or any condition to exist on the Project or any part thereof, which may be dangerous, unless safeguarded as required by law, or which may constitute a nuisance, public or private, or which may make void or voidable, or cause the revocation of, any certificate of occupancy or certificate of compliance or any other material certificate or permit or any insurance then in force with respect thereto.

13.3 Master Tenant shall not suffer or permit the Project, or any portion thereof, to be used by any other party, including the public, as such, without restriction or in such manner as might reasonably tend to impair Landlord's title to the Project or any portion thereof, or in such manner as might reasonably make a possible claim or claims of adverse usage or adverse possession by such party or the public, as such, or of implied dedication of the Project or any portion thereof.

13.4 Master Tenant shall not use or allow the Project or any part thereof to be used or occupied in a manner that would result in the violation of the Lender Requirements. Master Tenant shall further perform during the Term of this Agreement, the Lender Requirements that relate to this Agreement or the Project. Such covenants and obligations shall be performed by Master Tenant in such a manner as to not constitute a default under the Permitted Mortgage. Notwithstanding the above, Master Tenant shall remain entitled to reimbursement by Landlord for any Landlord Capital Improvements incurred by Master Tenant in performing its obligations under this Agreement.

13.5 Landlord agrees that in the event Landlord refinances a Permitted Mortgage, the Lender Requirements and other obligations imposed by the new lender shall not be greater than those existing under the Permitted Mortgage existing as of the Commencement Date and shall not affect operations of the Project or the leasing of the Project by Master Tenant.

14. Entry to Project by Landlord. Master Tenant shall permit Landlord, and any of Landlord's authorized representatives to enter the Project at reasonable times upon reasonable notice, and at any time in case of an emergency for the purpose of (a) inspecting the same, and showing the same to any prospective purchaser of Landlord's interest or, within six (6) months prior to the expiration of the Term of this Agreement, any prospective tenants, or (b) making any necessary repairs thereto and performing any work therein that may be necessary by reason of Master Tenant's failure to commence (and diligently pursue the completion of) any such repairs within twenty (20) days after prior written notice from Landlord, or (c) to perform any work related to any Landlord Capital Improvements if not performed by Master Tenant. Nothing herein shall imply any duty upon the part of Landlord to do any such work, (other than any work related to any Landlord Capital Improvements, which shall (subject to the performance thereof by Master Tenant as set forth in Section 6.4) be Landlord's responsibility), and performance thereof by Landlord shall not constitute a waiver of Master Tenant's default in failure to perform the same.

15. Waiver of Subrogation Right. Landlord and Master Tenant hereby each release the other party, and such other party's owners, members, managers, shareholders, beneficial interest holders, partners, agents, employees, officers, directors and authorized representatives, from any claims such releasing party may have for damage to the Project, personal property, improvements and alterations of such party in or about the Project to the extent the same is covered by a policy of insurance insuring such party; provided, however, that this waiver shall be ineffective unless consented to by the insurance company or companies issuing the insurance policies required to be maintained by Master Tenant under this Agreement and shall be ineffective as to any such damage not covered by insurance required to be carried hereunder or, if greater in amount, insurance actually carried. Master Tenant shall cause each fire or other casualty insurance policy maintained by Master Tenant with respect to the Project or any portion thereof to

provide that the insurance company waives all right to recovery of paid insured claims by way of subrogation against the other party in connection with any matter covered by such policy, to the extent such waiver is available.

16. Indemnification and Waiver.

16.1 Master Tenant shall indemnify, defend and hold Landlord harmless from and against any and all losses, damages, expenses, costs and liabilities actually suffered or incurred by Landlord (collectively, "Damages") in connection with anything and everything whatsoever directly arising from or out of (i) any injury, illness or death to any person or damage to any property from any cause occurring in or upon or in any other way relating to the Project, (ii) the occupancy of the Project or any part thereof by, through or under Master Tenant, and/or (iii) any failure on Master Tenant's part to comply with any of the covenants, terms, conditions, representations or warranties contained in this Agreement; provided, however, that in no event shall the foregoing indemnity apply to any damages arising out of, or because of, the negligence or willful misconduct of Landlord or its agents, employees, officers and directors. This indemnity extends to liability for expenses (including, without limitation, reasonable attorneys' fees and out-of-pocket expenses at both trial and appellate levels) actually incurred by Landlord in defending any action or proceeding (a) instituted against Landlord by a third party, or in which Landlord intervenes, or against Master Tenant in which Landlord is made a party or appears and (b) to which the foregoing indemnity would apply.

16.2 Landlord shall not be liable to Master Tenant and Master Tenant hereby waives all claims against Landlord for any injury, illness or death of any person or damage to any property in or about the Project unless caused by the negligence or willful misconduct of Landlord or its agents, contractors, employees, officers and directors.

16.3 In the event Master Tenant is obligated to pay or pays any obligations of Landlord under a Permitted Mortgage out of Master Tenant's own funds that is not otherwise an obligation of Master Tenant under this Agreement, Landlord shall be severally liable to Master Tenant for the reimbursement of such Landlord's share of such amount paid. Landlord shall reimburse Master Tenant for any such amount within thirty (30) days of a demand for reimbursement from Master Tenant. Master Tenant may deduct an amount equal to the reimbursement from any Rent due under this Agreement.

16.4 The terms, covenants, provisions and conditions of this Section 16 shall survive the termination of this Agreement.

17. Damage or Destruction.

17.1 In the event of any material casualty to the Project, Master Tenant shall promptly give written notice to Landlord thereof. Subject to the terms of Sections 17.2 and 17.3, Master Tenant shall be responsible for the Restoration of the Project and Master Tenant shall be entitled to the use of all available proceeds from any insurance for purposes of completing the Restoration. In such event this Agreement shall continue in full force and effect, without any reduction of Rent, unless otherwise set forth below.

17.2 If the proceeds from any casualty insurance are insufficient to complete the Restoration, Master Tenant shall fund any excess required to complete the Restoration, except for funds attributed to Landlord Capital Improvements and to costs (i) attributable to the negligence or willful misconduct of the Landlord or its agents, (ii) incurred when the Landlord or its agents have taken control or possession of the Project; or (iii) incurred after the expiration of the Master Lease ("Landlord Casualty Costs"). Any casualty proceeds in excess of the cost of Restoration shall be payable to, and retained by, Master Tenant except for any excess funds attributable to Landlord Casualty Costs which shall be retained by Landlord. Landlord shall provide Master Tenant with the funds necessary to fund any costs to complete the Restoration for Landlord Capital Improvements. Absent receipt of Landlord's agreement to fund such excess amounts within fifteen (15) days, Master Tenant may elect to terminate this Agreement upon notice to Landlord within twenty (20) days after the expiration of the fifteen (15) day period.

17.3 If the casualty occurs within the last twelve (12) months of the Term, and the casualty affects more than 50% of the Project, Master Tenant may elect to terminate this Agreement, rather than undertake and complete the Restoration, without regard to the availability of proceeds from insurance or from Landlord. Notwithstanding the foregoing, Master Tenant may not elect to terminate this Agreement pursuant to the preceding sentence if such

termination would constitute a default under any Permitted Mortgage and, in the event such termination would constitute a default under a Permitted Mortgage, or if Restoration is otherwise required by the Permitted Mortgage, Master Tenant shall complete the Restoration in accordance with the terms of this Section.

17.4 In the event that this Agreement is terminated pursuant to this Section 17, then the Rent shall be prorated to the date of termination.

17.5 Except as provided herein, no destruction of or damage to the Project or any part thereof by fire or any other casualty shall permit Master Tenant to surrender this Agreement or shall relieve Master Tenant from Master Tenant's liability to pay the full Rent under this Agreement or from any of Master Tenant's other obligations under this Agreement. Master Tenant waives any rights now or hereafter conferred upon Master Tenant by statute or otherwise to quit or surrender this Agreement or the Project or any part thereof, or to any suspension, diminution, abatement or reduction of rent on account of any such destruction or damage except as expressly set forth herein.

18. Condemnation.

18.1 Subject to any Loan Documents, in case of a Taking of all of the Project, this Agreement shall terminate and expire as of the Vesting Date and the Rent under this Agreement shall be apportioned and paid to the Vesting Date.

18.2 Subject to any Loan Documents, in case of a Taking of less than all of the Project, Landlord shall receive the entire award for the Taking and, except as specifically set forth in this Section, no claim or demand of any kind shall be made by Master Tenant against Landlord or any other party who could, by virtue of a claim against it, make a claim against Landlord by reason of such Taking.

18.2.1 In the case of a Taking of a portion, but less than all, of the Project, Master Tenant shall determine, in Master Tenant's reasonable discretion, whether the remaining Project (after Restoration referred to in Section 18.2.3 (i) can be used for the Use and (ii) will allow Master Tenant to complete the Restoration for an amount not to exceed the proceeds from the Taking. If it is determined by Master Tenant that the remaining Project cannot be used for the Use, then and in such event this Agreement shall terminate as of the Vesting Date and the Rent shall be apportioned and paid to the date of termination and no other claim or demand of any kind shall be made by Landlord against Master Tenant by reason of such termination. If it is determined that Master Tenant cannot complete the Restoration for an amount that is less than or equal to the proceeds from the Taking then and in such event Master Tenant can elect to terminate this Agreement as of the Vesting Date and, subject to the Loan Documents, the Rent shall be apportioned and paid to the date of termination and no other claim or demand of any kind shall be made by Landlord against Master Tenant by reason of such termination; provided, however, that if there is at least twelve (12) months remaining in the Term, Landlord may agree to pay the excess Restoration expenses in which case this Agreement shall not terminate and Master Tenant shall undertake the Restoration of the Project in accordance with the terms of Section 18.2.3.

18.2.2 If, in the case of a Taking of less than all of the Project, this Agreement is not terminated in accordance with the provisions of Section 18.2.1, this Agreement shall continue in full force and effect as to the remaining portion of the Project without any reduction in the Rent, except as expressly provided in Section 18.3. No such partial Taking shall operate as or be deemed an eviction of Master Tenant from that portion of the Project not affected by such partial Taking or in any way terminate, diminish, suspend, abate or impair the obligation of Master Tenant to observe and perform fully all the covenants of this Agreement on the part of Master Tenant to be performed with respect to the remainder of the Project unaffected by the partial Taking, except as to any reduction (if any) in the Rent as expressly provided in Section 18.3.

18.2.3 If, in the case of a Taking of less than all of the Project, this Agreement is not terminated in accordance with the provisions of Section 18.2.1, Master Tenant shall, prior to the expiration of the Term of this Agreement, commence and proceed with reasonable diligence to complete the Restoration provided, however, that Landlord shall, in this case, make the award in the Condemnation Proceedings and, in the case of Section 18.2.1, such award plus any excess funds due from Landlord, available to Master Tenant to be utilized for Restoration of the Project. Landlord shall be entitled to receive and retain the remainder of the award not needed to complete the Restoration.

18.3 In case of a Taking of less than all of the Project and if (i) this Agreement shall not terminate as provided in Section 18.2.1, and (ii) Restoration has been undertaken by Master Tenant pursuant to the provisions of Section 18.2.3, then commencing as of the Vesting Date, the amount of the Rent payable by Master Tenant under this Agreement shall be reduced (and Master Tenant shall be credited for prior overpayments) by an amount reasonably determined by Landlord and Master Tenant. The new Rent shall be established to provide Master Tenant and Landlord with the same economic return that each were entitled prior to the Taking.

18.4 Each of Landlord and Master Tenant shall promptly deliver to the other any notices it receives with respect to a Condemnation Proceeding or threatened Condemnation Proceeding.

18.5 Notwithstanding anything herein to the contrary, Master Tenant's and Landlord's rights and obligations in and to any condemnation proceeding or related proceeds derived therefrom shall, in all cases, be subject to the rights of the holder of any Permitted Mortgage under the Loan Documents.

19. Assignment, Subletting and Mortgaging.

19.1 Master Tenant may not sell, assign, transfer, mortgage, pledge or otherwise dispose of this Agreement or any interest of Master Tenant in this Agreement, except with Landlord's prior written consent in its sole and absolute discretion (Master Tenant understands and acknowledges that Landlord will not approve any such transfer in the event that Landlord is a DST).

19.2 If an assignment is consented to by Landlord, no such assignment shall be valid unless (i) such permitted assignment complies with the provisions of this Agreement, and (ii) there shall be delivered to Landlord in proper form for recording on the date of assignment (a) a duplicate original of the instrument of assignment, and (b) other than an assignment accomplished in conjunction with a Permitted Mortgage as additional collateral, an instrument of assumption by the transferee of all of Master Tenant's obligations under this Agreement, including, without limitation, any unperformed obligations which have accrued as of the date of the assumption. Any such permitted assignee shall thereafter have all of the power, authority, rights, duties, obligations and liabilities of Master Tenant hereunder. The new Master Tenant shall be liable for the payment of all Rent due hereunder and the performance of all terms, covenants and conditions to be performed by Master Tenant under this Agreement, and Master Tenant shall reaffirm the same to Landlord in writing, in recordable form acceptable to Landlord, prior to such transfer. Any single consent given by Landlord hereunder shall not be deemed a waiver of Landlord's right to future requests for consent under this Section. If Landlord is requested to approve a proposed assignment or sublease, Master Tenant shall be responsible for paying the fees and expenses of Landlord's counsel for reviewing and/or preparing the appropriate materials and documents.

19.3 Without limiting in any way the rights and remedies of Landlord hereunder, at law or in equity, but in addition thereto, any purported assignment, transfer, mortgage, pledge, disposition or encumbrance in contravention of the provisions of this Section shall be null and void and of no force and effect, but this shall not impair any remedy of Landlord because of Master Tenant having engaged in any act prohibited by, or in contravention of, the terms hereof.

19.4 Notwithstanding the above, Master Tenant may sublet the whole or any portion of the Project without the necessity of obtaining Landlord's prior consent; provided, however, that no such subletting shall be valid unless such permitted subletting complies with the provisions herein set forth and with the Loan Documents. Without in any way limiting the rights and remedies of Landlord hereunder, but in addition thereto, any purported subletting in contravention hereof shall be null and void and of no force and effect and not thereby impair any right or remedy available to Landlord as the result of Master Tenant's having engaged in an act prohibited by, or in contravention of, the terms hereof, nor shall such permitted subletting relieve Master Tenant of any of Master Tenant's obligations hereunder and Master Tenant assumes and shall be responsible for and shall be liable to Landlord for all acts on the part of any present or future sublessee, which, if done by Master Tenant would constitute a Default hereunder. Notwithstanding anything contained herein to the contrary, in the event that Landlord is a DST, Master Tenant shall not have the right to enter into Subleases that extend beyond the Term of this Agreement. Notwithstanding anything contained herein to the contrary, in the event that Landlord is not a DST, Master Tenant shall have the right to enter into Subleases that extend beyond the Term of this Agreement without receiving the prior consent of Landlord so long as such Subleases comply with the following provisions:

19.4.1 Each Sublease shall be deemed by law subject and subordinate to this Agreement;

19.4.2 Each Sublease shall be with a bona-fide arm's length sublessee;

19.4.3 No Sublease shall contain any rental concessions or other concessions which are not then customary and reasonable for similar properties and leases in the market area of the Project as reasonably determined by Master Tenant;

19.4.4 The rental rate for each Sublease shall be at least at the market rate then prevailing for similar properties and leases in the market areas of the Project as reasonably determined by Master Tenant;

19.4.5 No Sublease shall have the rent paid thereunder calculated based on the net income of the subtenant; provided, however, that the rent may be calculated based on gross income of the subtenant; and

19.4.6 Each sublessee under the Sublease demonstrates sufficient credit worthiness to support the Sublease payments as reasonably determined by Master Tenant or the sublessee provides for (i) a sufficient security deposit or (ii) guarantee, all as reasonably determined by Master Tenant.

For proposed Subleases with terms that exceed the Term of this Agreement and do not comply with the above provisions, Master Tenant must obtain Landlord's prior approval.

19.5 Any such Sublease shall be accomplished in accordance with the Lender Requirements and, if a desired Sublease does not meet the terms of such requirements, Master Tenant shall not finalize such Sublease without obtaining, whether directly or indirectly through Landlord, the necessary consent to the form of such Sublease from the holder of the Permitted Mortgage.

19.6 Any application by Master Tenant for Landlord's written consent under any paragraph of this Section 19 shall be made in writing to Landlord.

19.7 Master Tenant hereby assigns to Landlord all rents due or to become due from any present or future sublessee, provided that so long as Master Tenant is not in Default hereunder, Master Tenant shall have the right to collect and receive such rents for Master Tenant's own uses and purposes. The effective date of Landlord's right to collect rents shall be the date of the happening of a Default under Section 20. Upon a Default, Landlord shall apply any net amount collected by Landlord from sublessees to the Rent due under this Agreement. No collection of rent by Landlord from an assignee of this Agreement or from a sublessee shall constitute a waiver of any of the provisions of this Section or an acceptance of the assignee or sublessee as a tenant or a release of Master Tenant from performance by Master Tenant of Master Tenant's obligations under this Agreement. Master Tenant without the prior consent of Landlord in writing, shall not directly or indirectly collect or accept any payment of subrent (exclusive of security deposits) under any sublease more than 1 month in advance of the date when the same shall become due.

19.8 Any attempted sublease or assignment in violation of the requirements of this Section 19 shall be null and void and, at the option of Landlord, shall constitute a Default by Master Tenant under this Agreement. To the extent consent is required, the giving of consent by Landlord in one instance shall not preclude the need for Master Tenant to obtain Landlord's consent to further sublettings or assignments under this Section 19. If Landlord's approval is required and obtained, Master Tenant or the prospective sublessee or assignee shall be responsible for preparing the appropriate documentation and shall reimburse Landlord for Landlord's reasonable costs and expenses in reviewing and approving the Sublease or assignment and related documentation.

19.9 If Master Tenant is in Default hereunder pursuant to Section 20.1.4 and Master Tenant elects to assume this Agreement and then proposes to assign the same pursuant to the provisions of the Bankruptcy Code, 11 U.S.C. Section 10.1 et seq. (the "Bankruptcy Code") to any person or entity who shall have made a bona fide offer to accept an assignment of this Agreement on terms acceptable to Master Tenant then notice of such proposed assignment, setting forth (i) the name and address of such person, (ii) all the terms and conditions of such offer, and (iii) the adequate assurances to be provided Landlord to ensure such person's future performance under this Agreement, including, without limitation, the assurances referred to in Section 365(b)(d) of the Bankruptcy Code, shall be given

to Landlord by Master Tenant no later than twenty (20) days after receipt thereof by Master Tenant, but in any event no later than ten (10) days prior to the date that Master Tenant shall make application to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption, and Landlord shall thereupon have the prior right and option to be exercised by notice to Master Tenant given at any time prior to the effective date of such proposed assignment, to accept an assignment of this Agreement upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such person less any brokerage commissions which may be payable out of the consideration to be paid by such person for the assignment of this Agreement. Any and all monies or other consideration constituting Landlord's property under the preceding sentence not paid or delivered to Landlord shall be held in trust for the benefit of Landlord and shall be promptly paid to or turned over to Landlord. Any person or entity to which this Agreement is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed without further act or deed to have assumed all of the obligations arising under this Agreement on and after the date of such assignment. Any such assignee shall upon demand execute and deliver to Landlord an instrument in form, scope and substance acceptable to Landlord, confirming such assumption.

19.10 Landlord may assign its rights under this Agreement to the Springing LLC without consent or approval of the Master Tenant ("Successor Landlord"). The Successor Landlord shall take such interest subject to this Agreement, and the assigning Landlord and Successor Landlord shall execute an agreement whereby (a) the assigning Landlord assigns to the Successor Landlord all of its right, title and interest in and to this Agreement; and (b) the Successor Landlord assumes and agrees to perform faithfully and to be bound by all of the terms, covenants, conditions, provisions and agreements of this Agreement with respect to the interest to be transferred. Upon execution of such assignment and assumption agreement, the assigning Landlord shall be relieved of all liability accruing after the effective date of the assignment with respect to the interest so assigned and, without further action by any party, the Successor Landlord shall become a party to this Agreement.

19.11 Every assignee and sublessee hereunder, if not a natural person, shall be formed and existing under the laws of a state, district or commonwealth of the United States of America.

19.12 Master Tenant shall not mortgage or otherwise encumber Master Tenant's interest in this Agreement without Landlord's consent.

20. Events of Default and Landlord's Remedies.

20.1 Each of the following shall be deemed a "Default" by Master Tenant, and after the occurrence of any of the following, Master Tenant shall be "in Default" under this Agreement:

20.1.1 A failure on the part of Master Tenant to pay any installment of Rent on the date such Rent becomes due, which failure is not cured within ten (10) days after Landlord delivers written notice of such failure to Master Tenant;

20.1.2 A failure (i) on the part of Master Tenant, whether by action or inaction, to observe or perform any of the other terms, covenants or conditions of this Agreement, or (ii) of any material representation or warranty made by Master Tenant in this Agreement to be accurate in all material respects, which failure to observe or perform or to be accurate (or, in the case of an inaccurate representation or warranty, the adverse effect therefrom) is not cured within thirty (30) days after Landlord delivers written notice of such failure to Master Tenant, provided, however, that if such failure (or, if applicable, adverse effect) is subject to cure but cannot be cured within such 30 day period, Master Tenant shall not be in Default hereunder if it promptly commences, and diligently pursues, the curing of such failure or adverse effect; provided further, however, that if such cure period shall exceed ninety (90) days, and such Default is not the result of an affirmative act by Master Tenant, then Master Tenant shall thereafter be provided additional time to cure such Default. In the event that Master Tenant satisfies the standards for such additional time then Master Tenant shall provide Landlord with written notice advising Landlord of Master Tenant's reasonable estimate of the necessary cure period and Master Tenant shall thereafter provide Landlord, by way of monthly reports, the status of such cure. If Master Tenant fails to cure the failure within the originally estimated curative period, without reasonable cause, such failure shall constitute a "Default" hereunder. Notwithstanding the foregoing, Landlord, by written notice to Master Tenant, may limit the aggregate cure period to not more than one hundred and twenty (120) days;

20.1.3 The leasehold hereunder demised is taken on execution or other process of law in any action against Master Tenant;

20.1.4 If Master Tenant files a voluntary petition in bankruptcy or is adjudicated bankrupt or insolvent, or files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or any future applicable federal, state or other statute or law relative to bankruptcy, insolvency, or other relief for debtors, or seeks or consents to or acquiesces in the appointment of any trustee, receiver, conservator or liquidator of Master Tenant or of all or any substantial part of Master Tenant's properties or Master Tenant's interest in this Agreement; (the term "acquiesce" as used in this Section 20.1.4 includes, without limitation, the failure to file a petition or motion to vacate or discharge any order, judgment or decree within five (5) days after entry of such order, judgment or decree); or a court of competent jurisdiction enters an order, judgment or decree approving a petition filed against Master Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act, or any other present or future applicable federal, state or other statute or law relating to bankruptcy, insolvency or other relief for debtors, and Master Tenant acquiesces in the entry of such order, judgment or decree or such order, judgment or decree remains unvacated and unstayed for an aggregate of one hundred and twenty (120) days (whether or not consecutive) from the date of entry thereof, or any trustee, receiver, conservator or liquidator of Master Tenant or of all or any substantial part of Master Tenant's property or Master Tenant's interest in this Agreement shall be appointed without the consent or acquiescence of Master Tenant and such appointment remains unvacated and unstayed for an aggregate of one hundred and twenty (120) days (whether or not consecutive);

20.1.5 If this Agreement or any estate of Master Tenant hereunder shall be levied upon under any attachment or execution and such attachment or execution is not vacated within one hundred and twenty (120) days;

20.1.6 If Master Tenant or Master Tenant's general partner or manager shall cause or institute any proceeding, or a final and non-appealable court order shall be issued, for the dissolution or termination of Master Tenant or Master Tenant's general partner or manager;

20.1.7 If Master Tenant makes a general assignment for the benefit of creditors or takes any other similar action for the protection or benefit of credits; or

20.1.8 If Master Tenant takes or fails to take any action which is in violation of the Lender Requirements and (i) such violation is not cured within any applicable cure periods under the Permitted Mortgage, and (ii) the obligation secured by any Permitted Mortgage is accelerated by reason thereof.

20.2 In the event of any Default by Master Tenant as hereinabove provided in this Section, Landlord shall have the option to pursue any one or more of the following remedies without any notice (except as otherwise specifically set forth herein) or demand for possession whatsoever: (i) with ten (10) days prior written notice, terminate this Agreement, in which event Master Tenant shall immediately surrender the Project to Landlord; (ii) with ten (10) days prior written notice, terminate Master Tenant's right to occupy and possess the Project and reenter and take possession of the Project (without terminating this Agreement); (iii) enter the Project and do whatever Master Tenant is obligated to do under the terms of this Agreement and Master Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in effecting compliance with Master Tenant's obligations under this Agreement, and Master Tenant further agrees that Landlord shall not be liable for any damages resulting to Master Tenant from such action; (iv) exercise its rights under Section 9.3 of this Agreement; and (v) exercise all other remedies available to Landlord at law or in equity, including, without limitation, injunctive relief of all varieties.

20.2.1 In the event that Landlord elects to terminate this Agreement, then, notwithstanding such termination, Master Tenant shall be liable for and shall pay to Landlord the sum of all Rent accrued to the date of such termination. In the event that Landlord elects to take possession of the Project and terminate Master Tenant's right to occupy the Project without terminating this Agreement, Landlord shall have the right to enforce all its rights and remedies under this Agreement, including the right to recover all Rent as it becomes due under this Agreement. In addition, Master Tenant shall be liable for and shall pay to Landlord on demand, an amount equal to (i) the reasonable and documented out-of-pocket costs of recovering possession of the Project, (ii) the reasonable and documented out-of-pocket costs of removing and storing Master Tenant's and any other occupant's (except for all permitted sublessees) property located therein, (iii) the reasonable and documented out-of-pocket costs of repairs to the Project accruing

only during the period in which Master Tenant occupied the Project, and (iv) the reasonable and documented out-of-pocket costs of collecting any of the foregoing amounts from Master Tenant. Notwithstanding the foregoing, Landlord shall use reasonable efforts to mitigate all damages and costs resulting from any actions taken under this Agreement.

20.2.2 In the event Landlord elects to re-enter or take possession of the Project after Master Tenant's Default, Master Tenant hereby waives notice of such re-entry or repossession and of Landlord's intent to re-enter or retake possession. Landlord may, without prejudice to any other remedy which Landlord may have, expel or remove Master Tenant and any other person who may be occupying said Project or any part thereof (other than any sublessee under a Sublease). All of Landlord's remedies shall be cumulative and not exclusive. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an event of Default shall not be deemed or construed to constitute a waiver of such Default.

20.2.3 This Section shall be enforceable to the maximum extent not prohibited by applicable law, and the unenforceability of any portion thereof shall not thereby render unenforceable any other portion. No act by Landlord or Landlord's agents during the Term of this Agreement shall be deemed an acceptance of an attempted surrender of the Project, and no agreement to accept a surrender of the Project shall be valid unless made in writing and signed by Landlord. No re-entry or taking of possession of the Project by Landlord shall be construed as an election on Landlord's part to terminate this Agreement unless a written notice of such termination is given to Master Tenant.

20.2.4 Damages under this Section 20.2 shall be the following:

(i) the amount of any rent deficiency, to the extent that the payment of rent by the sublessees is deficient to pay the Rent, all reasonable and documented legal expenses and other related reasonable and documented out-of-pocket costs incurred by Landlord following Master Tenant's Default,

(ii) all reasonable and documented out-of-pocket costs incurred by Landlord in restoring the Project to good order and condition; and

(iii) any other damages available to Landlord under applicable law.

20.3 If Landlord shall enter into and repossess the Project by reason of the Default of Master Tenant in the performance of any of the terms, covenants or conditions herein contained, then in that event Master Tenant hereby covenants and agrees that Master Tenant shall not claim the right to redeem or re-enter the Project or restore the operation of this Agreement, and Master Tenant hereby waives any right to such redemption and re-entry under any present or future law, and does hereby further, for any party claiming through or under Master Tenant, expressly waive its right, if any, to make payment of any sum or sums of rent, or otherwise, of which Master Tenant shall have been in Default under any of the covenants of this Agreement, and to claim any subrogation to the rights of Master Tenant under this Agreement, or any of the covenants thereof, by reason of such payment.

20.4 No receipt of monies by Landlord from Master Tenant after the termination or cancellation of this Agreement in any lawful manner shall reinstate, continue or extend the Term of this Agreement, or affect any notice given to Master Tenant, or operate as a waiver of the right of Landlord to enforce the payment of Rent then due, or operate as a waiver of the right of Landlord to recover possession of the Project by proper suit, action, proceeding or remedy: it being agreed that, after the service of notice to terminate or cancel this Agreement, or the commencement of suit, action or summary proceedings, or any other remedy, or after a final order or judgment for the possession of the Project, Landlord may demand, receive and collect any monies due, without in any manner affecting such notice, proceeding, suit, action, order or judgment; and any and all such monies collected shall be deemed to be payment on account of the use and occupation or Master Tenant's liability hereunder.

20.5 The failure of Landlord to insist in any one or more instances upon a strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall not be construed as a waiver of or relinquishment for the future of the performance of such a covenant, or the right to exercise such option, but the same shall continue and remain in full force and effect. The receipt by Landlord of Rent, with knowledge of the breach of

any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision hereof shall be deemed to have been made unless expressed in writing and signed by Landlord.

20.6 All the rights and remedies herein given to Landlord for the recovery of the Project because of the Default by Master Tenant in the payment of any sums which may be payable pursuant to the terms of this Agreement, or the right to re-enter and take possession of the Project upon the happening of any event of Default, or the right to maintain any action for rent or damages and all other rights and remedies allowed at law or in equity, are hereby reserved and conferred upon Landlord as distinct, separate and cumulative rights and remedies, and no one of them, whether exercised by Landlord or not, shall be deemed to be in exclusion of any of the others.

21. Hazardous Substances.

21.1 Master Tenant hereby represents, warrants, covenants and agrees to and with Landlord that all operations or activities upon, or any use or occupancy of the Project, or any portion thereof, by Master Tenant, and any tenant, subtenant or occupant of the Project, or any portion thereof, shall throughout the Term of this Agreement be in all material respects in compliance with all existing and future federal, state and local laws and regulations governing, or in any way relating to the generation, handling, manufacturing, treatment, storage, use, transportation, spillage, leakage, dumping, discharge or disposal of any hazardous or toxic substances, materials or wastes ("Hazardous Substances"), including, but not limited to, those substances, materials, or wastes now or hereafter listed in the United States Department of Transportation Hazardous Materials Table at Section 49 CFR 172.101 or by the Environmental Protection Agency in Section 40 CFR Part 332 and amendments thereto, or such substances, materials or wastes otherwise now or hereafter regulated under any applicable federal, state or local law.

21.2 For the purposes of this Section, "PCB" shall include all substances included under the definition of PCB in 40 CFR Section 761.3. Master Tenant hereby represents, warrants, covenants and agrees to and with Landlord that, to the best of Master Tenant's knowledge, (i) there is not present upon the Project, or any portion thereof, or contained in any transformers or other equipment thereon, any PCB's, and (ii) Master Tenant shall throughout the Term of this Agreement not permit to be present upon the Project, or any portion thereof, or contained in any transformers or other equipment thereon, any PCB's.

21.3 Master Tenant hereby represents, warrants, covenants and agrees to and with Landlord that, to the best of Master Tenant's knowledge and except as disclosed to Landlord prior to the date hereof, (i) there is not present upon the Project, or any portion thereof, any asbestos or any structures, fixtures, equipment or other objects or materials containing asbestos, and (ii) Master Tenant shall throughout the Term of this Agreement not permit to be present upon the Project, or any portion thereof, any asbestos or any structures, fixtures, equipment or other objects or materials containing asbestos.

21.4 Master Tenant agrees to indemnify, protect, defend (with counsel approved by Landlord) and hold Landlord, and the directors, officers, shareholders, partners, members, employees and agents of Landlord, harmless from and against any and all claims (including, without limitation, third party claims for personal injury or real or personal property damage), actions, administrative proceedings (including, without limitation, informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities (including, without limitation, sums paid in settlement of claims), losses, including, without limitation, reasonable attorneys' fees and expenses (including, without limitation, any such fees and expenses incurred in enforcing this Agreement or collecting any sums due hereunder), consultant fees and expert fees, together with all other costs and expenses of any kind or nature (collectively, the "Hazardous Substances Costs") that arise directly or indirectly from or in connection with the presence or release of any Hazardous Substances in or into the air, soil, surface water, groundwater or soil vapor at, on, under, over or within the Project, or any portion thereof from and after the Commencement Date and otherwise during the Term as a result of Master Tenant's gross negligence. In the event Landlord shall suffer or incur any such Hazardous Substances Costs, Master Tenant shall pay to Landlord the total of all such Hazardous Substances Costs suffered or incurred by Landlord upon demand therefor by Landlord. Without limiting the generality of the foregoing, the indemnification provided by this Section shall specifically cover all Hazardous Substances Costs, including, without limitation, capital, operating and maintenance costs, incurred in connection with any investigation or monitoring of site conditions, any clean-up, containment, remedial, removal or restoration work required or performed by any federal, state or local governmental agency or political subdivision or performed by any nongovernmental entity or person because of the presence or release of any Hazardous Substances in or into the air, soil, groundwater, surface water or soil vapor at, on, under,

over or within the Project (or any portion thereof), as well as any claims of third parties for loss or damage due to such Hazardous Substances. In addition, the indemnification provided by this Section shall include, without limitation, all liability, loss and damage sustained by Landlord due to any Hazardous Substances that migrate, flow, percolate, diffuse or in any way move onto, into or under the air, soil, groundwater, surface water or soil vapor at, on, under, over or within the Project (or any portion thereof) after the date of this Agreement, provided, however, that the provisions of this Section shall not apply to Hazardous Substances Costs associated with the release, discharge, disposal, dumping, spilling or leaking onto the Project of Hazardous Substances occurring (i) as a result of the negligence or willful misconduct of any or all of Landlord and its agents, contractors, employees, officers or directors, (ii) at any time when Landlord or its agent is in control, or has taken possession of, the Project or (iii) after the expiration of this Agreement (collectively, "Landlord Environmental Costs"). Landlord agrees to indemnify, protect, defend (with counsel approved by Master Tenant) and hold Master Tenant, and the directors, officers, shareholders, partners, members, employees and agents of Master Tenant, harmless from and against any and all Landlord Environmental Costs.

21.5 In the event any investigation or monitoring of site conditions or any clean-up, containment, restoration, removal or other remedial work (collectively the "Remedial Work") is required under any applicable federal, state or local law or regulation, by any judicial order, or by any governmental entity, Master Tenant shall perform or cause to be performed the Remedial Work in compliance with such law, regulation, order or agreement. All Remedial Work shall be performed by one or more contractors all of whom shall have all necessary licenses and expertise to perform such work. The contractor or contractors (selected by Master Tenant) shall perform the Remedial Work under the supervision of an environmental consulting engineer, selected by Master Tenant and approved in advance in writing by Landlord. All costs and expenses of such Remedial Work shall be paid by Master Tenant to the extent arising during the Term or from facts occurring during the Term or, if otherwise, by Landlord, including, without limitation, the charges of such contractor(s) and/or the environmental consulting engineer (excluding specifically, however, Landlord's attorneys' fees and expenses incurred in connection with monitoring or review of such Remedial Work). In the event Master Tenant shall fail to timely commence, or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Landlord may, but shall not be required to, cause such Remedial Work to be performed, and all costs and expenses thereof, or incurred in connection therewith, shall be Hazardous Substances Costs within the meaning this Section. All such Hazardous Substances Costs shall be due and payable upon demand therefor by Landlord.

21.6 Landlord reserves the right, to be exercised from time to time during the Term of this Agreement, to inspect or cause Landlord's contractors and/or environmental consulting engineers to inspect the Project in order to confirm that no Hazardous Substances are located on, in or under any portion of the Project, provided, however, that Landlord or its contractor or engineer, as applicable, shall have provided evidence of insurance satisfactory to Master Tenant with respect to any actions taken on the Project. The fees and expenses incurred by Landlord with respect to said inspections shall be paid by Landlord. If any Hazardous Substances are discovered by said inspection to be located on, in or under the Project, Master Tenant shall, at Master Tenant's sole cost and expense if they arise during the Term or from facts occurring during the Term or otherwise at Landlord's sole cost and expense, (and in addition to Master Tenant's other obligations and liabilities under this Section): (i) forthwith have all such Hazardous Substances removed from the Project if and to the extent required by applicable laws, ordinances, rules and regulations, (ii) dispose of all Hazardous Substances so required to be removed in accordance with all applicable laws, ordinances, rules and regulations, and (iii) restore the Project, provided, however, that the provisions of this Section shall not apply to release, discharge, disposal, dumping, spilling or leaking onto the Project of Hazardous Substances occurring (i) as a result of the negligence or willful misconduct of any or all of Landlord and its agents, contractors, employees, officers or directors, (ii) at any time when Landlord or its agent is in control, or has taken possession of, the Project or (iii) after the expiration of this Agreement, all of which shall be the responsibility of Landlord. Nothing contained in this Section 21.6 shall be deemed or construed to amend, modify or replace any other obligation of Master Tenant set forth in this Section 21.

21.7 Each of the covenants, agreements, obligations, representations and warranties of Master Tenant set forth in this Section shall survive the expiration or sooner termination of this Agreement.

22. Subordination.

22.1 Master Tenant and Landlord agree that this Agreement shall be subject and subordinate at all times to the terms and conditions and provisions of the Loan Documents and the lien of any Permitted Mortgage. In the event that Lender forecloses on Landlord's interest in the Project or accepts a deed in lieu of foreclosure from Landlord as a result of Landlord's default, then, at Lender's election, this Agreement shall be terminated and Master Tenant shall not be deemed to, or have any right to, attorn to Lender.

22.2 Master Tenant acknowledges and agrees that its leasehold rights created by this Agreement are intended to be subject and subordinate to, and constitute an integral component of, the financing that is secured by a Permitted Mortgage. Master Tenant agrees, in consideration of Landlord's commitment to enter into this Agreement, and the grant of the related rights to Master Tenant hereunder, to execute certain of the Loan Documents comprising, and to subordinate its interest in certain of its assets to the interest of Lender under a Permitted Mortgage. Landlord and Master Tenant agree that Master Tenant shall subordinate its interests in such assets, as described in the applicable Loan Documents, to any of the foreclosure rights held by Lender under a Permitted Mortgage arising in, from and under such Loan Documents, whether or not such foreclosure arises from any default caused by Master Tenant's actions or inactions, it being the express understanding of Landlord and Master Tenant, after due negotiation, to have Master Tenant's interest in such assets subordinated to the rights of Lender under the Permitted Mortgage for all purposes. In furtherance of the foregoing, Master Tenant acknowledges and agrees, and further consents to, the assignment by Landlord of Landlord's interest in and to this Agreement pursuant to the Loan Documents, including the rights of Landlord to enforce the provisions of this Section.

23. General Provisions.

23.1 This Agreement shall not be affected by any laws, ordinances or regulations, whether federal, state, county, city, municipal or otherwise, which may be enacted or become effective from and after the date of this Agreement affecting or regulating or attempting to affect or regulate the Rent herein reserved or continuing in occupancy Master Tenant or any sublessees or assignees of Master Tenant's leasehold interest in the Project beyond the dates of termination of their respective leases, or otherwise.

23.2 Title headings are inserted for convenience only, and do not define or limit, and shall not be used to construe, any Section or section to which they relate.

23.3 The acceptance by Landlord of a check or checks drawn by others than Master Tenant shall in no way affect Master Tenant's liability hereunder nor shall it be deemed an approval of any assignment of this Agreement or any sublease of all or a part of the Project not consented to by Landlord or an approval of Master Tenant not complying with any covenant of this Agreement.

23.4 This Agreement (including the attached Exhibits) contains the entire agreement between the parties regarding the subject matter hereof, and any agreement hereafter made shall not operate to change, modify or discharge this Agreement in whole or in part unless such agreement is in writing and signed by the party sought to be charged therewith.

23.5 Landlord and Master Tenant shall each, without charge, at any time and from time to time, promptly after request by the other party, certify by written instrument, duly executed, acknowledged and delivered, to the other party or any person, firm or corporation specified by the other party:

23.5.1 that this Agreement is unmodified and in full force and effect or, if there have been any modifications, that the same is in full force and effect as modified and stating the modifications;

23.5.2 whether or not there are then existing any set-offs or defenses against the enforcement of any of the agreements, terms, covenants or conditions hereof and any modifications thereof upon the part of Master Tenant to be performed or complied with, and, if so, specifying the same;

23.5.3 the dates, if any, to which the Rent and other charges hereunder have been paid; and

23.5.4 the Rent.

23.6 The term "Landlord" as used in this Agreement means only the party(ies) that have executed this Agreement as Landlord as of the date hereof and their respective successors and assigns including but not limited to any Successor Landlord. So long as this Agreement survives any such transfer and Master Tenant's rights and obligations hereunder are not materially adversely affected (or this Agreement terminated pursuant to Section 3.8), Landlord may, subject to any other restrictions under applicable law or other agreements governing the interests of the owners, including any Permitted Mortgage, sell, exchange, assign, mortgage or otherwise encumber, convey or transfer its fee interest in the Project or some or all of its interest in this Agreement during the term of this Agreement; provided that such assignee shall execute and deliver an instrument providing for an assignment and assumption of this Agreement. Any such successor or assign of Landlord shall be deemed a permitted Successor Landlord.

23.7 Any notice, demand, request or other communication which may be permitted, required or desired to be given in connection herewith shall be given in writing and directed to Landlord and Master Tenant as follows:

Landlord: BR 13202 E. Adam Aircraft Circle, DST
c/o Bluerock Real Estate, L.L.C.
1345 Avenue of the Americas,
32nd Floor, Suite B
New York, NY 10105

Master Tenant: BGR 13202 E. Adam Aircraft Circle Leaseco, LLC
c/o Bluerock Real Estate, L.L.C.
1345 Avenue of the Americas,
32nd Floor, Suite B
New York, NY 10105

Notices shall be deemed properly delivered and received (i) the same day when personally delivered; (ii) one business day after timely deposit for delivery the next business day with Federal Express or another nationally recognized commercial overnight courier, charges prepaid; (iii) the same day when sent by confirmed facsimile; or (iv) three (3) business days after deposit in the United States mail, postage prepaid. Any party may change its address for delivery of notices by properly notifying the others pursuant to this Section. The parties hereto hereby authorize their respective attorneys to give notices on their behalf.

23.8 Master Tenant, upon paying the Rent due hereunder and performing the other terms, provisions and covenants of this Agreement on Master Tenant's part to be performed, shall, and may, at all times during the Term of this Agreement peaceably and quietly have, hold and enjoy the Project, subject to the terms hereof.

23.9 In the event of a merger, consolidation, acquisition, sale or other disposition involving Master Tenant or all or substantially all the assets of Master Tenant to one or more other entities, in addition to the other requirements set forth in this Agreement, the surviving entity or transferee of assets, as the case may be, shall: (i) be formed and existing under the laws of a state, district or commonwealth of the United States of America, and (ii) deliver to Landlord an acknowledged instrument in recordable form assuming all obligations, covenants and responsibilities of Master Tenant under this Agreement and under any instrument executed by Master Tenant relating to the Project or this Agreement.

23.10 This Agreement shall be construed and enforced in accordance with the laws of the State in which the Project is located without regard to any applicable conflicts of laws principles that would require the application of the law of any other jurisdiction and venue with respect to any action to construe or enforce this Agreement shall be laid in the State where the Project is located.

23.11 There shall be no merger of this Agreement or Master Tenant's leasehold estate with the Landlord's fee estate in the Project by reason of the fact that the same person acquires or holds, directly or indirectly, this Agreement of the leasehold estate or any interest therein as well as any of the fee estate in the Project. The initial Landlord and Master Tenant specifically waive and disclaim any merger of the fee and leasehold estates in the Project, it being their intention to hold separate and independent estates in the Project pursuant to this Agreement.

23.12 This Agreement may be executed in two or more counterparts, and all such counterparts shall be deemed to constitute but one and the same instrument.

23.13 Any consent granted by a party under this Agreement shall not constitute a waiver of the requirement for consent in subsequent cases. Where Landlord's consent is required, Master Tenant shall be required to obtain further consent in each subsequent instance as if no consent had been given previously.

23.14 Except as otherwise provided herein in the event of any action or proceeding at law or in equity between Landlord and Master Tenant including, without limitation, an action or proceeding between Landlord and the trustee or debtor in a proceeding under the Bankruptcy Code to enforce any provision of this Agreement or to protect or establish any right or remedy of either Landlord or Master Tenant hereunder, the unsuccessful party to such action or proceeding shall pay to the prevailing party all costs and expenses, including, without limitation, reasonable attorneys' fees and expenses, incurred in such action or proceeding and in any appeal in connection therewith by such prevailing party, whether or not such action, proceeding or appeal is prosecuted to judgment or other final determination, together with all costs of enforcement and/or collection or any judgment or other relief. The term "prevailing party" shall include, without limitation, a party who obtains legal counsel or brings an action against the other by reason of the other's breach or default and obtains substantially the relief sought, whether by compromise, settlement or judgment. If such prevailing party shall recover judgment in any such action, proceeding or appeal, such costs, expenses and attorneys' fees and expenses shall be included in and as a part of such judgment, together with all costs of enforcement and/or collection of any judgment or other relief.

23.15 Each provision of this Agreement shall be separate and independent and the breach of any provision by Landlord shall not discharge or relieve Master Tenant from any of Master Tenant's obligations, except to the extent Master Tenant has duly performed any such obligations of Master Tenant. Each provision shall be valid and shall be enforceable to the extent not prohibited by law. If any provision or its application to any persons or circumstance shall be invalid or unenforceable, the remaining provisions, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected. Subject to Section 23.6, all provisions contained in this Agreement shall be binding upon, inure to the benefit of, and shall be enforceable by the successors and assigns of Landlord to the same extent as if each such successor and assign were named as a party to this Agreement. Subject to Section 19, all provisions contained in this Agreement shall be binding upon the successors and assigns of Master Tenant and shall inure to the benefit of and be enforceable by the successors and assigns of Master Tenant, in each case to the same extent as if each such successor and assign were named as a party.

23.16 The relationship of the parties to this Agreement is landlord and tenant. Landlord is not a partner or joint venturer with Master Tenant in any respect or for any purpose in the conduct of Master Tenant's business or otherwise.

23.17 It is expressly agreed that this Agreement shall not be recorded in any public office, however, at Master Tenant's or Landlord's option, simultaneously with the execution of this Agreement, the parties shall execute and acknowledge a memorandum of this Agreement (together with any affidavit or other instrument required in connection therewith) which shall be recorded. Within ten (10) days following the expiration or sooner termination of this Agreement, Master Tenant shall execute and deliver to Landlord an instrument, in recordable form, confirming the termination of this Agreement which instrument, at Landlord's option, may be placed of record in the real estate title records in the county in which the Project are located and the cost of recording such instrument shall be shared equally by Landlord and Master Tenant. Master Tenant's obligations under the immediately preceding sentence hereof shall survive the expiration or sooner termination of this Agreement.

23.18 Each person executing this Agreement on behalf of Landlord does hereby represent and warrant that: (a) Landlord is duly organized and in good standing in the State of its organization and, if different, qualified to do business and in good standing in the State in which the Project is located, (b) Landlord has full lawful right and authority to enter into this Agreement and to perform all its obligations hereunder, and (c) each person (and all of the persons if more than one signs) signing this Agreement on behalf of Landlord is duly and validly authorized to do so. Master Tenant may, upon any failure by Landlord, pay directly to the applicable governmental authorities, any recurring organizational expenses and complete any recurring organizational filings, for and on behalf of Landlord which are necessary to maintain the organizational existence of Landlord.

23.19 Each person executing this Agreement on behalf of Master Tenant does hereby represent and warrant that: (a) Master Tenant is duly organized and in good standing in the State of its organization and, if different, qualified to do business and in good standing in the State in which the Project is located, (b) Master Tenant has full lawful right and authority to enter into this Agreement and to perform all of its obligations hereunder, and (c) each person signing this Agreement on behalf of Master Tenant is duly and validly authorized to do so.

23.20 Except with respect to a default or breach under Section 23.6, Master Tenant shall look solely to Landlord's interest in the Project (including any proceeds from the sale thereof and all insurance proceeds and condemnation awards relating thereto) for the recovery of any judgment against Landlord on account of Landlord's breach of any of Landlord's covenants or obligations under this Agreement. Except with respect to a default or breach under Section 23.6, Landlord, and the directors, officers, trustees, partners, members, owners, employees and agents of Landlord, shall never have any personal liability for any breach of any covenant or obligation of Landlord under this Agreement and no recourse shall be had or be enforceable against the assets of Landlord other than the interest of Landlord in the Project (including any proceeds from any sale or transfer thereof and all insurance proceeds and condemnation awards relating thereto) for payment of any sums due to Master Tenant or enforcement of any other relief based upon any claim made by Master Tenant for breach of any of Landlord's covenants or obligations under this Agreement. Master Tenant's right to recover for a breach or default under Section 23.6 shall not be limited or restricted in any way and, with respect to any such breach or default under Section 23.6, Master Tenant shall have the right to pursue any and all remedies available to Master Tenant against Landlord or its members and managers.

23.21 At least as frequently as at the end of each calendar quarter during the Term of this Agreement, Master Tenant shall deliver to Landlord, (i) an operating statement with respect to the Project for such quarter, (ii) a rent roll as of the last day of such quarter setting forth each Sublease of the Project, the rent payable under each such Sublease and the expiration date of each such Sublease, and (iii) a report describing any structural alterations that have been made to the Project during such quarter. Master Tenant shall also provide to Landlord such other reports with respect to the Project as may be required under any Permitted Mortgage. Landlord agrees that any information provided to it pursuant to this Section shall remain confidential and shall not, except as otherwise required by applicable law or judicial order, be disclosed to anyone except (i) Landlord's employees, attorneys and financial consultants (ii) any potential purchasers of the Project, (iii) any potential lender associated with any possible refinancing of the loan secured by a Permitted Mortgage, and (iv) to the extent required under a Permitted Mortgage, to the holder of the Permitted Mortgage.

24. Indemnification by Master Tenant.

24.1 Master Tenant shall indemnify, defend and hold Landlord and its shareholders, officers, directors and employees harmless from any and all claims, demands, causes of action, losses, damages, fines, penalties, liabilities, costs and expenses, including reasonable attorneys' fees and court costs, sustained or incurred by or asserted against Landlord by reason of the acts of Master Tenant which arise out of the gross negligence, willful misconduct or fraud of Master Tenant, its agents or employees or Master Tenant's breach of this Agreement. If any person or entity makes a claim or institutes a suit against Landlord on a matter for which Landlord claims the benefit of the foregoing indemnification, then (a) Landlord shall give Master Tenant prompt notice thereof in writing; (b) Master Tenant may defend such a claim or action by counsel of its own choosing provided such counsel is reasonably satisfactory to Landlord; and (c) neither Landlord nor Master Tenant shall settle any claim without the other's written consent.

24.2 Master Tenant acknowledges that Landlord may enter into Loan Documents, which may include provisions for personal liability for Landlord on certain "nonrecourse carve-outs." Master Tenant hereby agrees that to the extent that Landlord is required to make payments on such indemnification as a direct result of (i) Master Tenant's fraud, willful misconduct or misappropriation, (ii) Master Tenant's commission of a criminal act, (iii) the misapplication by Master Tenant of any funds derived from the Project received by Master Tenant, including any failure to apply such proceeds in accordance with Lender Requirements, or (iv) damage or destruction to the Project caused by acts of Master Tenant that are grossly negligent, Master Tenant will indemnify Landlord for any such liability that was caused by such actions.

25. Jurisdiction and Venue. Each party consents to the exclusive jurisdiction of the Federal and state courts for which the Project is situated in connection with any action arising out of or based on this Agreement and the transactions contemplated by this Agreement.

26. Waiver of Jury Trial. Landlord and Master Tenant hereby each waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Agreement, the relationship of Landlord and Master Tenant, Master Tenant's use or occupancy of said Project, or any claim or injury or damage (to the extent such waiver is enforceable by law in such circumstance), and any emergency statutory or any other statutory remedy.

27. Easements; Estoppels; Attornment.

27.1 Master Tenant agrees that Landlord shall have the right, at one or more times during the Term to grant public utility easements, over, under or across the Project; provided, however, that such grants do not unreasonably interfere with Master Tenant's development or use of the Project, such easements are located in the landscaped area of the Project and are at no additional cost or expense to Master Tenant. The parties shall mutually cooperate in fixing the exact location in the future of such items.

27.1.1 Estoppel Certificates. Master Tenant agrees that within twenty (20) days after request by Landlord, to execute, acknowledge and deliver to and in favor of any proposed Lender or purchaser of the Project, an estoppel certificate stating: (i) whether this Agreement is in full force and effect; (ii) whether this Agreement has been modified or amended and, if so, identifying and describing any such modification or amendment; (iii) the commencement and expiration dates of this Agreement; (iv) whether Master Tenant is in possession of the Project and open and operating the Project; (v) the date to which rent and any other charges have been paid; (vi) whether Master Tenant or any guarantor of this lease is presently the subject of any proceeding pursuant to the United States Bankruptcy Code of 1978, as amended; (vii) whether such party knows of any default on the part of the other party or has any claim against the other party and, if so, specifying the nature of such default or claim; (viii) whether Master Tenant is entitled to any credits, reductions, offsets, defenses, free rent, rent concessions or abatements of rent under this lease or otherwise against the payment of rent or other charges under this Agreement; and (ix) any other reasonable information that may be required in the estoppel.

27.1.2 Attornment by Master Tenant. Master Tenant shall, in the event any proceedings are brought for the foreclosure of, or in the event of the exercise of the power of sale under, any Permitted Mortgage prior in lien to this Agreement made by Landlord, attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as Landlord under this Agreement, provided such purchaser assumes in writing Landlord's obligations under this Agreement, subject to the terms of any nondisturbance agreement between Master Tenant and the holders of the Permitted Mortgage.

28. Coordination with Loan Documents. In the event of conflict, this Agreement shall be subordinate to the terms and conditions set forth in the Loan Documents relating to Master Tenant. Notwithstanding anything to the contrary in this Agreement, Master Tenant shall comply with the representations, warranties, covenants and other requirements of the Loan Documents relating to Master Tenant, as set forth in the Loan Documents.

29. Time is of the essence. Time is of the essence for each and every provision of this Agreement.

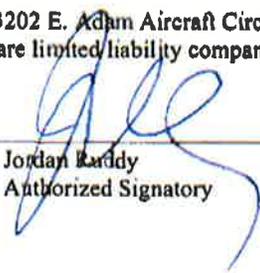
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Landlord and Master Tenant have hereunto set their respective hands the day and year first above written.

MASTER TENANT:

BIGR 13202 E. Adam Aircraft Circle Leaseco, LLC, a Delaware limited liability company

By: BGR 13202 E. Adam Aircraft Circle Leaseco Manager, LLC, a Delaware limited liability company, its Manager

By: 
Name: Jordan Ruddy
Title: Authorized Signatory

LANDLORD:

BR 13202 E. Adam Aircraft Circle, DST, a Delaware Statutory Trust

By: BR Diversified Industrial Portfolio I DST Manager, LLC, a Delaware limited liability company, its Manager

By: 
Name: Jordan Ruddy
Title: Authorized Signatory

EXHIBIT A – Adam Aircraft

RENT

<u>Lease Period</u>	<u>Base Rent</u>	<u> </u>
Year 1	\$748,134	
Year 2	\$751,140	
Year 3	\$756,409	
Year 4	\$762,915	
Year 5	\$807,532	
Year 6	\$838,305	
Year 7	\$828,696	
Year 8	\$927,691	
Year 9	\$944,200	
Year 10	\$957,878	

EXHIBIT B

LAND – LEGAL DESCRIPTION

Lot 1, Block 1 and Tract A, Dove Valley Business Park Subdivision Filing No. 16, according to the plat thereof recorded May 4, 2001 Under reception N O. B1068881, Plat Book 197 At Page 21, County of Arapahoe, State of Colorado.

FIRST AMENDMENT TO THE MASTER LEASE AGREEMENT

This **FIRST AMENDMENT TO THE MASTER LEASE AGREEMENT** (this “Amendment”) is made and entered into as of August 10, 2022 (the “Amendment Date”) by and between BR 13202 E. Adam Aircraft Circle, DST, a Delaware statutory trust (“Landlord”) and BGR 13202 E. Adam Aircraft Circle Leaseco, LLC, a Delaware limited liability company (“Master Tenant”).

BACKGROUND INFORMATION:

WHEREAS, the Landlord and Master Tenant entered into that certain Master Lease Agreement dated as of June 29, 2022 (the “Master Lease Agreement”);

WHEREAS, pursuant to the Master Lease Agreement, Landlord leased to Master Tenant and Master Tenant leased from Landlord subject to the terms set forth in the Master Lease Agreement, the Project together with all Improvements, all appurtenances pertaining to the Project and all rights of ingress and egress; and

WHEREAS, the Landlord and Master Tenant desire to amend the Master Lease Agreement to incorporate the terms contained herein.

NOW, THEREFORE, the parties do hereby agree as follows:

1. Base Term. The definition of “Base Term” shall be deleted in its entirety and replaced with the following:

“Base Term” means a term beginning on the Commencement Date and expiring on June 30, 2032.

2. Supplemental Trust Reserve. Section 6.4(b) shall be deleted in its entirety and replaced with the following:

(b) The Parent Trust shall establish a “Supplemental Trust Reserve” in part, for the benefit of Landlord and the Project to pay for Landlord Costs and other Project costs, expenses, and fees, including but not limited to repairs and renovations and the Property Management Fee. Master Tenant may draw upon these reserves to satisfy Landlord Costs, and for other Project costs and expenses including without limitation the payment of the Property Management Fee. Parent Trust shall fund the Supplemental Trust Reserve from the funds raised in the private placement offering of DST interests in the Parent Trust, in an amount not to exceed \$2,500,000 if the maximum amount of DST interests is sold. All funds held in such Supplemental Trust Reserve shall belong to the Parent Trust and to the extent that any funds remain upon termination of this Agreement and, subject to any contrary terms of any Loan Documents, such funds shall remain the property of the Parent Trust.

3. Exhibit A. Exhibit A shall be deleted in its entirety and replaced with the exhibit attached hereto as Exhibit A.

4. Miscellaneous.

(b) The parties may execute this Amendment in any number of multiple counterparts, each of which is to be deemed an original and all of which taken together constitute a single agreement. The parties further agree that signatures transmitted by facsimile or electronic mail shall be taken as originals.

(c) All of the provisions of this Amendment and of the Master Lease Agreement are in all respects (including, but not limited to, all matters of construction, interpretation, performance, breach, and the consequences of breach) to be governed by and construed in accordance with the internal, substantive laws, without regard to any rules or principles concerning any conflicts of laws, of the State of Delaware.

(d) The provisions of this Amendment supersede any and all other communications among the parties concerning the subject matter hereof, and constitutes the sole and entire agreement among the parties with respect to such subject matter.

(e) In the event of any inconsistency between the Master Lease Agreement and this Amendment, the terms of this Amendment shall control. Except as otherwise modified herein, all terms and conditions in the Master Lease Agreement shall remain in full force and effect.

(f) Capitalized terms used but not defined herein shall have the respective meanings assigned in the Master Lease Agreement.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

MASTER TENANT:

BIGR 13202 E. Adam Aircraft Circle Leaseco, LLC, a Delaware limited liability company

By: **BIGR 13202 E. Adam Aircraft Circle Leaseco
Manager, LLC.
a Delaware limited liability company, its manager**

By: 
Name: Jordan Ruddy
Title: Authorized Signatory

LANDLORD:

BR 13202 E. Adam Aircraft Circle, DST, a Delaware Statutory Trust

By: **BR Diversified Industrial Portfolio I DST Manager, LLC,
a Delaware limited liability company, its manager**

By: 
Name: Jordan Ruddy
Title: Authorized Signatory

EXHIBIT A

RENT

<u>Lease Period</u>	<u>Base Rent</u>
Year 1	\$597,165
Year 2	\$611,813
Year 3	\$621,340
Year 4	\$623,680
Year 5	\$627,189
Year 6	\$658,282
Year 7	\$666,088
Year 8	\$692,035
Year 9	\$697,035
Year 10	\$726,160

EXHIBIT B
TRUST AGREEMENTS

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SECOND AMENDED AND RESTATED TRUST AGREEMENT

OF

BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST, A DELAWARE STATUTORY TRUST

DATED AS OF

AUGUST 10, 2022

BY AND AMONG

BR DIVERSIFIED INDUSTRIAL PORTFOLIO I INVESTMENT CO, LLC

AS DEPOSITOR

BR DIVERSIFIED INDUSTRIAL PORTFOLIO I DST MANAGER, LLC,

AS MANAGER

AND

DELAWARE TRUST COMPANY,

AS TRUSTEE

**SECOND AMENDED AND RESTATED TRUST AGREEMENT
OF
BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST,
A DELAWARE STATUTORY TRUST**

This SECOND AMENDED AND RESTATED TRUST AGREEMENT, dated as of August 10, 2022 (as the same may be amended or supplemented from time to time, this “Trust Agreement”), is made by and among BR Diversified Industrial Portfolio I Investment Co, LLC (the “Depositor”), BR Diversified Industrial Portfolio I DST Manager, LLC, as manager (the “Manager”), and Delaware Trust Company (“DTC”), as trustee (the “Trustee”).

RECITALS

A. The Depositor and DTC have heretofore formed BR Diversified Industrial Portfolio I, DST as a Delaware statutory trust (the “Trust”) in accordance with Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. §3801, *et seq.* (the “Statutory Trust Act”) by filing that certain certificate of trust (the “Certificate of Trust”) with the Secretary of State of the State of Delaware on May 23, 2022.

B. The Depositor and DTC entered into that certain Trust Agreement of the Trust dated May 23, 2022 (the “Original Trust Agreement”), and the Depositor, DTC, and the Manager entered into that certain Amended and Restated Trust Agreement of the Trust dated June 15, 2022 (the “A&R Trust Agreement”).

C. The Depositor, DTC, and the Manager desire to enter into this Trust Agreement to amend and restate in their entirety both the Original Trust Agreement and the A&R Trust Agreement.

D. The Trust holds, or will in the future hold the following: (1) 100% of the beneficial interests in BR 3020 Tucker Street, DST (“DST #1”), (2) 100% of the beneficial interests in BR 2016 Cornatzer Road, DST, a Delaware statutory trust (“DST #2”), (3) 100% of the beneficial interests in BR 13202 E. Adam Aircraft Circle, DST, a Delaware statutory trust (“DST #3”), (4) 100% of the beneficial interests in BR 6015 Enterprise Park Drive, DST, a Delaware statutory trust (“DST #4”), and (5) 100% of the beneficial interests in BR 6056 Enterprise Park Drive, DST, a Delaware statutory trust (“DST #5”, together with DST #1, DST #2, DST #3, and DST #4, the “Operating DSTs”).

E. As of the Effective Date (as hereinafter defined), the Depositor is the sole Beneficial Owner (as hereinafter defined) of the Trust as evidenced by the Depositor’s ownership of 100% of the Class 2 Beneficial Interests (as hereinafter defined).

F. It is anticipated that after the issuance of the Conversion Notice (as hereinafter defined), certain Persons (as hereinafter defined) will acquire Class 1 Beneficial Interests (as hereinafter defined) in the Trust, as evidenced by newly-issued Class 1 Beneficial Ownership Certificates (as hereinafter defined) or otherwise, in exchange for payment of money to the Trust and become Class 1 Beneficial Owners (as hereinafter defined) in accordance with the provisions of this Trust Agreement, which money will be distributed to the Depositor in whole or partial redemption of the Beneficial Interest held by the Depositor.

G. The Trust has retained BR Diversified Industrial Portfolio I DST Manager, LLC as the Manager of the Trust to undertake certain actions and perform certain duties that would otherwise be performed by the Trust.

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

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

Section 1.1 **Definitions.** Capitalized terms used in this Trust Agreement shall have the meanings as set forth below. Capitalized terms not otherwise defined have the meanings set forth in the Loan Agreement.

“A&R Trust Agreement” has the meaning given such term in the Recitals.

“Affiliate” means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control,” when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract, or otherwise; and the terms “controlling” and “controlled” shall have meanings correlative to the foregoing.

“Beneficial Interest” means a beneficial interest in the Trust, as such term is used in the Statutory Trust Act, all of which interests shall be either Class 1 Beneficial Interests or Class 2 Beneficial Interests. Notwithstanding anything set forth herein or in the Statutory Trust Act to the contrary, the lien, if any, granted to the Bridge Lender (or the exercise of remedies by Bridge Lender of such lien) by Depositor with respect to the cash proceeds of the Class 2 Beneficial Interests of the Trust shall not constitute a “Beneficial Interest”.

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

“Beneficial Ownership Certificate” means a certificate, stating whether it is a Class 1 Beneficial Ownership Certificate or a Class 2 Beneficial Ownership Certificate, in substantially the form of Exhibit B-1 or Exhibit B-2, respectively, evidencing a Beneficial Interest in the Trust.

“Bridge Financing” shall have the meaning as described in Section 6.14.

“Bridge Lender” means KeyBank National Association, together with its successors and assigns.

“Bridge Loan” means that certain bridge loan from Bridge Lender to Bluerock Real Estate Holdings, LLC, and guaranteed on a limited recourse basis by Depositor in the aggregate amount of up to \$70,050,000, and entered into for purposes that include the Operating DSTs’ acquisition of the Real Estate and the Depositor’s capitalization of the Trust.

“Bridge Loan Agreement” means that certain Credit Agreement dated as of February 9, 2021, as amended by that certain First Credit Agreement Supplement and Amendment dated as of May 6, 2021, the Second Credit Agreement Supplement and Amendment dated as of June 30, 2021, the Third Credit Agreement Supplement and Amendment dated as of October 15, 2021, the Fourth Credit Agreement Supplement and Amendment dated as of October 22, 2021, the Fifth Credit Agreement Supplement and Amendment dated January 13, 2022, the Sixth Amendment to Credit Agreement dated as of June 15, 2022, and the Seventh Amendment to Credit Agreement dated on or about the date hereof (as may be further amended, restated and/or modified from time to time), by and between Bluerock Real Estate Holdings, LLC and Bridge Lender.

“Bridge Return” shall have the meaning as described in Section 6.14.

“Business Day” is any day other than on Saturday, Sunday or legal holiday in the State of Delaware.

“Call-Option Fee” has the meaning given to such term in Section 10.1.

“Cash Amount” has the meaning given to such term in Section 10.2.

“Cash Investor” has the meaning given to such term in Section 10.2.

“Cash Redemption Cap” has the meaning given to such term in Section 10.2.

“Cash Redemption Fee” has the meaning given to such term in Section 10.2.

“Certificate of Trust” means the certificate of trust of the Trust, a copy of which is attached as Exhibit C.

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

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

“Class 1 Beneficial Owners” means the Investors.

“Class 2 Beneficial Owner” means the Depositor and any permitted assignee of the Class 2 Beneficial Interest.

“Class 1 Beneficial Ownership Certificates” means the Beneficial Ownership Certificates issued to the Investors.

“Class 2 Beneficial Ownership Certificate” means the Beneficial Ownership Certificate issued to the Depositor and any permitted assignee of the Class 2 Beneficial Interest, and if, at any time, the Class 2 Beneficial Interest is held by more than one Person, such term in the plural shall mean the Beneficial Ownership Certificates issued to such Persons.

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

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

“Contributing Investor” has the meaning given to such term in Section 10.1.

“Conversion Notice” means the notice, in substantially the form of Exhibit G, issued by the Depositor to the Trustee and the Manager stating that the provisions of Section 3.3(c) shall become effective upon receipt of the notice by the Trustee.

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

“Disposition Fee” has the meaning given to such term in Section 9.4.

“DST #1” has the meaning given to such term in the Recitals.

“DST #2” has the meaning given to such term in the Recitals.

“DST #3” has the meaning given to such term in the Recitals.

“DST #4” has the meaning given to such term in the Recitals.

“DST #5” has the meaning given to such term in the Recitals.

“DST Depositor Blocked Account” has the meaning given to such term in the Bridge Loan Agreement.

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

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

“Exchange FMV” has the meaning given to such term in Section 10.4.

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

“Financing Documents” means the First Mortgage Loan Documents and any other documents or agreements contemplated by any of the foregoing or otherwise required by Lender.

“First Mortgage” means the first-priority Mortgage securing the First Mortgage Loan.

“First Mortgage Loan” means the Lender’s mortgage loan, secured by the First Mortgage and the First Mortgage Loan Documents.

“First Mortgage Loan Documents” means, in connection with the First Mortgage Loan, the First Mortgage and all related assignment of leases and rents, and the other security instruments in or related to the Real Estate.

“FMV Option” has the meaning given to such term in Section 10.1.

“FMV Option Appraised Value of the Property” has the meaning given to such term in Section 10.4.

“Investors” means the original purchasers of Class 1 Beneficial Interests in the Trust and any permitted assignees of such Class 1 Beneficial Interests.

“Leases” means any leases relating to the Real Estate.

“Lender” means, with respect to each Operating DST, KeyBank National Association, together with its successors, assigns and transferees.

“Loan” means, collectively, all debt obligations to the Lender as evidenced and secured by the Financing Documents to each of the Operating DSTs with respect to the Real Estate.

“Loan Documents” mean any and all documents evidencing the Loan or any assumptions thereof including, without limitation, any loan agreement or promissory note.

“Manager” means the Person serving, at the time of determination, as the manager under this Trust Agreement. As of the Effective Date, the Manager is BR Diversified Industrial Portfolio I DST Manager, LLC.

“Manager Covered Expenses” has the meaning given to such term in Section 5.4.

“Manager Indemnified Persons” has the meaning given to such term in Section 5.4.

“Memorandum” means any Confidential Private Placement Memorandum (as supplemented and amended from time to time), through which the Class 1 Beneficial Interests are being syndicated to accredited investors.

“Mortgage” means any mortgage and security agreement or deed of trust and security agreement, as the case may be, encumbering the Real Estate as security for the Loan.

“Net Proceeds” has the meaning given to such term in Section 6.14.

“Notice of Exchange” has the meaning given to such term in Section 10.1.

“OP” means Bluerock Industrial Holdings, LP, a Delaware limited partnership.

“OP Units” has the meaning given to such term in Section 10.1.

“Operating DSTs” have the meaning given to such term in the Recitals.

“Original Trust Agreement” has the meaning given such term in the Recitals.

“Ownership Records” means the records maintained by the Manager, substantially in the form of Exhibit D, indicating from time to time the name, mailing address, and Percentage Share of each Beneficial Owner, which records shall initially indicate the Depositor as the sole Beneficial Owner and shall be revised by the Manager contemporaneously to reflect the issuance of Beneficial Interests and Beneficial Ownership Certificates in accordance with this Trust Agreement, changes in mailing addresses, or other changes.

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

“Permitted Investment” has the meaning set forth in Section 7.2.

“Permitted Transfer” means the transfer of a Class 1 Beneficial Interest (i) by devise, descent or by operation of law upon the death of a Class 1 Beneficial Owner or the member, partner, or stockholder of a Class 1 Beneficial Owner or (ii) for estate planning purposes primarily for the benefit of such Beneficial Owner.

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

“Priority Equity Contribution” means an amount up to a maximum amount of 37,468,185.14 which shall be contributed over time by the Depositor to the Trust in connection with the Depositor’s initial acquisition of the Class 2 Beneficial Interests as the Real Estate is acquired, which amount may be reduced via distributions and redemptions to and from the Depositor from time to time after repayment of the Bridge Financing.

“Property” means, depending on context, each, or more than one, or all of the tracts of real property (and appurtenances) owned by each or all of the Operating DSTs.

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

“Real Estate” shall mean, individually or collectively as context requires, each Property and its improvements owned by the Operating DSTs.

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

“Reserves” has the meaning given to such term in Section 7.2 and includes, without limitation, the Supplemental Trust Reserve, the Capital Expenditure Reserve and Lease Reserves (as defined in the Loan Documents), and any other reserve or escrow account required by Lender under the Financing Documents or by the Trust as elsewhere provided herein.

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

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

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

“Springing LLC” has the meaning given to such term in Section 9.2.

“Sponsor” means BGR Exchange TRS, LLC, a wholly owned “taxable real estate investment trust subsidiary” of the OP.

“Statutory Trust Act” has the meaning given to such term in the Recitals.

“Supplemental Trust Reserve” shall have the meaning given such term in Section 6.14.

“Tax Protection Agreement” has the meaning given to such term in Section 10.3.

“Transaction Documents” means the Trust Agreement, the Purchase Agreement, the Leases and the Financing Documents and the documents evidencing the Bridge Loan, together with any other documents to be executed in furtherance of the investment activities of the Trust.

“Transfer Distribution” has the meaning given to such term in Section 9.2.

“Triggering Event” has the meaning given to such term in Section 10.3.

“Trust” means BR Diversified Industrial Portfolio I, DST, a Delaware statutory trust continued by and in accordance with, and governed by, this Trust Agreement.

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

“Trust Estate” means all right, title and interest of the Trust in any property or assets (whether tangible or intangible) contributed to the Trust by the Depositor or otherwise owned by the Trust, including the beneficial interests in the Operating DSTs.

“Trustee” means the Person serving, at the time of determination, as the trustee under this Trust Agreement, in such Person’s capacity as Trustee and not in such Person’s individual capacity. As of the Effective Date, the Person serving as Trustee is DTC.

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

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

ARTICLE 2 GENERAL MATTERS

Section 2.1 Organizational Matters.

(a) DTC is hereby appointed as the Trustee, and DTC hereby accepts such appointment, pursuant and subject to this Trust Agreement.

(b) The filing of the Certificate of Trust has been duly made at the office of the Secretary of State of the State of Delaware (the “Secretary of State”), and the Trustee is hereby authorized to execute and file in the office of the Secretary of State such other certificates as may from time to time be required under the Statutory Trust Act or any other Delaware law.

(c) The name of the Trust is “BR Diversified Industrial Portfolio I, DST”. The Manager shall have full power and authority, and is hereby authorized, to conduct the activities of the Trust, execute and deliver all documents (including, without limitation, the Transaction Documents to which the Trust is or becomes a party from time to time) for or on behalf of the Trust, and cause the Trust to sue or be sued under its name. Any reference to the Trust shall be a reference to the statutory trust formed pursuant to the Certificate of Trust and this Trust Agreement and not to the Trustee or the Manager individually or to the officers, agents or employees of the Trust, the Trustee, or the Manager.

(d) The principal office of the Trust, and such additional offices as the Manager may determine to establish, shall be located at such places inside or outside of the State of Delaware as the Manager shall designate from time to time. As of the Effective Date, the principal office of the Trust is located at 1345 Avenue of the Americas, 32nd Floor, Suite B, New York, NY 10105.

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

(f) Depositor, DTC and the Manager hereby acknowledge and agree to the amendment and restatement of both the Original Trust Agreement and the A&R Trust Agreement in their entirety pursuant to the terms of this Trust Agreement.

Section 2.2 Declaration of Trust and Statement of Intent.

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

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

Section 2.3 Purposes. The purposes of the Trust are, and the Trust has all requisite power, authority and authorization to engage in, the following activities: (i) to own the Beneficial Interests in the Operating DSTs; (ii) to conserve and protect the Trust Estate and to hold the Trust Estate for investment purposes; and (iii) to take only such other actions as the Manager deems necessary or appropriate to carry out the foregoing. Neither the Trustee, the Manager, Investors or Beneficial Owners, nor any of their agents, shall provide services: (a) that are not “customary services” within the meaning of Revenue Ruling 75-374, 1975-2 C.B. 261; (b) the payment for which would not qualify as “rents from real property” within the meaning of Code Section 512(b)(3)(A)(i) and the Regulations thereunder; or (c) the payment for which would not qualify as “rents from real property” within the meaning of Code Sections 856(c)(2)(C) and 856(c)(3)(A) and the Regulations thereunder. The Trust shall conduct no business other than as specifically set forth in this Section 2.3.

ARTICLE 3
PROVISIONS RELATING TO TAX TREATMENT

Section 3.1 Article 3 Supersedes All Other Provisions of this Trust Agreement. This Article 3 contains certain provisions intended to achieve the desired treatment of the Trust and Beneficial Interests for United States federal income tax purposes. To the extent of any inconsistency between this Article 3 and any other provision of this Trust Agreement, this Article 3 shall supersede and be controlling; provided, for the avoidance of doubt, that nothing in this Article 3 or elsewhere in this Trust Agreement shall limit or impair the Trust’s power, authority and authorization (or limit or impair the Manager’s power, authority and authorization to cause the Trust) to enter into, execute, deliver, and perform its obligations under, the Transaction Documents to which it is or becomes a party from time to time, and to do so without the need for the consent or approval of any Beneficial Owner or other Person, and further provided that the requirements of this Article 3 shall be enforceable to the maximum extent permissible under the Statutory Trust Act.

Section 3.2 [Intentionally Omitted]

Section 3.3 Provisions Relating to Tax Treatment.

(a) Prior to the issuance of the Conversion Notice, the sole Beneficial Owner of the Trust shall be the Depositor. The rights of the Depositor (as the Class 2 Beneficial Owner) with respect to the assets and property held by the Trust, as provided in Section 6.11 hereof, are such that the Trust will be characterized at such time as a “business entity” within the meaning of Regulations Section 301.7701-3. Because the Depositor will be the sole Beneficial Owner, prior to the Conversion Notice, the Trust will be characterized as a disregarded entity, and all assets and property of the Trust shall be treated for Federal income tax purposes as assets and property of the Depositor.

(b) Upon the issuance of the Conversion Notice, the special rights of the Depositor (as the Class 2 Beneficial Owner) set forth in Section 6.11 will terminate, as set forth in Section 6.12, and the Depositor will have the same rights as any Class 1 Beneficial Owner.

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

- (1) sell, transfer or exchange the Trust Estate except as required under Article 9;
- (2) reinvest any monies of the Trust, except to make modifications or repairs to the Real Estate permitted hereunder or in accordance with Section 7.2;
- (3) renegotiate the terms of the Loan or enter into new financing, except in the case of a lessee’s bankruptcy or insolvency;
- (4) renegotiate Leases or enter into new leases, except in the case of a lessee’s bankruptcy or insolvency;
- (5) make modifications to the Real Estate via the Operating DSTs (other than minor non-structural modifications) unless required by law;
- (6) accept any capital from a Beneficial Owner (other than capital from an Investor that will be (i) used to pay expenses of the offer and sale of the Class 1 Beneficial Interests, (ii) used to fund Reserves, or (iii) distributed to the Depositor and reduce the Depositor’s Percentage Share); or
- (7) take any other action which would in the reasoned opinion of tax counsel to the Trust should cause the Trust to be treated as a business entity for federal income tax purposes if the effect would be that such action or actions would constitute a power under the Trust Agreement to “vary the investment of the certificate holders” under Regulations Section 301.7701-4(c)(1) and Rev. Rul. 2004-86.

The Trust shall hold the Trust Estate for investment purposes. The activities of the Trust with respect to the Trust Estate shall be limited to the activities which are customary services in connection with the holding of the Trust Estate and none of the Trustee, Beneficial Owners, the Manager or their agents shall provide non-customary services, as such term is defined in Code Sections 512 and 856 and Rev. Rul. 75-374, 1975-2 C.B. 261. The Trust shall conduct no business other than as specifically set forth in this Section 3.3. Without limiting the generality of the foregoing, upon and after issuance of the Conversion Notice, (i) none of the Trustee, the Manager, the Beneficial Owners and the Trust shall have any power or authority to undertake any actions that are not permitted to be undertaken by an entity that is treated as a “trust” within the meaning of Regulations Section 301.7701-4 and not treated as a “business entity” within the meaning of Regulations Section 301.7701-3, and (ii) this Trust Agreement shall be interpreted and enforced so as to be in compliance with the requirements of Rev. Rul. 2004-86, 2004-33 I.R.B. 191.

For Federal income tax purposes, after issuance of the Conversion Notice, the Trust is intended to be and shall constitute an investment trust pursuant to Regulations Section 301.7701-4(c) and a “grantor trust” under Subpart E of Part 1, Subchapter J of the Code (Code Sections 671 - 679) and shall not constitute a “business entity.”

ARTICLE 4
CONCERNING THE TRUSTEE

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

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

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

Section 4.4 Duties. None of the Trustee or any successor trustee shall have any duty or obligation under or in connection with this Trust Agreement, the Trust, or any transaction or document contemplated hereby, except as expressly provided by the terms of this Trust Agreement, and no implied fiduciary or other duties or obligations shall be read into this Trust Agreement against the Trustee or any successor trustee. The right of the Trustee to perform any discretionary act enumerated herein shall not be construed as a duty. To the fullest extent permitted by applicable law, including without limitation Section 3806 of the Statutory Trust Act, the Trustee and any successor trustee (i) shall have no duties (fiduciary or otherwise) to any Person other than the Trust and the Beneficial Owners, and all such duties (including only those fiduciary duties expressly set forth herein as being fiduciary in nature) shall be restricted to those duties (including fiduciary duties) expressly set forth in this Trust Agreement, and (ii) shall have no liability (including no liability for breach of contract or breach of duty) to any Person other than the Trust and the Beneficial Owners, and all such liability shall be restricted to those liabilities expressly set forth in this Trust Agreement and only those which are due to its willful misconduct, bad faith, fraud or gross negligence in the performance of its duties under this Trust Agreement; provided, however, no provision of this Trust Agreement is intended to or shall eliminate the implied contractual covenant of good faith and fair dealing or limit or eliminate liability for any act or omission that constitutes a bad faith violation of the implied contractual covenant of good faith and fair dealing.

Section 4.5 Indemnification. The Beneficial Owners and the Trust, jointly and severally, hereby agree to: (i) reimburse the Person serving as Trustee and/or any successor Trustee for all reasonable expenses (including reasonable fees and expenses of counsel and other professionals), incurred in connection with the negotiation, execution, delivery, or performance of, or exercise of rights or powers under, this Trust Agreement; (ii) to the fullest extent permitted by law, indemnify, defend and hold harmless the Person serving as Trustee and/or any successor Trustee, and the officers, directors, employees and agents of the Person serving as Trustee and/or any successor Trustee (collectively, including the Trustee and/or any successor Trustee in its individual capacity, the “Trustee Indemnified Persons”) from and against any and all losses, damages, liabilities, claims, actions, suits, costs, expenses, disbursements (including the reasonable fees and expenses of counsel and other professionals), taxes and penalties of any kind and nature whatsoever (collectively, “Trustee Covered Expenses”), to the extent that such Trustee Covered Expenses arise out of or are imposed upon or asserted at any time against any such Trustee Indemnified Persons, including without limitation on the basis of ordinary negligence on the part of any such Trustee Indemnified Persons, with respect to or in connection with this Trust Agreement, the Trust, or any transaction or document contemplated hereby; provided, however, that the Beneficial Owners or the Trust shall not be required to indemnify a Trustee Indemnified Person for Trustee Covered Expenses to the extent such Trustee Covered Expenses result from the willful misconduct, bad faith, fraud or gross negligence of such Trustee Indemnified Person; and (iii) to the fullest extent permitted by law, advance to each such Trustee Indemnified Person Trustee Covered Expenses incurred by such Trustee Indemnified Person in defending any claim, demand, action, suit or proceeding, in connection with this Trust Agreement, the Trust, or any transaction or document contemplated hereby, prior to the final disposition of such claim, demand, action, suit or proceeding, only upon receipt by any Beneficial Owner of an undertaking, by or on behalf of such Trustee Indemnified Person, to repay such amount if a court of competent jurisdiction renders a final, non-appealable judgment that includes a specific finding of fact that such Trustee Indemnified Person is not entitled to be indemnified therefor under this Section 4.5. The obligations of the Beneficial Owners and the Trust under this Section 4.5 shall survive the resignation or removal of the Trustee, shall survive the dissolution and termination of the Trust, and shall survive the termination, amendment, supplement, and/or restatement of this Trust Agreement; provided, however, a Beneficial Owner shall be released from and relieved of any and all obligations under this Section 4.5 that relate to any acts or events occurring in their entirety after the date on which such Beneficial Owner no longer owns any Beneficial Interest in the Trust. Notwithstanding anything to the contrary in the above, in all cases, the indemnification provided under this Section 4.5 shall be limited to and only paid out of the Trust Estate.

Section 4.6 Removal; Resignation; Succession. The Trustee may resign at any time by giving at least 60 days’ prior written notice to the Manager. The Manager may at any time remove the Trustee for cause by written notice to the Trustee. Cause shall only result from the willful misconduct, bad faith, fraud or gross negligence of the Trustee. Such resignation or removal shall be effective upon the acceptance of appointment by a successor trustee as hereinafter provided. In case of the removal or resignation of a trustee, and with the prior written consent of Lender while the Loan is outstanding, the Manager may appoint a successor by written instrument. If a successor trustee shall not have been appointed within 60 days after the giving of such notice, the Trustee or any of the Beneficial Owners may apply to any court of competent jurisdiction in the United States to appoint a successor trustee to act until such time, if any, as a successor shall have been appointed as provided above; provided the Lender approves such appointment during any period in which the Loan remains outstanding. Any successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as provided above within one year from the date of the appointment by such court. Any successor, however appointed, shall execute and deliver to its predecessor trustee an instrument accepting such appointment, and thereupon such successor, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor trustee in the trusts hereunder with like effect as if originally named the Trustee herein; but upon the written request of such successor, such predecessor shall execute and deliver an instrument transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers, duties and trusts of such predecessor, and such predecessor shall duly assign, transfer, deliver and pay over to such successor all monies or other property then held by such predecessor upon the trusts herein expressed. Any right of the Beneficial Owners against a predecessor trustee in its individual capacity shall survive the resignation or removal of such predecessor, shall survive the dissolution and termination of the Trust, and shall survive the termination, amendment, supplement, and/or restatement of this Trust Agreement.

Any successor trustee, however appointed, shall be a bank or trust company satisfying the requirements of Section 3807(a) of the Statutory Trust Act. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or

consolidation to which such Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Trustee may be transferred, shall, subject to the preceding sentence, be the Trustee under this Trust Agreement without further act.

Section 4.7 Fees and Expenses. The Trustee shall receive as compensation for its services hereunder such fees as have been separately agreed upon between Depositor and the Trustee. The Trustee shall not have any obligation by virtue of this Trust Agreement to spend any of its/their own funds, or to take any action that could result in its/their incurring any cost or expense.

ARTICLE 5 CONCERNING THE MANAGER

Section 5.1 Power and Authority. The investment activities and affairs of the Trust shall be managed exclusively by or under the direction of the Manager. The Manager shall have the power and authority, and is hereby authorized and empowered, to manage the Trust Estate and the investment activities and affairs of the Trust, subject to and in accordance with the terms and provisions of this Trust Agreement, provided that the Manager shall have no power to engage on behalf of the Trust in any activities that the Trust could not engage in directly, and further provided that the Manager shall at all times be subject to the terms and provisions of the Trust Agreement. The Manager shall have the power and authority, and is hereby authorized, empowered, and directed by the Trust, to enter into, execute and deliver, and to cause the Trust to perform its obligations under, each of the Transaction Documents to which the Trust is or becomes a party or signatory, and in furtherance thereof, the Class 2 Beneficial Owner, at any time prior to the issuance of the Conversion Notice, may confirm such authorization, empowerment, and direction and otherwise direct the Manager in connection with the investment activities and affairs of the Trust. The Manager shall at all times during the term of the Trust have a special and limited power of attorney as the attorney-in-fact for each Beneficial Owner, with power and authority to act in the name and on behalf of each such Beneficial Owner to execute, acknowledge, and swear to in the execution, acknowledgment and filing of documents that are not inconsistent with the provisions of this Trust Agreement relating to the FMV Option.

Section 5.2 Manager's Capacity. The Manager acts solely as an agent of the Trust and not in its individual capacity, and all Persons having any claim against the Manager by reason of the transactions contemplated by this Trust Agreement, the Transaction Documents, or any other document shall look only to the Trust Estate for payment or satisfaction thereof. Notwithstanding any provision of this Trust Agreement to the contrary, the Manager shall not have any liability to any Person except for its own fraud or gross negligence.

Section 5.3 Duties.

(a) The Manager has primary responsibility for performing the administrative actions set forth in this Section 5.3. In addition, the Manager shall have the obligations with respect to a potential sale of the Trust Estate set forth in Article 9. The Manager shall have no duty or obligation to comply with any directive from any Beneficial Owner with respect to the Trust Estate. The Manager shall not have any duty or obligation under or in connection with this Trust Agreement, the Trust, or any transaction or document contemplated hereby, except as expressly provided by the terms of this Trust Agreement, and no implied duties or obligations shall be read into this Trust Agreement against the Manager. The right of the Manager to perform any discretionary act enumerated herein shall not be construed as a duty. To the fullest extent permitted by applicable law, including without limitation Section 3806 of the Statutory Trust Act, (i) the Manager's duties and liabilities relating thereto to the Trust and the Beneficial Owners shall be restricted to those duties expressly set forth in this Trust Agreement and liabilities relating thereto, and (ii) Manager has no fiduciary duties whatsoever to the Trust or to Beneficial Owners.

(b) Without limiting the generality of Section 5.3(a) above or in Section 9 below, upon and after the issuance of the Conversion Notice, the Manager, for and on behalf of the Trust, is hereby authorized and directed to take each of the following actions necessary to conserve and protect the Trust Estate:

- (1) complying with the terms of the Financing Documents;
- (2) collecting rents and making distributions in accordance with Article 7;

(3) entering into any agreement for purposes of completing tax-free exchanges of real property with a “qualified intermediary” as defined in Regulation Section 1.1031(k)-1;

(4) notifying the relevant parties of any default by them under the Transaction Documents;

(5) take any action which in the reasoned opinion of tax counsel to the Trust, should not have an adverse effect on either the treatment of the Trust as an “investment trust” within the meaning of Regulation Section 301.7701-4(c) or each Beneficial Owner as a “grantor” within the meaning of Code Section 671; and

(6) solely to the extent necessitated by the bankruptcy or insolvency a tenant, if the Trust has not terminated under Section 9.2, entering into a new lease with respect to the Real Estate or renegotiating or refinancing any debt secured by the Real Estate, amending any existing leases at the Operating DSTs (including, without limitation, the Loan).

The foregoing notwithstanding, from and after the issuance of the Conversion Notice, under no circumstances shall the power or authority of the Manager include the ability to take any actions which would cause the Trust to cease to constitute an “investment trust” within the meaning of Regulation Section 301.7701-4(c). After issuance of the Conversion Notice, the power and authority of the Manager shall be strictly and narrowly construed so as to preserve and protect the status of the Trust as an “investment trust” for Federal income tax purposes.

(c) The Manager shall keep customary and appropriate books and records relating to the Trust and the Trust Estate and shall certify reports regarding same to the Lender, if required by the Financing Documents. The Manager shall maintain appropriate books and records in order to provide reports of income and expenses to each Beneficial Owner as necessary for such Beneficial Owner to prepare his/her income tax returns regarding the Trust Estate.

(d) The Manager shall promptly furnish to the Beneficial Owners copies of any reports, notices, requests, demands, certificates, financial statements and any other writings that the Financing Documents require that the Manager distribute to the Beneficial Owners (unless the Manager reasonably believes the same have been already sent directly to the Beneficial Owners in which case the Manager shall have no obligation to re-distribute them).

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

(f) The Manager shall not, on its own behalf (in contrast to actions that the Manager is required to perform on behalf of the Trust), have any duty to (i) file, record or deposit any document or to maintain any such filing, recording or deposit or to refile, rerecord or redeposit any such document, (ii) obtain or maintain any insurance on the Real Estate, (iii) maintain the Real Estate, (iv) pay or discharge any tax levied against any part of the Trust Estate, (v) confirm, verify, investigate or inquire into the failure to receive any reports or financial statements from any party obligated under the Financing Documents to provide such, or (vi) inspect the Real Estate at any time or to ascertain or inquire as to the performance or observance of any of the covenants of any Person under the Financing Documents.

(g) The Manager shall manage, control, dispose of or otherwise deal with the Trust Estate in its discretion, subject to any restrictions or obligations set forth in the Financing Documents or in this Trust Agreement.

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

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

Section 5.4 Indemnification. The Class 1 Beneficial Owners and the Trust, jointly and severally, hereby agree to (i) reimburse the Manager for all reasonable expenses (including reasonable fees and expenses of counsel and other professionals), incurred in connection with the negotiation, execution, delivery, or performance of, or exercise of rights or powers under, this Trust Agreement, (ii) to the fullest extent permitted by law, indemnify, defend and hold harmless the Manager, and the officers, directors, employees and agents of the Manager (collectively, including the Manager, the “Manager Indemnified Persons”) from and against any and all losses, damages, liabilities, claims, actions, suits, costs, expenses, disbursements (including the reasonable fees and expenses of counsel and other professionals), taxes and penalties of any kind and nature whatsoever (collectively, “Manager Covered Expenses”), to the extent that such Manager Covered Expenses arise out of or are imposed upon or asserted at any time against such Manager Indemnified Persons, including without limitation on the basis of ordinary negligence on the part of any such Manager Indemnified Persons, with respect to or in connection with this Trust Agreement, the Trust, or any transaction or document contemplated hereby; provided, however, that the Class 1 Beneficial Owners shall not be required to indemnify a Manager Indemnified Person for Manager Covered Expenses to the extent such Manager Covered Expenses result from the fraud or gross negligence of such Manager Indemnified Person, and (iii) to the fullest extent permitted by law, advance to each such Manager Indemnified Person Manager Covered Expenses incurred by such Manager Indemnified Person in defending any claim, demand, action, suit or proceeding, in connection with this Trust Agreement, the Trust, or any transaction or document contemplated hereby, prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by any Class 1 Beneficial Owner of an undertaking, by or on behalf of such Manager Indemnified Person, to repay such amount unless a court of competent jurisdiction renders a final, non-appealable judgment that includes a specific finding of fact that such Manager Indemnified Person is not entitled to be indemnified therefor under this Section 5.4. The obligations of the Class 1 Beneficial Owners and the Trust under this Section 5.4 shall survive the resignation or removal of the Manager, shall survive the dissolution and termination of the Trust, and shall survive the termination, amendment, supplement, and/or restatement of this Trust Agreement. So long as any obligation evidenced or secured by the Financing Documents is outstanding, no indemnity payment from funds of the Trust (as distinct from funds from other sources, such as insurance) of any indemnity pursuant to this Section 5.4 shall be payable from amounts allocable to the Lender pursuant to the Financing Documents. Any indemnification set forth in this Trust Agreement shall be fully subordinate to the Loan and shall not constitute a claim against the Trust in the event its cash flow is insufficient to pay its obligations, nor shall it constitute a claim against any Beneficial Owner of an interest in the Trust. Notwithstanding anything to the contrary in the above, in all cases, the indemnification obligations of the Class 1 Beneficial Owners under this Section 5.4 shall be limited to and only paid out of the Trust Estate.

Section 5.5 Fees and Expenses. Except as set forth in Section 9.4, the Manager shall receive no compensation for its services as Manager. The Manager shall not have any obligation by virtue of this Trust Agreement to spend any of its own funds, or to take any action that could result in its incurring any cost or expense.

Section 5.6 Sale of Trust Estate by Manager Is Binding. Any sale or other conveyance of the Trust Estate or any part thereof by the Manager made for and on behalf of the Trust pursuant to the terms of this Trust Agreement shall bind the Trust and the Beneficial Owners and be effective to transfer or convey all rights, title and interest of the Trust and the Beneficial Owners in and to the Trust Estate.

Section 5.7 Removal/ Resignation; Succession. The Manager may resign at any time by giving at least 30 days’ prior written notice to the Trustee. The Trustee may (i) at all times prior to the payment in full of the Loan, upon the prior written consent of the Lender, or (ii) at any time thereafter, either (I) remove the Manager for cause by written notice to the Manager, or (II) limit the duties of the Manager under this Trust Agreement. For the avoidance of doubt, any removal or attempted removal of the Manager made prior to the payment in full of the Loan without the Lender’s consent shall be *void ab initio*. Further, “cause” sufficient to warrant a vote for removal shall exist only in the event of the fraud or gross negligence of the Manager which causes material damage to, or diminution in value of, the Trust Estate. Such resignation or removal shall be effective upon the acceptance of appointment by a successor Manager as hereinafter provided. In case of the removal or resignation of the Manager, the Trustee, with the prior written consent of the Lender while the Loan is outstanding, may appoint a successor by written instrument. If a successor Manager shall not have been appointed within 15 days after the giving of such notice, the Manager or any of the Beneficial Owners may apply to any court of competent jurisdiction in the United States to appoint a successor

Manager to act until such time, if any, as a successor shall have been appointed as provided above, provided that the Lender approves such appointment during any period in which the Loan is outstanding. Any successor so appointed by such court shall immediately and without further act be superseded by a successor appointed as provided above within one (1) year from the date of the appointment by such court. Any successor, however appointed, shall execute and deliver to its predecessor Manager an instrument accepting such appointment, and thereupon such successor, without further act, shall become vested with all the rights, powers and duties of the predecessor Manager in the trusts hereunder with like effect as if originally named the Manager herein; but upon the written request of such successor, such predecessor shall execute and deliver an instrument transferring to such successor, upon the trusts herein expressed, all the rights, powers and duties of such predecessor. Any right of the Beneficial Owners against a predecessor Manager in its individual capacity shall survive the resignation or removal of such predecessor Manager, shall survive the dissolution and termination of the Trust, and shall survive the termination, amendment, supplement, and/or restatement of this Trust Agreement.

ARTICLE 6 BENEFICIAL INTERESTS

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

(a) Heretofore or commencing with the execution of this Trust Agreement and continuing through the acquisition of all the Real Estate, (i) the Trust shall issue a Class 2 Beneficial Ownership Certificate to the Depositor at the time of each acquisition and (ii) the Depositor shall contribute an amount of cash sufficient to enable the Operating DSTs to acquire the applicable Real Estate; and the Trust shall issue a Class 2 Beneficial Ownership Certificate to the Depositor in exchange for such contribution. The Class 2 Beneficial Ownership Certificate, in substantially the form set forth in Exhibit B-2, with such appropriate insertions, omissions, substitutions, endorsements and other variations as are required by this Trust Agreement, and with such letters, numbers or other marks of identification and such legends and endorsements placed thereon as may, consistent herewith, be approved by the Manager, shall be issued in registered form and delivered to, and registered in the name of, the Depositor. Each Class 2 Beneficial Ownership Certificate shall be printed and dated the date of its execution. Any portion of any Class 2 Beneficial Ownership Certificate may be set forth on the reverse or subsequent pages thereof. The Class 2 Beneficial Ownership Certificate shall be printed, lithographed, typewritten, mimeographed, photocopied or otherwise produced or may be produced in any other manner as may, consistently herewith, be determined by the Manager. While the Class 2 Beneficial Interests are held by a single Beneficial Owner such certificate shall represent ownership of the entire Percentage Share from time to time of the Class 2 Beneficial Interests. If, at any time, the Class 2 Beneficial Interests are held by more than one Beneficial Owner, each Class 2 Beneficial Ownership Certificate shall represent ownership of the Percentage Share of the Beneficial Interests to which it corresponds.

(b) Following the issuance of the Conversion Notice, on or after the Closing Date one or more Investors who have executed Purchase Agreement(s) and contributed cash to the Trust shall be issued Class 1 Beneficial Ownership Certificates, in substantially the form set forth in Exhibit B-1, with such appropriate insertions, omissions, substitutions and other variations to evidence their investment and as are otherwise required by this Trust Agreement, and with such letters, numbers or other marks of identification and such legends and endorsements placed thereon as may, consistent herewith, be approved by the Manager. Such Class 1 Beneficial Ownership Certificates shall be issued in registered form and delivered to, and registered in the name of, the applicable Beneficial Owner. Notwithstanding the foregoing, no Class 1 Beneficial Owner, and no assignee or transferee of a Class 1 Beneficial Interest, may own more than a 49% Percentage Share of the aggregate Class 1 Beneficial Ownership Certificates, and any purported issuance of a Class 1 Beneficial Ownership Certificate in violation of the foregoing shall be null, void and of no effect whatsoever. Each Class 1 Beneficial Ownership Certificate shall be printed and dated the date of its execution. Any portion of any Class 1 Beneficial Ownership Certificate may be set forth on the reverse or subsequent pages thereof. The Class 1 Beneficial Ownership Certificate shall be printed, lithographed, typewritten, mimeographed, photocopied or otherwise produced or may be produced in any other manner as may, consistently herewith, be determined by the Manager.

(c) The Manager is hereby authorized to execute each Beneficial Ownership Certificate for and on behalf of the Trust by the manual signature of any duly authorized officer of the Manager, such execution to constitute the authentication thereof.

(d) Each Beneficial Ownership Certificate bearing the manual signature of any individual who at the time such Beneficial Ownership Certificate was executed was a duly authorized officer of the Manager shall bind the Trust, notwithstanding that any such individual has ceased to hold such office or to be a duly authorized officer of the Manager prior to the delivery of such Beneficial Ownership Certificate or at any time thereafter. No Beneficial Ownership Certificate shall be valid for any purpose unless it is executed on behalf of the Trust by the Manager. The signature of a duly authorized officer of the Manager on any Beneficial Ownership Certificate shall be conclusive evidence that such Beneficial Ownership Certificate has been duly executed and authenticated under this Trust Agreement.

(e) Any Beneficial Owner shall be deemed, by virtue of the acceptance of such Beneficial Ownership Certificate or beneficial interest therein, to have agreed, accepted and become bound by, and subject to, the provisions of this Trust Agreement. Each Beneficial Owner hereby acknowledges and agrees that, in its capacity as a Beneficial Owner, it has no ability either to (i) petition for a partition of the assets of the Trust, (ii) file a petition in bankruptcy on behalf of the Trust, or (iii) take any action that consents to, aids, supports, solicits or otherwise cooperates in the filing of an involuntary bankruptcy proceeding involving the Trust.

(f) Notwithstanding anything to the contrary in this Trust Agreement, any provisions of this Trust Agreement relating to Beneficial Ownership Certificates shall be construed as optional, and it shall be within the Manager's sole discretion as to whether or not the Trust issues Beneficial Ownership Certificates pursuant to the terms and provisions of this Trust Agreement or, in the alternative, determines and evidences the fact of ownership.

Section 6.2 Ownership Records. The Manager shall at all times be the Person at whose office a Beneficial Ownership Certificate may be presented or surrendered for registration of transfer or for exchange and where notices and demands to or upon the Trust in respect of a Beneficial Ownership Certificate may be served. The Manager shall keep Ownership Records, which shall include records of the transfer and exchange of Beneficial Interests. Notwithstanding any provision of this Trust Agreement to the contrary, transfer of a Beneficial Interest in the Trust, or of any right, title or interest therein, shall occur only upon and by virtue of the entry of such transfer in the Ownership Records. In the event of any transfer not prohibited under the terms of this Trust Agreement, the Manager shall issue a new Beneficial Ownership Certificate setting forth the current percentage interest in the Trust held by such new Beneficial Owner, the transferring Beneficial Owner shall surrender its Beneficial Ownership Certificate for cancellation and if applicable the Manager shall issue a new Beneficial Ownership Certificate setting forth the Beneficial Interest retained by any transferring Beneficial Owner. The Beneficial Ownership Certificates may not be negotiated, endorsed or otherwise transferred to a holder in violation of Sections 6.4, 6.5 or 6.6.

Section 6.3 Mutilated, Destroyed, Lost or Stolen Beneficial Ownership Certificates. If any Beneficial Ownership Certificate shall become mutilated, destroyed, lost or stolen, the Trust shall, upon the written request of the holder of any Beneficial Ownership Certificate thereof and presentation of the Beneficial Ownership Certificate or satisfactory evidence of destruction, loss or theft thereof to the Manager, issue and deliver in exchange therefor or in replacement thereof, a new Beneficial Ownership Certificate in the name of such Beneficial Owner evidencing the same Beneficial Interest and dated the date of its execution. If the Beneficial Ownership Certificate being replaced has become mutilated, such Beneficial Ownership Certificate shall be surrendered to the Manager. If the Beneficial Ownership Certificate being replaced has been destroyed, lost or stolen, the Beneficial Owner thereof shall furnish to the Trust and the Manager (i) a written indemnity by such Beneficial Owner to the Trust and the Manager which provides for such Person to save the Trust and the Manager harmless; and (ii) evidence satisfactory to the Trust and the Manager of the destruction, loss or theft of such Beneficial Ownership Certificate and of the ownership thereof. The applicable Beneficial Owner shall pay any tax imposed in connection therewith.

Section 6.4 Restrictions on Transfer.

(a) Except for a Permitted Transfer, the prior written consent of the Manager, which consent may be withheld in Manager's sole and absolute discretion, is required in connection with the assignment or transfer of all or any portion of the Beneficial Interest of any Beneficial Owner. All expenses of any such transfer shall be paid by the assigning or transferring Beneficial Owner. In addition, no Class 1 Beneficial Owner, and no assignee or transferee of a Class 1 Beneficial Interest, may own more than a 49% Percentage Share of the aggregate Class 1 Beneficial Ownership Certificates, and any purported transfer or assignment of a Class 1 Beneficial Interest in violation of the foregoing shall be null, void and of no effect whatsoever.

Section 6.5 Conditions to Admission of New Beneficial Owners. Any assignee or transferee of a Class 1 Beneficial Owner shall become a Class 1 Beneficial Owner only upon such assignee's or transferee's written acceptance and adoption of this Trust Agreement, as manifested by its execution and delivery to the Manager of an executed agreement substantially in the form of Exhibit E, plus the issuance by the Trust of a new Class 1 Beneficial Ownership Certificate to such assignee or transferee, copies of which will be provided by the Manager to the Trustee. Any assignee or transferee of a Class 2 Beneficial Owner shall become a Class 2 Beneficial Owner upon the transfer of such Class 2 Beneficial Interests in accordance with Section 6.2 hereof and shall be deemed to have accepted and adopted the terms of this Trust Agreement upon the completion of such transfer.

Section 6.6 Limit on Number of Beneficial Owners. Notwithstanding anything to the contrary in this Trust Agreement, the Trust shall at no time have more than one thousand nine hundred and ninety-nine (1,999) Beneficial Owners. Any transfer that results in a violation of the preceding sentence shall, to the fullest extent permitted by law, be null, void, and of no effect whatsoever.

Section 6.7 Representations and Acknowledgements of Beneficial Owners. Each Beneficial Owner hereby represents and warrants that it (i) is not acquiring its Beneficial Interest with a view to any distribution thereof in a transaction that would violate the Securities Act or the securities laws of any state of the United States; and (ii) is aware of the restrictions on transfer that are applicable to the Beneficial Interests and will not offer, sell, pledge or otherwise transfer its Beneficial Interest except in compliance with all terms and conditions of this Trust Agreement and applicable securities laws and regulations. Each Beneficial Owner hereby acknowledges that (y) no Beneficial Interest may be sold, transferred or otherwise disposed of unless expressly permitted hereunder and it is registered or qualified under the Securities Act and all other applicable laws of any applicable jurisdiction or an exemption therefrom is available in accordance with all other laws of any applicable jurisdiction; and (z) no Beneficial Interest has been or is expected to be registered under the Securities Act, and accordingly, all Beneficial Interests are subject to restrictions on transfer.

Section 6.8 Status of Relationship. This Trust Agreement shall not be interpreted to impose a partnership or joint venture relationship on the Beneficial Owners either at law or in equity. Accordingly, no Beneficial Owner shall have any liability for the debts or obligations incurred by any other Beneficial Owner, with respect to the Trust Estate, or otherwise, and no Beneficial Owner shall have any authority, other than as specifically provided herein, to act on behalf of any other Beneficial Owner or to impose any obligation on any other Beneficial Owner with respect to the Trust Estate. Neither the power to give direction to the Trustee, the Manager, or any other Person nor the exercise thereof by any Beneficial Owner shall cause such Beneficial Owner to have duties (including fiduciary duties) or liabilities relating thereto to the Trust or to any Beneficial Owner. For the avoidance of doubt, Manager has no fiduciary duties to Beneficial Owners.

Section 6.9 No Legal Title to Trust Estate. The Beneficial Owners shall not have legal title to the Trust Estate. The death, incapacity, dissolution, termination, or bankruptcy of any Beneficial Owner, Manager or Trustee shall not result in the termination or dissolution of the Trust.

Section 6.10 In-Kind Distributions. Except as expressly provided in Section 9.2, no Beneficial Owner (i) has an interest in specific Trust property or (ii) shall have any right to demand and receive from the Trust an in-kind distribution of the Trust Estate or any portion thereof. In addition, each Beneficial Owner expressly waives any right, if any, under the Statutory Trust Act to seek a judicial dissolution of the Trust, to terminate the Trust, or, to the fullest extent permit by law, to partition the Trust Estate.

Section 6.11 Rights and Powers of Class 2 Beneficial Owner Prior to Conversion Notice. Prior to the issuance of the Conversion Notice, the Class 2 Beneficial Owner shall have the right and power, at its sole discretion (but subject to the restrictions in Article 3), to:

- (a) Contribute additional assets to the Trust;
- (b) Cause the Trust to negotiate or re-negotiate loans or leases;

- (c) Cause the Trust to sell all or any portion of its assets and re-invest the proceeds of such sale or sales; and
- (d) Amend this Trust Agreement.

It is expressly understood by the Class 2 Beneficial Owner that these powers are inconsistent with the ability to classify the Trust as an “investment trust” under Regulations Section 301.7701-4(c), and the Trust shall not be so classified prior to the issuance of the Conversion Notice. The Percentage Share of the Class 2 Beneficial Owner prior to the issuance of any Class 1 Beneficial Interests (pursuant to Section 6.14 hereof) shall be 100%.

Section 6.12 Issuance of Conversion Notice. The Class 2 Beneficial Owner may, at any time in its sole discretion, issue the Conversion Notice to the Trustee and the Manager. Upon issuance of the Conversion Notice, the Class 2 Beneficial Owner shall no longer have any of the rights or powers set forth in Section 6.11. Instead, after issuance of the Conversion Notice, the Class 2 Beneficial Owner shall have only those rights and powers as apply to a Class 1 Beneficial Owner (as set forth in Section 6.13).

Section 6.13 Rights and Powers of Class 1 Beneficial Owners. The Class 1 Beneficial Owners shall only have the right to receive distributions from the Trust as a result of the operations or sale of the Real Estate via the Operating DSTs. The Class 1 Beneficial Owners shall not have the right or power to direct in any manner the Trust or the Manager in connection with the operation of the Trust or the actions of the Trustee or the Manager. In addition, the Class 1 Beneficial Owners shall not have the right or power to:

- (a) Contribute additional assets to the Trust;
- (b) Be involved in any manner in the operation or management of the Trust or its assets;
- (c) Cause the Trust to negotiate or re-negotiate loans or leases; or
- (d) Cause the Trust to sell its assets and re-invest the proceeds of such sale.

Section 6.14 Contributions by the Class 1 Beneficial Owners; Issuance of Class 1 Beneficial Ownership Certificates; Reduction in Class 2 Beneficial Interests. The Trust shall issue Class 1 Beneficial Ownership Certificates to the Investors upon the contribution of cash to the Trust by the Investors in exchange for Class 1 Beneficial Interests. The amount of cash contributed by, and the Percentage Share of, each Investor shall be determined by the Manager and shall be set forth in the Purchase Agreement(s) for each Investor, which shall be based upon a purchase price which in no event shall be less than the price for each Class 1 Beneficial Interest disclosed in the Memorandum. All cash contributed by an Investor in exchange for Class 1 Beneficial Interests shall be used first by the Trust to pay (either directly or indirectly by distributing such funds to the Depositor and causing Depositor to pay), subject to the Financing Documents and the documents evidencing the Bridge Loan, all reasonable and necessary costs of sale to the Investors of the Class 1 Beneficial Interests; and next, to fund the first \$2,500,000 of and to establish a Manager-controlled reserve account on behalf of and owned by the Operating DSTs for costs and expenses associated with the Trust Estate (the “Supplemental Trust Reserve”); and next, in order to pass along certain costs in connection with the Bridge Loan and any portion of the debt owed to Bridge Lender under the Bridge Loan Agreement (the “Bridge Financing”), an amount to Depositor (by direct deposit into the DST Depositor Blocked Account) equal to the principal payment due on the Bridge Loan with respect to such sale plus a percentage return on the outstanding balance of the Bridge Loan calculated using the variable interest rate as set forth in the Bridge Loan (collectively with such principal payment, the “Bridge Return”) and any other portion of the Bridge Financing required to be paid under the Bridge Loan Agreement until such time that the Bridge Financing has been repaid in full and all security interests in connection therewith have been released; and next, to pay to the Depositor a nine percent (9%) return on the outstanding balance of the Priority Equity Contribution until such time that the Depositor’s ownership of Class 2 Beneficial Interests have been fully redeemed; and next, to use any remainder (the “Net Proceeds”) to fund any remaining reimbursements, compensation and/or fees owed to the Sponsor or its affiliates in connection with the offering, all as provided in the Memorandum. In connection with each such sale of Class 1 Beneficial Interests, the Percentage Share of the Class 2 Beneficial Interests shall be reduced by an amount equal to the Percentage Share granted by the Trust to each contributing Class 1 Beneficial Owner, and the Class 2 Beneficial Owner shall

simultaneously surrender such corresponding Class 2 Beneficial Ownership Certificate(s) for cancellation. Upon the sale of all of the Class 1 Beneficial Interests (representing a 100.0% Percentage Share of the Trust), the Depositor and any permitted assignee of the Class 2 Beneficial Interest will no longer have any Beneficial Interest in the Trust and no Class 2 Beneficial Interests will remain outstanding. In the event not all Class 2 Beneficial Interests are redeemed pursuant to this Section 6.14 by 24 months after the Closing Date, the Class 2 Beneficial Owner shall surrender to (i) the Trust, or (ii) such other third party, as designated by the Class 2 Beneficial Owner in its sole and absolute discretion for no additional consideration its entire remaining Class 2 Beneficial Ownership Certificate. For the avoidance of doubt, until such time as the Depositor's Class 2 Beneficial Interests have been fully redeemed, no Net Proceeds shall be released or paid to the Sponsor or its affiliates. For U.S. federal income tax purposes, all funds received by the Trust from the Investors after issuance of the Conversion Notice shall be treated as having been used to acquire the Real Estate and pay the associated costs and expenses in connection therewith, and each Class 1 Beneficial Owner shall be treated as have funded its Percentage Share of the Supplemental Trust Reserve.

ARTICLE 7 DISTRIBUTIONS AND REPORTS

Section 7.1 Payments from Trust Estate Only. All payments to be made by the Manager under this Trust Agreement shall be from the Trust Estate.

Section 7.2 Distributions in General. The Manager shall distribute all available cash to the Beneficial Owners in accordance with their Percentage Shares on a monthly basis (or, prior to the issuance of the Conversion Notice, at such intervals as the Manager may determine in its sole discretion), but only after (i) paying or reimbursing the Trustee and then the Manager, respectively, for any claims subject to indemnification (including as provided in Sections 4.5 and 5.4, respectively) and for their respective reasonable fees and/or expenses actually incurred on behalf of the Trust and (ii) retaining such additional amounts as the Manager in its discretion determines are necessary to pay anticipated ordinary current and future Trust expenses (“Reserves”). Reserves and any other cash retained pursuant to this paragraph shall be invested by or on behalf of the Manager only in short-term obligations of (or guaranteed by) the United States, or any agency or instrumentality thereof and in certificates of deposit or interest-bearing bank accounts of any bank or trust companies having a minimum stated capital and surplus of \$100,000,000 (a “Permitted Investment”). All such obligations must mature prior to the next distribution date, and be held to maturity. All amounts distributable to the Beneficial Owners pursuant to this Trust Agreement shall be paid by check or in immediately available funds by transfer to a banking institution with bank wire transfer facilities for the account of such Beneficial Owner, as instructed from time to time by such Beneficial Owner on the last Business Day of each calendar quarter.

Section 7.3 Distribution Upon Dissolution. In the event of the Trust's dissolution in accordance with Article 9 hereof, all of the Trust Estate as may then exist after the winding up of its affairs in accordance with the Statutory Trust Act (including without limitation subsections (d) and (e) of Section 3808 of the Statutory Trust Act and providing for all costs and expenses, including any income or transfer taxes which may be assessed against the Trust, whether or not by reason of the dissolution of the Trust), shall, subject to Section 9.2, be distributed to those Persons who are then Beneficial Owners in their respective Percentage Shares.

Section 7.4 Cash and other Accounts; Reports by the Manager. The Manager shall be responsible for receiving all cash from the Operating DSTs and placing such cash into one or more accounts as required under the distribution and investment obligations of the Trust under Section 7.2. The Manager shall furnish annual reports, audited by a nationally recognized accounting firm selected by the Manager from time to time, to each of the Beneficial Owners as to the amounts of distributions received from the Operating DSTs, the expenses incurred by the Trust with respect to the Real Estate (if any), the amount of any Reserves and the amount of the distributions made by the Trust to the Beneficial Owners.

Section 7.5 Information. Upon written demand of the Manager made by a Beneficial Owner, which written demand may not be made more than once per calendar quarter, a Beneficial Owner shall have the right to receive a copy of this Trust Agreement and the Certificate of Trust, and any amendments to either of them, provided that such copy shall not contain any identifying information with regard to any other Beneficial Owner. Except as specifically set forth in Sections 7.4 or 7.5, or elsewhere in this Trust Agreement, no Beneficial Owner or group of

Beneficial Owners shall have any right to demand or receive any information, report, or document from Manager or Trustee. Without limiting the foregoing, no Beneficial Owner shall have the right under this Trust Agreement to receive, review, copy or inspect any list of the Members or any identifying information with regard to the Beneficial Owners, whether or not requested, and Manager shall not have any obligation to provide such information. Notwithstanding anything to the contrary contained herein or the Statutory Trust Act, a Beneficial Owner or group of Beneficial Owners shall not have any of the rights to information or other rights set forth in §3819 of the Statutory Trust Act.

ARTICLE 8 RELIANCE; REPRESENTATIONS; COVENANTS

Section 8.1 Good Faith Reliance. Neither the Trustee nor the Manager shall incur any liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper reasonably and in good faith believed by such Person to be genuine and signed by the proper party or parties thereto. As to any fact or matter, the manner of ascertainment of which is not specifically described herein, the Trustee and the Manager may for all purposes hereof rely on a certificate, signed by or on behalf of the Person executing such certificate, as to such fact or matter, and such certificate shall constitute full protection of the Trustee and the Manager for any action taken or omitted to be taken by them in good faith in reliance thereon, and the Trustee and the Manager may conclusively rely upon any certificate furnished to such Person that on its face conforms to the requirements of this Trust Agreement. Each of the Trustee and the Manager may (i) exercise its powers and perform its duties by or through such attorneys and agents as it shall appoint with due care, and it shall not be liable for the acts or omissions of such attorneys and agents; and (ii) consult with counsel, accountants and other experts, and shall be entitled to rely upon the advice of counsel, accountants and other experts selected by it in good faith and shall be protected by the advice of such counsel and other experts in anything done or omitted to be done by it in accordance with such advice. In particular, no provision of this Trust Agreement shall be deemed to impose any duty on the Trustee or the Manager to take any action if such Person shall have been advised by counsel that such action may involve it in personal liability or is contrary to the terms hereof or to applicable law. For all purposes of this Trust Agreement, the Trustee shall be fully protected in relying upon the most recent Ownership Records delivered to it by the Manager.

Section 8.2 No Representations or Warranties as to Certain Matters. NEITHER THE TRUSTEE NOR THE MANAGER, EITHER WHEN ACTING HEREUNDER IN ITS CAPACITY AS TRUSTEE OR MANAGER OR IN ITS INDIVIDUAL CAPACITY, MAKES OR SHALL BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE TITLE, LOCATION, VALUE, CONDITION, WORKMANSHIP, DESIGN, COMPLIANCE WITH SPECIFICATIONS, CONSTRUCTION, OPERATION, MERCHANTABILITY OR FITNESS FOR USE FOR A PARTICULAR PURPOSE OF THE TRUST ESTATE OR ANY PART THEREOF, AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, AS TO THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT, OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE TRUST ESTATE OR ANY PART THEREOF.

Neither the Trustee nor the Manager makes any representation or warranty as to (i) the title, value, condition or operation of the Real Estate, and (ii) the validity or enforceability of Transaction Documents or as to the correctness of any statement contained in any thereof, except as expressly made by the Trustee or the Manager in its individual capacity. Each of the Trustee and the Manager represents and warrants to the Beneficial Owners that it has authorized, executed and delivered the Trust Agreement.

ARTICLE 9 TERMINATION

Section 9.1 Termination in General. The Trust shall not have perpetual existence and instead shall be dissolved and wound up in accordance with Section 3808 of the Statutory Trust Act upon the first to occur of a Transfer Distribution or the sale of the Trust Estate pursuant to Section 9.3, at which time each Beneficial Owner's Percentage Share of the Trust Estate shall be distributed to such Beneficial Owner in accordance with Section 7.3; provided,

however, that in connection with a sale of the Trust Estate in accordance with Section 7.3, the Loan shall have been defeased, paid in full or assumed in accordance with the terms of the Financing Documents.

Section 9.2 Termination to Protect and Conserve Trust Estate. Subject to the terms and conditions of the Financing Documents, following a determination by the Manager, in writing, that the dissolution of the Trust is necessary and appropriate to preserve and protect the Trust Estate for the benefit of the Beneficial Owners either because (i) the Trust Estate is in jeopardy of being lost due to any reason, (ii) the Manager determines that the Investors are at risk of losing all or a substantial portion of their investment in the Beneficial Interests, or (iii) the Manager needs to take one or more of the actions enumerated in Section 3.3(c), the Trust shall dissolve and wind up in accordance with Section 3808 of the Statutory Trust Act and each Beneficial Owner's Percentage Share of the Trust Estate shall be distributed to such Beneficial Owner in accordance with this Section 9.2 in full and complete satisfaction and redemption of their Beneficial Ownership Certificates. Subject to the requirements of Section 3808 of the Statutory Trust Act, immediately before any such liquidating distributions, and only in the event that a distribution would otherwise be made to the Beneficial Owners under this Section 9.2, the Manager may in its sole discretion cause the Trust to take one of the following actions: (1) to the extent the circumstances in this Section 9.2 apply to all of the assets comprising the Trust Estate, the Manager shall transfer title to all of the assets comprising the Trust Estate, or convert to a newly formed Delaware limited liability company (the "Springing LLC") that has a limited liability company operating agreement substantially similar to that set forth in Exhibit F (the "Transfer Distribution") in which case the Springing LLC shall assume, by contract, operation of law, or otherwise, the assumption of the Trust's obligations under any leases, or (2) to the extent the circumstances in this Section 9.2 apply to less than all of the Operating DSTs, then the Trust shall not terminate but rather, with respect to the Operating DST(s) to which such circumstances apply, the Manager shall distribute the interests in such Operating DST(s) to the Beneficial Owners in partial liquidation of the Trust. It is the express intent of this Trust Agreement that no distribution be made under this Section 9.2 except in the rare and unexpected situation in which such distribution is necessary to prevent the loss of the Trust Estate. To the fullest extent permitted by applicable law, the Manager shall be fully protected in any such determination made in good faith that a condition under this Section 9.2 exists, and shall have no liability to any Person, including without limitation the Beneficial Owners, with respect to any such determination. If a determination has been made to make a Transfer Distribution under this Section 9.2, the Manager may, in its discretion and upon advice of counsel, utilize such other form of transaction (including, without limitation, a conversion of the Trust into a limited liability company if then permitted by applicable law) to accomplish the transaction contemplated by the Manager pursuant to the Transfer Distribution (which other form of transaction shall only require the approval of the Manager and shall not require the approval of any Beneficial Owners or the Trustee), provided that such alternative form of transaction is entered into to preserve and protect the Trust Estate for the benefit of the Beneficial Owners and is otherwise in compliance with the Statutory Trust Act.

Section 9.3 Sale of the Trust Estate. Pursuant to Section 3806(b)(3) of the Statutory Trust Act, the Manager shall sell the Trust Estate upon its determination (in its sole discretion) that a sale of the Trust Estate is appropriate; provided, however, that it is the intent of the parties to this Trust Agreement that the Trust Estate will be held by the Trust for at least two (2) years. Any such sale of the Trust Estate shall occur as soon as practicable after the Manager has determined that the sale of the Trust Estate is appropriate. The Manager shall be responsible for (i) determining the fair market value of the Trust Estate, (ii) providing notice to the Trustee of the sale of the Trust Estate and (iii) conducting the sale of the Trust Estate on behalf of the Trust under commercially reasonable terms and executing such documents and instruments required to be executed by the Trust to affect such sale (Manager shall also provide to the Trustee in execution form any documents and instruments required to be executed by the Trustee to affect such sale). The Manager (and the Trustee, if necessary) shall take all reasonable action that would seek to enable the sale to qualify, with respect to each Beneficial Owner, as a like-kind exchange within the meaning of Code Section 1031. Any sale of the Property shall be on an "as-is, where-is" basis (or on such terms as are deemed commercially reasonable by the Manager) and without any representations or warranties by the Trustee or the Manager (other than representations as to their respective authority to enter into the sale).

Section 9.4 Manager Fees. The Manager shall receive a disposition fee from the Trust equal to not more than 2% of the gross proceeds of any of the sale, exchange, or other disposition of all or any portion of the Trust Estate (the "Disposition Fee"), from which Manager shall pay all sales commissions payable to any third-party broker in connection with such sale, such that the aggregate amount of the Disposition Fee plus the third-party brokerage commission does not exceed 2% of the gross sales price of the Trust Estate. The payment of the Disposition Fee shall be subordinate to the Financing Documents. For the avoidance of doubt, the Disposition Fee shall not be payable in

the event the FMV Option is exercised or in the event that the Disposition Fee applies at the level of the Operating DSTs.

Section 9.5 Loan Paid in Full. If the Manager determines that the Loan, including all interest, principal and penalties, if any, has been paid in full and the Trust Estate has not been sold pursuant to Section 9.3 then the Manager shall provide written notice to such effect to the Trust, and the Trust shall dissolve and wind up in accordance with the procedures set forth in Section 9.2.

Section 9.6 Certificate of Cancellation. Upon the completion of the dissolution and winding up of the Trust, the Certificate of Trust shall be cancelled by the Trustee, acting upon direction by the Manager and at the expense of the Trust, and the Trustee shall execute and cause a certificate of cancellation to be filed in the office of the Secretary of State.

ARTICLE 10 FMV OPTION

Section 10.1 FMV Option. Subject to the requirements of the Financing Documents and Section 10.2 and Section 10.3, each of the Investors does hereby grant to the OP, its affiliates, successors or assigns, the right, but not the obligation, to require that each such Investor exchange its interest in the Trust for units in the OP (the "OP Units") in a transaction intended to qualify as a tax-deferred exchange under Code Section 721, pursuant to the terms of this Article 10 (the "FMV Option"). Each Investor participating in an exchange of its interest in the Trust for the OP Units pursuant to the FMV Option (a "Contributing Investor") shall receive an amount of OP Units with an aggregate value equal to the Exchange FMV (as defined below) of such Contributing Investor's interest in the Trust as of the date the FMV Option is exercised, less the amount of the Call Option Fee (as defined below). In connection with the exercise of the FMV Option, the Manager shall receive a call-option fee from the Trust equal to 1.0% of the FMV Option Appraised Value of the Property (the "Call-Option Fee"). For the avoidance of doubt, the Call-Option Fee shall only be payable if the FMV Option is exercised. The FMV Option shall be exercised pursuant to a "Notice of Exchange," a form of which is attached as Exhibit H to this Trust Agreement, delivered to the Investors by the OP. The OP and/or the Manager may, but is/are not obligated to, coordinate to provide the Investors with a non-binding survey in advance of an anticipated Notice of Exchange in order to seek input from the Investors regarding their desire to become either a Contributing Investor or a Cash Investor (defined below) in connection with a contemplated exercise of the FMV Option. Notwithstanding anything to the contrary, the OP may not exercise the FMV Option until all Investors have held their Beneficial Interests for at least two (2) years.

Section 10.2 Cash Investors. Notwithstanding the provisions of Section 10.1, a Beneficial Owner may elect to have the OP acquire the Beneficial Owner's interests in the Trust for cash rather than exchange such interests for OP Units following the exercise by the OP of its FMV Option (a Beneficial Owner who makes an election under this Section 10.2, a "Cash Investor"). If a Cash Investor elects to exercise its rights to have the OP acquire its interests in the Trust for cash under this Section 10.2 with respect to a Notice of Exchange, it shall so notify the OP in writing within ten (10) Business Days after the date on which the Manager mails the Notice of Exchange to the Beneficial Owner. If any Beneficial Owner does not provide such notice to the Manager within ten (10) Business Days after the mailing date of the Notice of Exchange, such Beneficial Owner will be deemed to have agreed to have the OP acquire the Beneficial Owner's interest in the Trust in exchange for OP Units. The cash purchase price for a Cash Investor's interest (the "Cash Amount") shall be equal to the Exchange FMV of such Cash Investor's interest in the Trust as of the date the FMV Option is exercised, reduced by a 2% cash redemption fee (the "Cash Redemption Fee"). The total Cash Amount for all Cash Investors shall not exceed 50% of the FMV Option Appraised Value of the Property (the "Cash Redemption Cap"), subject to the discretion of the OP. In the event the Cash Redemption Cap is reached, then the total available cash proceeds shall be pro-rated among the Cash Investors based on Percentage Share, and Cash Investors may receive both cash and OP Units in exchange for such Cash Investors' Beneficial Interests. For the avoidance of doubt, the Cash Redemption Fee shall only apply to the Cash Amount.

Section 10.3 Documentation and Signatures; Delivery. Each Investor agrees to execute such documents and signatures as the Manager or the OP may reasonably require in connection with the exercise of the FMV Option under Section 10.1 or the cash purchase, if any, under Section 10.2. For a Contributing Investor, the Manager shall provide a tax protection agreement (a "Tax Protection Agreement") in which the Manager: (i) will agree not to directly or indirectly sell, exchange, transfer, or otherwise dispose of the Real Estate or any interest therein

(without regard to whether such disposition is voluntary or involuntary) in a transaction within three (3) years of the date of the exercise of the FMV Option that would cause a Contributing Investor to recognize any gain under Code Section 704(c) (such transaction, a “Triggering Event”), and (ii) for a period of three (3) years following the occurrence of a Triggering Event, will agree to pay a Contributing Investor’s damages equal to the aggregate federal, state and local income taxes incurred by such Contributing Investor in connection with such Triggering Event. Upon receipt of any and all documents and signatures required by the Manager or OP under this Section 10.3 (such date of final receipt, the “Receipt Date”), the Manager shall distribute (i) to any Contributing Investor the OP Units within ten (10) Business Days of the Receipt Date and (ii) to any Cash Investor the Cash Amount within ten (10) Business Days of the Receipt Date.

Section 10.4 Determination of Fair Market Value of Interests in the Trust. For the purposes of the FMV Option, the fair market value (the “Exchange FMV”) of an Investor’s interests in the Trust to be acquired by the OP will be determined by multiplying: (i) the Percentage Share represented by the interests in the Trust to be acquired by the OP by (ii) the fair market value of the Property as determined by an independent appraisal firm selected by the Manager in its sole discretion (the “FMV Option Appraised Value of the Property”), less any liabilities of the Property. Such appraisal shall have been completed within one (1) year prior to the date the FMV Option is exercised. No discounts for lack of liquidity or minority interests shall be considered in determining the fair market value of such interests in the Trust.

Section 10.5 Continued Existence of Trust. Notwithstanding anything to the contrary in this Trust Agreement, the Trust shall survive the exercise of the FMV Option by the OP; provided, however, that following the exercise of the FMV Option and the completion of the distributions under Section 10.3, the Trust shall take any and all necessary actions to cease to be treated as a fixed investment trust under Regulations Section 301.7701-4(c) and instead be treated as a “disregarded entity” under Regulations Section 301.7701-3 for federal income tax purposes.

ARTICLE 11 MISCELLANEOUS

Section 11.1 Limitations on Rights of Others; Third-Party Beneficiaries. Nothing in this Trust Agreement, whether express or implied, shall give to any Person other than the Depositor, the Trustee, the Manager, the Beneficial Owners, and the Trust any legal or equitable right, remedy or claim hereunder, and shall not confer any rights or remedies on any individual other than the parties hereto and their respective successors and permitted assigns. Notwithstanding the preceding sentence, the Lender shall be an explicit third-party beneficiary of this Trust Agreement with the right to independently enforce the terms of this Trust Agreement.

Section 11.2 Successors and Assigns. All covenants and agreements contained herein shall be binding upon and inure to the benefit of the Depositor, the Trustee, the Manager, the Beneficial Owners, the Trust, and their successors and assigns, all as herein provided. Any request, notice, direction, consent, waiver or other writing or action by any such Person shall bind its successors and assigns.

Section 11.3 Usage of Terms. With respect to all terms in this Trust Agreement, the singular includes the plural and the plural includes the singular; words importing any gender include the other gender; references to “writing” include printing, typing, lithography and other means of reproducing words in a visible form; references to agreements and other contractual instruments include all subsequent amendments thereto or changes therein entered into in accordance with their respective terms and not prohibited by this Trust Agreement; references to Persons include their successors and permitted assigns; and the term “including” means including without limitation.

Section 11.4 Headings. The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 11.5 Amendments. This Trust Agreement may be supplemented or amended by the Manager as determined solely by the Manager and will not require the consent of the Beneficial Owners; provided, however, that without the written consent of the Trustee in its individual capacity, no such supplement or amendment shall be enforceable against the Trustee in its individual capacity to the extent such supplement or amendment affects the Trustee in its individual capacity. During the period that the Loan is outstanding, this Trust Agreement may not be

supplemented or amended, and no term or provision hereof may be waived, discharged, or terminated without the consent of the Lender, which consent may be withheld in the Lender's sole and absolute discretion.

Section 11.6 Notices. All notices, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms hereof shall be in writing, and given by (i) overnight courier, or (ii) hand delivery and shall be deemed to have been duly given when received. Notices shall be provided to the parties at the addresses specified below.

If to the Depositor:

BR Diversified Industrial Portfolio I, DST
c/o Bluerock Real Estate, L.L.C.
1345 Avenue of the Americas,
32nd Floor, Suite B
New York, NY 10105

If to the Trustee:

Delaware Trust Company
251 Little Falls Drive
Wilmington, DE 19808
Attn: Alan Halpern

If to the Manager:

BR Diversified Industrial Portfolio I DST Manager, LLC
c/o Bluerock Real Estate, L.L.C.
1345 Avenue of the Americas,
32nd Floor, Suite B
New York, NY 10105

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

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

Section 11.7 Governing Law; Venue; Jury Trial Waiver. This Trust Agreement shall be governed by and construed and enforced in accordance with the laws of the state of Delaware (without regard to conflict of law principles). The laws of the state of Delaware pertaining to trusts (other than the Statutory Trust Act) shall not apply to this Trust Agreement, except to the extent otherwise required by the Statutory Trust Act. Any legal proceeding concerning interpretation or enforcement of any provision of this Trust Agreement shall be venued exclusively in the Borough of Manhattan, New York City, New York. Beneficial Owners hereby waive trial by jury in any action, proceeding or counterclaim brought by any of the parties hereto on any matters whatsoever arising out of or in any way connected with this Trust Agreement, or in connection with any emergency statutory or any other statutory remedy.

Section 11.8 Counterparts. This Trust Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 11.9 Severability. Any provision of this Trust Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction only, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, each of the parties hereby waives any provision of applicable law that renders any such provision prohibited or unenforceable in any respect.

Section 11.10 Signature of Beneficial Owners. Each Investor will execute the Signature Page for Assignee or Transferee Beneficial Owners of BR Diversified Industrial Portfolio I, DST in substantially the form set

forth in Exhibit E hereto (the “Signature Page”) in connection with their acquisition of a Class 1 Beneficial Ownership Certificate. By executing the Signature Page, each Investor hereby acknowledges and agrees to be bound by the terms of the limited liability company agreement contemplated under Section 9.2 and in the form substantially similar to that set forth in Exhibit F hereto (the “LLC Agreement”) when and if such limited liability company is formed in accordance with the LLC Agreement. In addition, in light of their agreement to this Section 11.11, each Investor hereby acknowledges and agrees that their signature to the LLC Agreement will not be required as of the Transfer Date (as defined in the LLC Agreement).

Section 11.11 Division. Neither the Trust nor the Trustee, the Manager or any other Person, shall have the power to divide the Trust under the Statutory Trust Act or under any applicable trust law. The Trust shall not file a certificate of division, adopt a plan of division, amend any of its organizational documents, or take, permit, or consent to any other actions in order to divide the Trust into two or more entities pursuant to a plan of division.

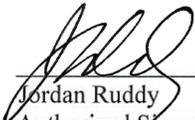
[Signature Page Follows]

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

THE DEPOSITOR:

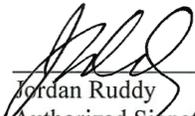
BR Diversified Industrial Portfolio I Investment Co, LLC,
a Delaware limited liability company

By: Bluerock Real Estate Holdings, LLC, a Delaware
limited liability company, its manager

By: 
Name: Jordan Ruddy
Title: Authorized Signatory

THE MANAGER:

BR Diversified Industrial Portfolio I DST Manager, LLC,
a Delaware limited liability company

By: 
Name: Jordan Ruddy
Title: Authorized Signatory

THE TRUSTEE:

DELAWARE TRUST COMPANY

By: 
Name: _____
Title: Alan R. Halpern
Vice President

**ACKNOWLEDGED AND AGREED WITH RESPECT
TO ARTICLE 10:**

BLUEROCK INDUSTRIAL HOLDINGS, LP, a Delaware
limited partnership

By: BLUEROCK INDUSTRIAL GROWTH REIT, INC.,
a Maryland corporation, its general partner

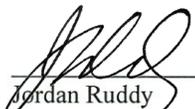
By: 
Name: Jordan Ruddy
Title: Authorized Signatory

EXHIBIT B-1

FORM OF CLASS 1 BENEFICIAL OWNERSHIP CERTIFICATE

THIS CLASS 1 BENEFICIAL OWNERSHIP CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY IN ANY JURISDICTION. THIS CLASS 1 BENEFICIAL OWNERSHIP CERTIFICATE MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED, OTHER THAN PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE SECURITIES LAWS. TRANSFER OF A BENEFICIAL INTEREST IN THE TRUST, OR OF ANY RIGHT, TITLE OR INTEREST THEREIN, SHALL OCCUR IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE TRUST AGREEMENT AND ONLY UPON AND BY VIRTUE OF THE ENTRY OF SUCH TRANSFER IN THE OWNERSHIP RECORDS OF THE TRUST. THIS CLASS 1 BENEFICIAL OWNERSHIP CERTIFICATE IS NON-TRANSFERABLE AND MAY NOT BE NEGOTIATED, ENDORSED OR OTHERWISE TRANSFERRED TO A HOLDER.

BR Diversified Industrial Portfolio I, DST

CLASS 1 BENEFICIAL OWNERSHIP CERTIFICATE

No. _____

BR Diversified Industrial Portfolio I, DST, a statutory trust organized under the laws of the State of Delaware (the "Issuer"), certifies that _____ is the owner of a Class 1 Beneficial Interest equal to ___% (_____ percent) of the interest in the Issuer, issued pursuant to the Trust Agreement dated as of August 10, 2022 (as may be amended or supplemented from time to time, the "Trust Agreement") by and among BR Diversified Industrial Portfolio I, DST, as Depositor, BR Diversified Industrial Portfolio I DST Manager, LLC, as Manager, and Delaware Trust Company, as Trustee.

All capitalized terms used in this Class 1 Beneficial Ownership Certificate and not defined herein shall have the meanings assigned to such terms in the Trust Agreement. Reference is made to the Trust Agreement and any agreements supplemental thereto for a statement of the respective rights and obligations thereunder of the Depositor, the Manager, the Trustee, and the Beneficial Owners. This Class 1 Beneficial Ownership Certificate is subject to all terms of the Trust Agreement.

This Class 1 Beneficial Ownership Certificate shall in all respects be governed by, and construed in accordance with, the laws of the State of Delaware.

By accepting this Class 1 Beneficial Ownership Certificate, the holder hereof hereby acknowledges and agrees that in its capacity as a Beneficial Owner it lacks the ability to (i) seek a partition of the Trust's assets, (ii) file a voluntary bankruptcy petition on behalf of the Trust, or (iii) institute against, or join any other Person in instituting against, the Trust, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceedings under any applicable insolvency law.

IN WITNESS WHEREOF, the Issuer has caused this Class 1 Beneficial Ownership Certificate to be signed manually by the Manager in accordance with the terms of the Trust Agreement.

Date: _____

BR Diversified Industrial Portfolio I, DST

By: BR Diversified Industrial Portfolio I DST Manager,
LLC, not in its individual capacity, but solely as
Manager of the Issuer

By: _____

Name: _____

Title: _____

EXHIBIT B-2

FORM OF CLASS 2 BENEFICIAL OWNERSHIP CERTIFICATE

THIS CLASS 2 BENEFICIAL OWNERSHIP CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY IN ANY JURISDICTION. THIS CLASS 2 BENEFICIAL OWNERSHIP CERTIFICATE MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED, OTHER THAN PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE SECURITIES LAWS. TRANSFER OF A BENEFICIAL INTEREST IN THE TRUST, OR OF ANY RIGHT, TITLE OR INTEREST THEREIN, SHALL OCCUR ONLY UPON AND BY VIRTUE OF THE ENTRY OF SUCH TRANSFER IN THE OWNERSHIP RECORDS OF THE TRUST. THIS CLASS 2 BENEFICIAL OWNERSHIP CERTIFICATE IS NON-TRANSFERABLE AND MAY NOT BE NEGOTIATED, ENDORSED OR OTHERWISE TRANSFERRED TO A HOLDER.

BR Diversified Industrial Portfolio I, DST

CLASS 2 BENEFICIAL OWNERSHIP CERTIFICATE

No. _____

BR Diversified Industrial Portfolio I, DST, a statutory trust organized under the laws of the State of Delaware (the "Issuer"), certifies that _____ is the owner of _____% of the issued and outstanding Class 2 Beneficial Interests in the Issuer, issued pursuant to the Trust Agreement dated as of August 10, 2022 (as may be amended or supplemented from time to time, the "Trust Agreement") by and among BR Diversified Industrial Portfolio I, DST, as Depositor, BR Diversified Industrial Portfolio I DST Manager, LLC, as Manager, and Delaware Trust Company, as Trustee.

All capitalized terms used in this Class 2 Beneficial Ownership Certificate and not defined herein shall have the meanings assigned to such terms in the Trust Agreement. Reference is made to the Trust Agreement and any agreements supplemental thereto for a statement of the respective rights and obligations thereunder of the Depositor, the Manager, the Trustee, and the Beneficial Owners. This Class 2 Beneficial Ownership Certificate is subject to all terms of the Trust Agreement. Any transferee or assignee of all or any portion of the Class 2 Beneficial Interests represented by this Class 2 Beneficial Ownership Certificate is subject to, and agrees to be bound and abide by the terms of the Trust Agreement.

This Class 2 Beneficial Ownership Certificate shall in all respects be governed by, and construed in accordance with, the laws of the State of Delaware.

By accepting this Class 2 Beneficial Ownership Certificate, the holder hereof hereby acknowledges and agrees that in its capacity as a Beneficial Owner it lacks the ability to (i) seek a partition of the Trust's assets, (ii) file a voluntary bankruptcy petition on behalf of the Trust, or (iii) institute against, or join any other Person in instituting against, the Trust, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceedings under any applicable insolvency law.

IN WITNESS WHEREOF, the Issuer has caused this Class 2 Beneficial Ownership Certificate to be signed manually by the Manager in accordance with the terms of the Trust Agreement.

Date: _____

BR Diversified Industrial Portfolio I, DST

By: BR Diversified Industrial Portfolio I DST Manager, LLC, not in its individual capacity, but solely as Manager of the Issuer

By: _____
Name: _____
Title: _____

ENDORSEMENT

FOR VALUE RECEIVED, BR Diversified Industrial Portfolio I, DST, the registered holder, hereby assigns, transfers, conveys, and delivers unto _____ the Class 2 Beneficial Interests in BR Diversified Industrial Portfolio I, DST, a Delaware statutory trust (the "Trust"), standing in its name on the books of said Trust and represented by Class 2 Beneficial Ownership Certificate, Certificate Number 1 and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Class 2 Beneficial Interest on the books of the Trust with full power of substitution in the premises.

Dated: _____

BR Diversified Industrial Portfolio I, DST

By: BR Diversified Industrial Portfolio I DST Manager,
LLC, not in its individual capacity, but solely as
Manager of the Issuer

By: _____
Name: _____
Title: _____

EXHIBIT C

**CERTIFICATE OF TRUST
OF
BR Diversified Industrial Portfolio I, DST**

(COPY TO BE ATTACHED)

Delaware

Page 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF STATUTORY TRUST REGISTRATION OF "BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST", FILED IN THIS OFFICE ON THE TWENTY-THIRD DAY OF MAY, A.D. 2022, AT 11:34 O`CLOCK A.M.




Jeffrey W. Bullock, Secretary of State

6814148 8100
SR# 20222216374

Authentication: 203495468
Date: 05-23-22

You may verify this certificate online at corp.delaware.gov/authver.shtml

STATE *of* DELAWARE CERTIFICATE *of* TRUST

This Certificate of Trust is filed in accordance with the provisions of the Delaware Statutory Trust Act (Title 12 of the Delaware Code, Section 3801 et seq.) and sets forth the following:

- **First:** The name of the trust is BR Diversified Industrial Portfolio I, DST
- **Second:** The name and address of the Delaware trustee is
Delaware Trust Company
251 Little Falls Drive
Wilmington, DE 19808
- **Third:** (Insert any other information the trustees determine to include therein.)

By: 
Alan Halpern, Vice President

Name: Delaware Trust Company
Solely in its capacity as Delaware Trustee

EXHIBIT D

**OWNERSHIP RECORDS
FOR
BR Diversified Industrial Portfolio I, DST
LAST REVISED _____, 20__.**

<u>Name:</u>	<u>Mailing Address:</u>	<u>Percentage (%) Beneficial Interest</u>
_____	_____	_____

I hereby certify that the foregoing Ownership Records are complete and accurate as of the date set forth above.

BR Diversified Industrial Portfolio I DST Manager,
LLC, not in its individual capacity, but solely as
Manager

By: _____
Name: _____
Title: _____

EXHIBIT E

AGREEMENT OF ASSIGNEE OR TRANSFEREE BENEFICIAL OWNER OF BR Diversified Industrial Portfolio I, DST

The undersigned has received and reviewed, with assistance from such legal, tax, investment, and other advisors and skilled persons as the undersigned has deemed appropriate, the Trust Agreement of BR Diversified Industrial Portfolio I, DST (the "Trust"), dated as of August 10, 2022 (the "Trust Agreement"), by and among BR Diversified Industrial Portfolio I, DST, as Depositor, BR Diversified Industrial Portfolio I DST Manager, LLC, as Manager, and Delaware Trust Company, as Trustee, and hereby covenants and agrees to be bound by the Trust Agreement as a Class 1 Beneficial Owner under the Trust. All capitalized terms used herein, and not defined herein shall have the meanings given to such terms in the Trust Agreement.

In connection with the purchase of the Class 1 Beneficial Interest, the undersigned hereby makes the following representations, warranties, covenants, acknowledgments, agreements, and understandings to and in favor of the Trust, the Depositor, the Manager, and the Trustee:

1.1 Acknowledges that the Class 1 Beneficial Interest being acquired by the undersigned is pursuant to the contract of sale or other written agreement attached hereto as Exhibit A and that there are no side letters or other undisclosed understandings or agreements between buyer and seller (hereinafter the "Offer").

1.2 Represents and warrants that the undersigned: (i) understands and is aware that there are substantial uncertainties regarding the treatment of the undersigned's Class 1 Beneficial Interest as real estate for federal income tax purposes; (ii) fully understands that there is significant risk that the undersigned's Class 1 Beneficial Interest will not be treated as real estate for federal income tax purposes; (iii) has independently obtained advice from its legal counsel and/or accountant regarding any tax-deferred exchange under Code Section 1031, including, without limitation, whether the acquisition of the undersigned's Class 1 Beneficial Interest may qualify as part of a tax-deferred exchange, and the undersigned is relying on such advice and not on the opinion of counsel issued to the Trust or upon any statements in the Memorandum (as defined below) regarding the tax treatment of the Class 1 Beneficial Interests; (iv) is aware that the Internal Revenue Service ("IRS") has issued Revenue Ruling 2004-86 (the "Revenue Ruling") specifically addressing Delaware statutory trusts, the Revenue Ruling is merely guidance and is not a "safe-harbor" for taxpayers or sponsors, and, without the issuance of a Private Letter Ruling on a specific offering, there is no assurance that the undersigned's Class 1 Beneficial Interest will not be treated as a partnership interest for federal income tax purposes; (v) understands that the Trust has not obtained a ruling from the IRS that the undersigned's Class 1 Beneficial Interest will be treated as an undivided interest in real estate as opposed to an interest in a partnership; (vi) understands that the tax consequences of an investment in the undersigned's Class 1 Beneficial Interest, especially the treatment of the transaction described herein under Code Section 1031 and the related "1031 Exchange" rules, are complex and vary with the facts and circumstances of each individual purchaser; (vii) understands that, notwithstanding the opinion of counsel issued to the Trust states that a purchaser's Class 1 Beneficial Interest "should" be considered a real property interest and not a partnership interest for federal income tax purposes, no assurance can be given that the IRS will agree with this opinion; and (viii) shall, for federal income tax purposes, report the purchase of the Class 1 Beneficial Interest by the undersigned as a purchase by the undersigned of a direct ownership interest in the Real Estate.

1.3 Acknowledges that the undersigned (i) has received from the undersigned's transferor or assignor a courtesy copy of the private offering memorandum regarding the sale of the Class 1 Beneficial Interests by the Trust (together with any addendums or supplements thereto, the "Memorandum") and the Trust Agreement and (ii) is familiar with and understands each of the foregoing including the "Risk Factors" set forth in the Memorandum.

1.4 Represents and warrants that the undersigned, in determining to acquire the Class 1 Beneficial Interest, has relied solely upon the advice of the undersigned's legal counsel and accountants or other financial advisors with respect to the tax and other consequences involved in acquiring the Class 1 Beneficial Interest and that none of Bluerock Real Estate L.L.C., Bluerock Real Estate Holdings, LLC, the Trust, the Trustee, the Manager, the Depositor, or the Sponsor (or any of their respective owners, officers, representatives, professionals or agents) has

made any representation to the undersigned regarding the Class 1 Beneficial Interest or the assets or liabilities of the Trust or the financial viability of the Trust or an investment in the Class 1 Beneficial Interests.

1.5 Acknowledges that the Class 1 Beneficial Interest being acquired will be governed by the terms and conditions of the Trust Agreement, and under certain circumstances by the limited liability company operating agreement contemplated under Section 9.2 of the Trust Agreement and attached as Exhibit F thereto, both of which the undersigned accepts and by which the undersigned agrees by execution hereof to be legally bound notwithstanding that his or her signature will not be required on either agreement.

1.6 Represents and warrants that the undersigned either (i) is an accredited investor, or (ii) is acquiring the Class 1 Beneficial Interest in a fiduciary capacity for a person meeting such condition.

1.7 Represents and warrants that the Class 1 Beneficial Interest being acquired will be acquired for the undersigned's own account without a view to public distribution or resale and that the undersigned has no contract, undertaking, agreement or arrangement to sell or otherwise transfer or dispose of the Class 1 Beneficial Interest or any portion thereof to any other Person.

1.8 Represents and warrants that the undersigned (i) can bear the economic risk of the purchase of the Class 1 Beneficial Interest including the total loss of the undersigned's investment, (ii) has such knowledge and experience in business and financial matters, including the analysis of or participation in offerings of privately issued securities, as to be capable of evaluating the merits and risks of purchasing Class 1 Beneficial Interests, and (iii) if an individual, is at least 19 years of age.

1.9 Understands that the Class 1 Beneficial Interest has not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state and are subject to substantial restrictions on transfer as described in the Memorandum under "Summary of the Trust Agreement – Summary of Certain Provisions of the Trust Agreement –Transfer Rights," which restrictions are in addition to certain other restrictions set forth in the Trust Agreement.

1.10 Understands that a legend will be placed on the Class 1 Beneficial Ownership Certificate with respect to restrictions on distribution, transfer, resale, assignment or subdivision of the Class 1 Beneficial Interest imposed by applicable federal and state securities laws.

1.11 Agrees that the undersigned will not sell or otherwise transfer or dispose of any Class 1 Beneficial Interest or any portion thereof unless (i) such Class 1 Beneficial Interest is registered under the Securities Act and any applicable state securities laws or, if required by the Trust (through the Manager), the undersigned obtains an opinion of counsel that is satisfactory to the Trust that such Class 1 Beneficial Interest may be sold in reliance on an exemption from such registration requirements, and (ii) the transfer is otherwise made in accordance with the Trust Agreement.

1.12 Agrees that the undersigned will not sell or transfer a Class 1 Beneficial Interest or any portion thereof to (i) an employee benefit plan within the meaning of Section 3(3) of ERISA that is subject to the fiduciary responsibility provisions of Title I of ERISA (a "plan"), or a plan within the meaning of Code Section 4975(e)(1) that is subject to Code Section 4975 (also, a "plan"), including a qualified plan (any pension, profit sharing or stock bonus plan that is qualified under Code Section 401(a)) or an individual retirement account; (ii) any Person that is directly or indirectly acquiring a Class 1 Beneficial Interest on behalf of, as investment manager of, as fiduciary of, as trustee of, or with assets of a plan (including any insurance company using assets in its general or separate account that may constitute assets of a plan); (iii) a charitable remainder trust; (iv) any other tax-exempt entity; or (v) a foreign Person.

1.13 Understands that (i) the Trust has no obligation or intention to register any Class 1 Beneficial Interest for resale or transfer under the Securities Act or any state securities laws or to take any action (including the filing of reports or the publication of information as required by Rule 144 under the Securities Act) which would make available any exemption from the registration requirements of any such laws, and (ii) the undersigned therefore may be precluded from selling or otherwise transferring or disposing of any Class 1 Beneficial Interest or any portion thereof for an indefinite period of time or at any particular time.

1.14 Understands that no federal or state agency including the Securities and Exchange Commission, or the securities commission or authorities of any other state has approved or disapproved the Class 1 Beneficial Interests, passed upon or endorsed the merits of the Trust's offering of Class 1 Beneficial Interests or the accuracy or adequacy of the Memorandum, or made any finding or determination as to the fairness of the interest for public investment.

1.15 Represents, warrants and agrees that, if the undersigned is acquiring the Class 1 Beneficial Interest in a fiduciary capacity, (i) the above representations, warranties, agreements, acknowledgments and understandings shall be deemed to have been made on behalf of the Person or Persons for whose benefit such Class 1 Beneficial Interest is being acquired, (ii) the name of such Person or Persons is indicated below the undersigned's name, and (iii) such further information as the Manager deems appropriate shall be furnished regarding such Person or Persons.

1.16 Acknowledges and agrees that counsel, including special tax counsel, to the Trust, the Depositor, the Manager and their Affiliates do not represent, and shall not be deemed under applicable codes of professional responsibility, to have represented or to be representing, any transferee or assignee, including the undersigned, in any way in connection with the transfer or assignment of a Class 1 Beneficial Interest.

1.17 Agrees to indemnify, defend and hold harmless Bluerock Real Estate, L.L.C., Bluerock Real Estate Holdings, LLC, the Trust, Trustee, Depositor, and Manager, and each of their members, managers, shareholders, officers, directors, employees, consultants, affiliates and advisors (collectively, the "Indemnified Persons") of and from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs) that they may incur by reason of the untruth or inaccuracy of any of the representations, warranties, covenants or agreements contained herein or in any other document transferee or assignee has furnished to any of the foregoing in connection with this transaction. In addition, if any person shall assert a claim to a finder's fee or real estate brokerage commission on account of alleged employment as a finder or real estate broker through or under the undersigned in connection with the undersigned's acquisition of the Class 1 Beneficial Interest, the undersigned shall indemnify and hold the Indemnified Persons harmless from and against any such claim. This indemnification includes, but is not limited to, any damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs) incurred by the Indemnified Persons defending against any alleged violation of federal or state securities laws, which is based upon or related to any untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents the undersigned has furnished to any of the foregoing in connection with this transaction, and against any failure of the transaction to satisfy any Code Section 1031 requirements in connection with the undersigned's exchange under such provisions.

1.18 Represents and warrants that neither the undersigned nor any Affiliate of the undersigned (i) is a Sanctioned Person (defined below), (ii) has more than 15% of its assets in Sanctioned Countries (defined below), or (iii) derives more than 15% of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Countries. For purposes of the foregoing, a "Sanctioned Person" shall mean (y) a Person named on the list of "specially designated nationals" or "blocked persons" maintained by the U.S. Office of Foreign Assets Control ("OFAC") at <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>, or as otherwise published from time to time, or (y) (1) an agency of the government of a Sanctioned Country, (2) an organization controlled by a Sanctioned Country, or (3) a person resident in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC. A "Sanctioned Country" shall mean a country subject to a sanctions program identified on the list maintained by OFAC and available at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>, or as otherwise published from time to time.

1.19 Acknowledges that the Class 2 Beneficial Owner has certain rights under the Trust Agreement, as more particularly set forth in the Trust Agreement.

[SIGNATURE PAGE FOLLOWS]

The representations, warranties, acknowledgments, understandings and indemnities of transferee or assignee set forth herein above shall survive the undersigned's acquisition of the Class 1 Beneficial Interest.

Name: _____

EXHIBIT F

FORM OF LIMITED LIABILITY COMPANY AGREEMENT

OPERATING AGREEMENT OF BR DIVERSIFIED INDUSTRIAL PORTFOLIO I SPRINGING, LLC

This Limited Liability Company Agreement (“Agreement”), effective as of the Transfer Date, is entered into by and between BR Diversified Industrial Portfolio I, DST, a Delaware statutory trust (the “Trust” or the “Initial Member”), as the Initial Member, and BR Diversified Industrial Portfolio I Springing Manager, LLC, a Delaware limited liability company (the “Manager”) and with the expectation of the admission of the parties listed on Exhibit II attached hereto, as Members, pursuant to the Act on the following terms and conditions.

RECITALS

WHEREAS, an Affiliate of the Manager established the Trust to acquire and hold the Property and sell Beneficial Interests in the Trust, pursuant to that certain Confidential Private Placement Memorandum (as supplemented or amended, the “Memorandum”);

WHEREAS, the Members hold all of the Beneficial Interests in the Trust as the Beneficial Owners thereof and in the percentage amounts reflected on Exhibit II attached hereto;

WHEREAS, the Manager or its predecessor in interest has determined that a distribution of Units to the Beneficial Owners in proportion to their Beneficial Interests should be made pursuant to Section 9.2 of the Trust Agreement in order to preserve and protect the Trust Estate;

WHEREAS, in order to preserve and protect the Trust Estate, the Manager established the Company to hold the Trust Estate and issue the Units to the Trust in exchange for its contribution of the Trust Estate to the Company; and

WHEREAS, the Trust, as Initial Member, will distribute all of the Units held by the Trust to the Beneficial Owners (in the amounts reflected on Exhibit II attached hereto) in proportion to their Beneficial Interests, and, in connection therewith, the Manager will admit the Beneficial Owners as Members of the Company and the interest of the Initial Member in the Company will be terminated.

NOW THEREFORE, the Members and the Manager agree that the Company shall be governed by and operated pursuant to the Act and the terms of this Agreement as hereinafter set forth.

1. Organization.

1.1 Limited Liability Company. On or prior to the Transfer Date, the Manager shall file a Certificate of Formation with the office of the Secretary of State of Delaware in accordance with and pursuant to the Act to form the Company.

1.2 Name and Place of Business. The name of the Company shall be “BR Diversified Industrial Portfolio I Springing, LLC”, and its principal place of business shall be at c/o Bluerock Real Estate, L.L.C., 1345 Avenue of the Americas, 32nd Floor, Suite B, New York, NY 10105. The Manager may change such name, change such place of business or establish additional places of business of the Company as the Manager may determine to be necessary or desirable.

1.3 Business and Purpose of the Company. The nature of the business and the purposes to be conducted and promoted by the Company are to engage solely in the following activities:

1.3.1 To own, hold, sell, assign, transfer, and otherwise deal with the Trust Estate.

1.3.2 To exercise all powers enumerated in the Act if necessary or convenient to the conduct, promotion or attainment of the business or purposes otherwise set forth herein.

1.3.3 Notwithstanding anything to the contrary set forth in paragraphs 1.3.1 and 1.3.2 above, since its formation and thereafter until the Loan is paid in full, the Company will continue to (i) be organized solely for the purpose of owning the Trust Estate, (ii) not engage in any business unrelated to the ownership of the Trust Estate, and (iii) not have any assets other than those related to the Trust Estate.

1.4 Term. The term of the Company shall terminate as provided in Section 14 of this Agreement; provided, however, that the Company may not be dissolved at any time during which the Loan remains outstanding with the Lender for the Property.

1.5 Required Filings. The Manager shall execute, acknowledge, file, record and/or publish such certificates and documents as may be required by this Agreement or by law in connection with the formation and operation of the Company.

1.6 Registered Office and Registered Agent. The Company's initial registered office and initial registered agent shall be as provided in the Certificate of Formation. The registered office and registered agent may be changed from time to time by the Manager by filing the address of the new registered office and/or the name of the new registered agent pursuant to the Act.

1.7 Certain Transactions. Any Member, or any Affiliate of a Member, or any shareholder, officer, director, employee, partner, member or any person owning an interest therein, may engage in or possess an interest in any other business or venture of any nature or description, whether or not competitive with the Company, including, but not limited to, the acquisition, syndication, ownership, financing, leasing, operation, maintenance, management, brokerage, construction and development of property similar to the Property and no Member, or any Affiliate of a Member, or any shareholder, officer, director, employee, partner, member or any person owning an interest therein shall have any interest in such other business or venture by reason of their interest in the Company.

2. Definitions. Definitions for this Agreement are set forth on Exhibit I and are incorporated herein.

3. Capitalization and Financing.

3.1 Members' Capital Contributions.

3.1.1 Initial Member. The Trust, as the Initial Member, shall contribute the Trust Estate to the Company in exchange for all of the authorized Units in the Company. The Trust shall then distribute the Units to the Beneficial Owners in proportion to and in exchange for, and in termination of, their Beneficial Interests in the Trust.

3.1.2 Units. The Company is hereby authorized to initially issue ten thousand (10,000) Units and to admit the Beneficial Owners as Members of the Company.

3.1.3 Liabilities of Members. Except as specifically provided in this Agreement, neither the Manager nor any Member shall be required to make any additional contributions to the Company and no Manager or Member shall be liable for the debts, liabilities, contracts, or any other obligations of the Company, nor shall the Manager or the Members be required to lend any funds to the Company.

3.2 Additional Voluntary Capital Contributions or Additional Units. The Manager may determine, in its sole discretion, that Capital Expenditures are in the best interest of the Company. The Manager may request the Members to make additional voluntary capital contributions ("Additional Voluntary Capital Contributions") or may sell additional Units to new Members to enable the Company to make Capital Expenditures. In the event the Manager requests Additional Voluntary Capital Contributions, the Manager shall notify the Members in writing of the requested amount of such Additional Voluntary Capital Contribution, and a Member may, within fifteen (15) days of receiving such notice, elect (in writing by notice given to the Manager) to make the requested Additional Voluntary Capital

Contributions. If the total specified amount by the Members wishing to make the Additional Voluntary Capital Contributions is less than the amount requested by the Manager, the Manager, in addition to providing the Members with a supplemental request for the remaining portion of the requested Additional Voluntary Capital Contribution, is hereby authorized to admit additional Members as necessary to insure that it receives the requested amount of Additional Voluntary Capital Contributions. To the extent that any Additional Voluntary Capital Contributions are made, whether by existing Members or upon the sale of Units to new Members, new Units shall be issued for those Additional Voluntary Capital Contributions on the basis of the fair market value as determined in the sole discretion of the Manager. In the event the Manager determines to sell additional Units, existing Members may participate on the same basis as new Members on a first-come first-serve basis. Fractional Units may be issued hereunder.

3.3 Manager Loans. Provided it does not violate or conflict with the Loan Documents, the Manager or its Affiliates may, but will have no obligation to, make loans to the Company to pay Company operating expenses if deemed necessary in Manager's reasonable business judgment. Any such loan shall bear interest at the actual cost of funds to the Manager and provide for the payment of principal and any accrued but unpaid interest in accordance with the terms of the promissory note evidencing such loan, but in no event later than dissolution of the Company.

4. Allocation of Income and Loss.

4.1 Allocation to the Manager and Members. For each fiscal year, the income and loss of the Company shall be allocated to the Members in proportion to their Units.

4.2 Allocation Among Units. Except as otherwise provided in this Agreement, all Distributions and allocations made to the Units shall be in the ratio of the number of Units held by each such Member on the date of such allocation (which allocation date shall be deemed to be the last day of each month) to the total outstanding Units as of such date, and, except as otherwise provided in this Agreement, without regard to the number of days during such month that the Units were held by each Member. In the event additional Members are admitted to the Company on different dates during any fiscal year, the income or loss allocated to Members for that fiscal year shall be apportioned among them in proportion to the number of Units each Member held from time to time during the fiscal year in accordance with Code Section 706.

4.3 Allocation of Company Items. Except as otherwise provided herein, whenever a proportionate part of income or loss is allocated to a Member, every item of income, gain, loss or deduction entering into the computation of such income or loss, and every item of credit or tax preference related to such allocation and applicable to the period during which such income or loss was realized, shall be allocated to a Member in the same proportion.

4.4 Assignment. In the event of the assignment of a Unit, the income and loss shall be apportioned as between the Member and his or her assignee based upon the number of months of their respective ownership during the year in which the assignment occurs, without regard to the results of the Company's operations during the period before or after such assignment. Distributions shall be made to the holder of record of the Units as of the date of the Distribution. An assignee that receives Units during the first fifteen (15) days of a month will receive any allocations relative to such month. An assignee that acquires Units on or after the sixteenth (16th) day of a month will be treated as acquiring his or her Units on the first day of the following month.

4.5 Consent of Members. The methods for allocating income and loss are hereby expressly consented to by each Member as a condition of becoming a Member.

4.6 Withholding Obligations.

4.6.1 If the Company is required (as determined in good faith by the Manager) to make a payment ("Tax Payment") with respect to any Member to discharge any legal obligation on the part of the Company or the Manager to make payments to any governmental authority with respect to any federal, foreign, state or local tax liability of such Member arising as a result of such Member's interest in the Company, then, notwithstanding any other provision of this Agreement to the contrary, the amount of any such Tax Payment shall be deemed to be a loan by the Company to such Member, which loan shall bear interest at the Prime Rate and be payable upon demand or by offset to any Distribution which otherwise would be made to such Member.

4.6.2 If and to the extent the Company or the Manager is required to make any Tax Payment with respect to any Member, or elects to make payment on any loan described in Section 4.6.1 by offset to a Distribution to a Member, either (i) such Member's proportionate share of such Distribution shall be reduced by the amount of such Tax Payment, or (ii) such Member shall pay to the Company prior to such Distribution an amount of cash equal to such Tax Payment. In the event a portion of a Distribution in kind is retained by the Company pursuant to clause (i) above, such retained property may, in the discretion of the Manager, either (A) be distributed to the other Members, or (B) be sold by the Company to generate the cash necessary to satisfy such Tax Payment. If the property is sold, then for purposes of income tax allocations only under this Agreement, any gain or loss from such sale or exchange shall be allocated to the Member to whom the Tax Payment relates. If the property is sold at a gain, and the Company is required to make any Tax Payment on such gain, the Member to whom the gain is allocated shall pay the Company prior to the due date of the Tax Payment an amount of cash equal to such Tax Payment.

4.6.3 The Manager shall be entitled to hold back any Distribution to any Member to the extent the Manager believes in good faith that a Tax Payment will be required with respect to such Member in the future and the Manager believes that there will not be sufficient subsequent Distributions to make such Tax Payment.

5. Distributions.

5.1 Cash from Operations. Except as provided in Section 5.2 and as otherwise provided in Section 14, Distributable Cash with respect to each calendar year shall be distributed to the Members in proportion to their Units.

5.2 Restrictions. The Company intends to make periodic distributions of substantially all cash determined by the Manager to be distributable, subject to the following: (i) Distributions may be restricted or suspended for periods when the Manager determines in its reasonable discretion that it is in the best interest of the Company; (ii) all Distributions are subject to the establishment and maintenance by Manager of reasonable reserves for payment of potential future Company obligations; and (iii) all Distributions shall be paid only to the extent that all currently due operating expenses have been paid or otherwise provided for and all amounts then due and payable under the Loan Documents have been paid or otherwise provided for.

6. Compensation to the Manager and its Affiliates.

6.1 Fees and Compensation to the Manager and its Affiliates. The Manager, its Affiliates, and Affiliates of officers of the Manager shall be entitled to receive an administrative fee and additional compensation for any additional service performed on behalf of the Company equal to the then prevailing market rates for similar services performed in the area where the Property is located. In addition, the Manager shall receive a disposition fee from the Company equal to 2% of the gross proceeds (or transfer value, as applicable) of the sale, exchange or other disposition of the Property (the "Disposition Fee"), from which the Manager shall pay all sales commissions payable to any third-party broker in connection with the sale, such that the aggregate amount of the Disposition Fee plus the third-party brokerage commission does not exceed 2% of the gross sales price of the Property. For the avoidance of doubt, the Disposition Fee shall not be payable in the event the FMV Option is exercised or in the event that the Disposition Fee applies at the level of the Operating DSTs or its successors (as defined in the Trust Agreement).

6.2 Company Expenses.

6.2.1 Operating Expenses. Subject to the limitations set forth in Section 6.2.2, the Company shall pay directly, or reimburse the Manager as the case may be, for all of the costs and expenses of the Company's operations, including, without limitation, the following costs and expenses: (i) all Organization Expenses advanced or otherwise paid by the Manager; (ii) all costs of personnel employed by the Company and directly involved in the Company's business; (iii) all compensation due to the Manager or its Affiliates; (iv) all costs of personnel employed by the Manager or its Affiliates and directly involved in the business of the Company; (v) all costs of borrowed money and taxes applicable to the Company; (vi) legal, accounting, audit, brokerage, and other fees; (vii) fees and expenses paid to independent contractors, mortgage bankers, real estate brokers, and other agents; (viii) all expenses incurred in connection with the maintenance of Company books and records, the preparation and dissemination of reports, tax returns or other information to the Members and the making of Distributions to the Members; (ix) expenses incurred in preparation and filing reports or other information with appropriate regulatory agencies; (x)

expenses of insurance as required in connection with the business of the Company, other than any insurance insuring the Manager against losses for which it is not entitled to be indemnified under Section 7.7; (xi) costs incurred in connection with any litigation in which the Company may become involved, or any examination, investigation, or other proceedings conducted by any regulatory agency, including legal and accounting fees; (xii) the actual costs of goods and materials used by or for the Company; (xiii) the costs of services that could be performed directly for the Company by independent parties such as legal, accounting, secretarial or clerical, reporting, transfer agent, data processing and duplicating services but which are in fact performed by the Manager or its Affiliates, but not in excess of the lesser of: (a) the actual costs to the Manager or its Affiliates of providing such services; or (b) the amounts which the Company would otherwise be required to pay to independent parties for comparable services in the same geographic locale; (xiv) expenses of Company administration, accounting, documentation and reporting; (xv) expenses of revising, amending, modifying, or terminating this Agreement; (xvi) all travel expenses incurred in connection with the Company's business; and (xvii) all other costs and expenses incurred in connection with the business of the Company exclusive of those set forth in Section 6.2.2. All payments set forth herein shall be paid from any funds available after payment of, or other provision for, all other currently due operating expenses for the Property and all currently due amounts under the Loan Documents.

6.2.2 Manager Overhead. Except as set forth in this Section 6, the Manager and its Affiliates shall not be reimbursed for overhead expenses incurred in connection with the Company, including but not limited to rent, depreciation, utilities, capital equipment, or other administrative items.

7. Authority and Responsibilities of the Manager.

7.1 Management. The Manager shall manage the business and affairs of the Company. Except as otherwise set forth in this Agreement and the Certificate of Formation, and to the maximum extent permitted by law, the Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters, and to perform any and all other acts or activities customary or incident to the management of the Company's business.

7.2 Number, Tenure and Qualifications. The Company shall have one Manager, which shall be BR Diversified Industrial Portfolio I Springing Manager, LLC. The Manager shall remain the Manager until such Manager is removed, withdraws or resigns.

7.3 Manager Authority. The Manager shall have all authority, rights and powers conferred by law (subject only to Section 7.4 and Section 10 hereof and the Certificate of Formation) and those required or appropriate to the management of the Company's business, as limited by Section 1.3, which, by way of illustration but not by way of limitation, shall include the right, authority and power to cause the Company to:

7.3.1 Take all actions relating to the management of the Property;

7.3.2 Hold, sell, exchange or otherwise dispose of the Property;

7.3.3 Borrow money, and, if security is required therefor subject the Property to any security device, and to prepay, in whole or in part, refinance, increase, modify, consolidate, or extend any security device. All of the foregoing shall be on such terms and in such amounts as the Manager, in its sole discretion, deems to be in the best interest of the Company and subject to any restrictions or limitations established under the Loan Documents;

7.3.4 Enter into such contracts and agreements as the Manager determines to be reasonably necessary or appropriate in connection with the Company's business and purpose (including contracts with Affiliates of the Manager), and any contract of insurance that the Manager deems necessary or appropriate for the protection of the Company and the Manager, including errors and omissions insurance, for the conservation of Company assets, or for any purpose convenient or beneficial to the Company;

7.3.5 Employ persons, who may be Affiliates of the Manager, in the operation and management of the business of the Company;

7.3.6 Prepare or cause to be prepared reports, statements, and other relevant information for distribution to the Members;

7.3.7 Open accounts and deposits and maintain funds in the name of the Company in banks, savings and loan associations, “money market” mutual funds and other instruments as the Manager may deem in its discretion to be necessary or desirable;

7.3.8 Cause the Company to make or revoke any of the elections referred to in the Code (the Manager shall have no obligation to make any such elections);

7.3.9 Select as its accounting year a calendar or fiscal year as may be approved by the Internal Revenue Service (the Company initially intends to adopt the calendar year);

7.3.10 Determine the appropriate accounting method or methods to be used by the Company;

7.3.11 In addition to any amendments otherwise authorized herein, amend this Agreement without any action on the part of the Members by special or general power of attorney or otherwise to:

(a) Add to the representations, duties, services or obligations of the Manager or its Affiliates, for the benefit of the Members;

(b) Cure any ambiguity or mistake, correct or supplement any provision herein that may be inconsistent with any other provision herein, or make any other provision with respect to matters or questions arising under this Agreement that will not be inconsistent with the provisions of this Agreement;

(c) Amend this Agreement to reflect the addition or substitution of Members;

(d) Minimize the adverse impact of, or comply with, any final regulation of the United States Department of Labor, or other federal agency having jurisdiction, defining “plan assets” for ERISA purposes;

(e) Reconstitute the Company under the laws of another state if beneficial;

(f) Execute, acknowledge and deliver any and all instruments to effectuate the foregoing, including the execution, acknowledgment and delivery of any such instrument by the attorney-in-fact for the Manager under a special or limited power of attorney, and to take all such actions in connection therewith as the Manager shall deem necessary or appropriate with the signature of the Manager acting alone;

(g) Make any changes to this Agreement required by the Lender or any subsequent lender that may be required to obtain financing or any refinancing of the Loan so long as such changes are not adverse to the interests of the Members; and

(h) Delete or add any provision to this Agreement required to be so deleted or added for the benefit of the members by the staff of the Securities and Exchange Commission or by a state “Blue Sky” Commissioner or similar official.

7.3.12 Require in any Company contract that the Manager shall not have any personal liability, but that the person or entity contracting with the Company is to look solely to the Company and its assets for satisfaction;

7.3.13 Lease personal property for use by the Company;

7.3.14 Establish reserves from income in such amounts as the Manager may deem appropriate;

7.3.15 Provided it does not violate or conflict with the Loan Documents, make secured or unsecured loans to the Company and receive interest at the rates set forth herein;

7.3.16 Represent the Company and the Members as “partnership representative” within the meaning of the Code in discussions with the Internal Revenue Service regarding the tax treatment of items of Company income, loss, deduction or credit, or any other matter reflected in the Company’s returns, and, if deemed in the best interest of the Members, to agree to final Company administrative adjustments or file a petition for a readjustment of the Company items in question with the applicable court;

7.3.17 Redeem or repurchase Units on behalf of the Company;

7.3.18 Hold an election for a successor Manager before the resignation, withdrawal, expulsion or dissolution of the Manager;

7.3.19 Initiate, settle and defend legal actions on behalf of the Company;

7.3.20 Admit itself as a Member, but only to the extent necessary to fulfill its duties as the manager of the Company and, in any event, without any Economic Interest;

7.3.21 Enter into any transaction with any partnership, company or venture;

7.3.22 Perform any and all other acts which the Manager is obligated to perform hereunder;

7.3.23 Perform any and all other acts which the Manager is permitted to perform under the Act;
and

7.3.24 Execute, acknowledge and deliver any and all instruments to effectuate the foregoing and take all such actions in connection therewith as the Manager may deem necessary or appropriate. The Manager may, on behalf and in the name of the Company, execute any and all documents or instruments.

7.4 Restrictions on Manager’s Authority. Subject to the balance of the terms of this Agreement and the Certificate of Formation, neither the Manager nor any Affiliates shall have authority, without a Majority Vote of the Units, to:

7.4.1 Enter into contracts with the Company that would bind the Company after the expulsion, withdrawal, Event of Insolvency, or other cessation to exist of the Manager, or to continue the business of the Company after the occurrence of such event;

7.4.2 Use or permit any other person to use Company funds or assets in any manner except for the exclusive benefit of the Company;

7.4.3 Alter the primary purpose of the Company;

7.4.4 Sell or lease to the Company any real property in which the Manager or any Affiliate has any interest;

7.4.5 Admit another person or entity as the Manager, except with the consent of the Members as provided in this Agreement;

7.4.6 Reinvest Cash from Operations in any additional properties;

7.4.7 Enter into any agreement imposing personal liability on any Member; or

7.4.8 Commingle the Company funds with those of any other person or entity, except for (i) the temporary deposit of funds in a bank checking account for the sole purpose of making Distributions immediately

thereafter to the Members and the Manager or (ii) funds attributable to the Property and held for use in the management of the operations of the Property.

7.5 Responsibilities of the Manager. The Manager shall:

7.5.1 Have a fiduciary responsibility for the safekeeping and use of all the funds of the Company (but Manager shall have no other fiduciary duties);

7.5.2 Devote such of its time and business efforts to the business of the Company as it shall in its discretion, exercised in good faith, determine to be necessary to conduct the business of the Company for the benefit of the Company and the Members;

7.5.3 File and publish all certificates, statements, or other instruments required by law for formation, qualification and operation of the Company and for the conduct of its business in all appropriate jurisdictions;

7.5.4 Cause the Company to be protected by public liability, property damage and other insurance determined by the Manager in its discretion to be appropriate to the business of the Company; and

7.5.5 At all times use its best efforts to meet applicable requirements for the Company to be taxed as a Company and not as an association taxable as a corporation.

7.5.6 Exercise commercially reasonable efforts to pursue a follow-on syndication of the membership interests of BR Diversified Industrial Portfolio I, DST, if any, within a reasonable time after the Transfer Date.

7.6 Administration of Company. So long as it is the Manager and the provisions of this Agreement for compensation and reimbursement of expenses of the Manager are observed, the Manager shall have the responsibility of providing continuing administrative and executive support, advice, consultation, analysis and supervision with respect to the functions of the Company, and compliance with federal, state and local regulatory requirements and procedures. In this regard, the Manager may retain the services of such Affiliates or unaffiliated parties as the Manager may deem appropriate to provide management and financial consultation and advice, and may enter into agreements for the management and operation of Company assets.

7.7 Indemnification of Manager.

7.7.1 The Manager, its shareholders, Affiliates, officers, directors, partners, manager, members, employees, agents and assigns, shall not be liable for, and shall be indemnified and held harmless (to the extent of the Company's assets) from, any loss or damage incurred by them, the Company or the Members in connection with the business of the Company, including costs and reasonable attorneys' fees and any amounts expended in the settlement of any claims of loss or damage resulting from any act or omission, which shall not constitute fraud or gross negligence, pursuant to the authority granted, to promote the interests of the Company. Moreover, the Manager shall not be liable to the Company or the Members because any taxing authorities disallow or adjust any deductions or credits in the Company income tax returns.

7.7.2 Notwithstanding anything contained herein to the contrary, any indemnification of the Manager or any Member shall be fully subordinated to any obligations respecting the Property (including, without limitation, the Loan Documents which secure the Loan) and such indemnification shall not constitute a claim against the Company in the event that cash flow in excess of amounts necessary to pay holders of such obligations is insufficient to pay such indemnification obligations.

7.8 No Personal Liability for Return of Capital. The Manager shall not be personally liable or responsible for the return or repayment of all or any portion of the Capital Contribution of any Member or any loan made by any Member to the Company, it being expressly understood that any such return of capital or repayment of

any loan shall be made solely from the assets (which shall not include any right of contribution from any Member) of the Company.

7.9 Authority as to Third Persons.

7.9.1 No third party dealing with the Company shall be required to investigate the authority of the Manager or secure the approval or confirmation by any Member of any act of the Manager in connection with the Company business. No purchaser of any property or interest owned by the Company shall be required to determine the right to sell or the authority of the Manager to sign and deliver any instrument of transfer on behalf of the Company, or to see to the application or distribution of revenues or proceeds paid or credited in connection therewith.

7.9.2 The Manager shall have full authority to execute on behalf of the Company any and all agreements, contracts, conveyances, deeds, mortgages and other instruments, and the execution thereof by the Manager, executing on behalf of the Company, shall be the only execution necessary to bind the Company thereto. No signature of any Member shall be required.

7.9.3 The Manager shall have the right by separate instrument or document to authorize one or more individuals or entities to execute leases and lease-related documents on behalf of the Company and any leases and documents executed by such agent shall be binding upon the Company as if executed by the Manager.

8. [Intentionally Omitted]

9. Rights, Authority and Voting of The Members.

9.1 Members are Not Agents. Pursuant to Section 7 and the Certificate of Formation, the day-to-day management of the Company is vested solely in the Manager. No Member, acting in the capacity of a Member, is an agent of the Company nor can any Member in such capacity bind or execute any instrument on behalf of the Company.

9.2 Voting Rights of Members. Subject to the terms of the Loan Documents, Members who own Units shall be entitled to cast one vote for each Unit they own. Except as otherwise specifically provided in this Agreement, and subject to receipt of the written approval of the Lender if required under the Loan Documents, Members shall have the right to vote only upon the following matters:

9.2.1 Removal of the Manager as provided in Section 11.2 of this Agreement;

9.2.2 Election of a successor Partnership Representative;

9.2.3 Amendment of this Agreement (except as otherwise provided herein);

9.2.4 Extension of the term of the Company as provided in Section 14.1.4 when there is a Dissolution Event; or

9.2.5 Election of a successor Manager.

9.3 Member Vote; Consent of Manager. All matters upon which the Members may vote, except as otherwise provided in this Agreement, shall require a Majority Vote and, except for removal of the Manager as provided in Section 11.2, the consent of the Manager to pass and become effective, which consent of Manager shall not be unreasonably withheld, conditioned, or delayed. The foregoing notwithstanding, at any time the Loan is outstanding, all Members shall be conclusively deemed to have elected to continue the existence of the Company under Section 9.2.4.

9.4 Meetings of the Members. The Manager may at any time call for a meeting of the Members, or for a vote without a meeting, on matters on which the Members are entitled to vote, and shall call for such a meeting (but not a vote without a meeting) following receipt of a written request therefor of Members holding more than ten percent

(10%) of the Units entitled to vote as of the record date. Within twenty (20) days after receipt of such request, the Manager shall notify all Members of record on the record date of the meeting.

9.4.1 Notice. Except as provided by Section 9.4.5, written notice of each meeting shall be given to each Member entitled to vote, either personally or by mail or other means of written communication, charges prepaid, addressed to such Member at his or her address appearing on the books of the Company or given by him or her to the Company for the purpose of notice or, if no such address appears or is given, at the principal executive office of the Company, or by publication of notice at least once in a newspaper of general circulation in the county in which such office is located. All such notices shall be sent not less than five (5), nor more than sixty (60), days before such meeting. The notice shall specify the place, date and hour of the meeting and the general nature of business to be transacted, and no other business shall be transacted at the meeting.

9.4.2 Adjourned Meeting and Notice Thereof. When a Members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Company may transact any business that might have been transacted at the original meeting. If the adjournment is for more than forty-five (45) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting.

9.4.3 Quorum. The presence in person or by proxy of the persons entitled to vote a majority of the Units shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment. Any meeting of Members may be adjourned from time to time by a Majority Vote of the Units represented either in person or by proxy.

9.4.4 Consent of Absentees. The transactions of any meeting of Members, however called and noticed and wherever held, are as valid as though they occurred at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of the meeting or an approval of the minutes thereof. All waivers, consents and approvals shall be filed with the Company records or made a part of the minutes of the meeting.

9.4.5 Action Without Meeting. Except as otherwise provided in this Agreement, any action which may be taken at any meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by Members having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all entitled to vote thereon were present and voted. In the event the Members are requested to consent on a matter without a meeting, each Member shall be given not less than five (5), nor more than sixty (60), days prior notice.

9.4.6 Record Dates. For purposes of determining the Members entitled to notice of any meeting or to vote or entitled to receive any Distributions or to exercise any rights in respect of any other lawful matter, the Manager may fix in advance a record date, which is not more than sixty (60) nor less than five (5) days prior to the date of the meeting nor more than sixty (60) days prior to any other action. If no record date is fixed:

(a) The record date for determining Members entitled to notice of or to vote at a meeting of Members shall be at the close of business on the Business Day next preceding the day on which notice is given or, if notice is waived, at the close of business on the Business Day next preceding the day on which the meeting is held;

(b) The record date for determining Members entitled to give consent to Company action in writing without a meeting shall be the day on which the first written consent is given;

(c) The record date for determining Members for any other purpose shall be at the close of business on the day on which the Manager adopts it, or the sixtieth (60th) day before the date of the other action, whichever is later; and

(d) A determination of Members of record entitled to notice of or to vote at a meeting of Members shall apply to any adjournment of the meeting unless the Manager, or the Members who requested the meeting, fix a new record date for the adjourned meeting, but the Manager, or such Members, shall fix a new record date if the meeting is adjourned for more than forty-five (45) days from the date set for the original meeting.

9.4.7 Proxies. Every person entitled to vote or execute consents shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the Manager. No proxy shall be valid after the expiration of three (3) months from the date thereof unless otherwise provided in the proxy. Every proxy continues in full force and effect until revoked as specified or unless it states that it is irrevocable. A proxy that states that it is irrevocable is irrevocable for the period specified therein to the fullest extent permitted by law.

9.4.8 Chairman of Meeting. The Manager may select any person to preside as Chairman of any meeting of the Members, and if such person shall be absent from the meeting, or fail or be unable to preside, the Manager may name any other person in substitution therefor as Chairman. In the absence of an express selection by the Manager of a Chairman or substitute therefor, the Chief Executive Officer, President, Vice President, Secretary, or Chief Financial Officer of the Manager, shall preside as Chairman, in that order. The Chairman of the meeting shall designate a secretary for such meeting, who shall take and keep or cause to be taken and kept minutes of the proceedings thereof. The conduct of all Members' meetings shall at all times be within the discretion of the Chairman of the meeting and shall be conducted under such rules as he may prescribe. The Chairman shall have the right and power to adjourn any meeting at any time, without a vote of the Units present in person or represented by proxy, if the Chairman shall determine such action to be in the best interests of the Company.

9.4.9 Inspectors of Election. In advance of any meeting of Members, the Manager may appoint any persons other than nominees for Manager or other office as the inspector of election to act at the meeting and any adjournment thereof. If an inspector of election is not so appointed, or if any such person fails to appear or refuses to act, the Chairman of any such meeting may, and on the request of any Member or his proxy shall, make such appointment at the meeting. The inspector of election shall determine the number of Units outstanding and the voting power of each, the Units represented at the meeting, the existence of a quorum, the authenticity, validity and effect of proxies, receive votes, ballots or consents, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes or consents, determine when the polls shall close, determine the result and do such acts as may be proper to conduct the election or vote with fairness to all Members.

9.4.10 Record Date and Closing Company Books. When a record date is fixed, only Members of record on that date are entitled to notice of and to vote at the meeting or to receive a Distribution, or allotment of rights, or to exercise the rights, as the case may be, notwithstanding any transfer of any Units on the books of the Company after the record date.

9.5 Rights of Members. No Member shall have the right or power to: (i) withdraw or reduce his contribution to the capital of the Company, except as a result of the dissolution and termination of the Company or as otherwise provided in this Agreement or by law; (ii) bring an action for partition against the Company; (iii) demand or receive property other than cash in return for his Capital Contribution; or (iv) direct the Manager with respect to day-to-day management of the Company or its books and records. Except as provided in this Agreement, no Member shall have priority over any other Member either as to the return of Capital Contributions or as to allocations of the income, loss or Distributions of the Company. Other than upon the termination and dissolution of the Company as provided by this Agreement, there has been no time agreed upon when the contribution of each Member (other than the Initial Member) is to be returned.

9.6 Restrictions on the Member. No Member shall:

9.6.1 Disclose to any non-Member other than their lawyers, accountants or consultants and/or commercially exploit any of the Company's business practices, trade secrets or any other information not generally known to the business community;

9.6.2 Do any other act or deed with the intention of harming the business operations of the Company; or

9.6.3 Do any act contrary to this Agreement.

9.7 Return of Capital of Member. In accordance with the Act, a Member may, under certain circumstances, be required to return to the Company, for the benefit of the Company's creditors, amounts previously distributed to the Member. If any court of competent jurisdiction holds that any Member is obligated to make any such payment, such obligation shall be the obligation of such Member and not of the Company, the Manager or any other Member.

10. [Intentionally Omitted]

11. Resignation, Withdrawal or Removal of the Manager.

11.1 Resignation or Withdrawal of the Manager. Subject to Section 12 hereof, the Manager shall not resign or withdraw as the Manager or do any act that would require its resignation or withdrawal without a Majority Vote. So long as any Loan is outstanding, the Manager may not resign, except as permitted under the Loan Documents. If the Manager is permitted to resign pursuant to this Section 11.1, an additional Manager of the Company shall be admitted to the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the resignation and, immediately following such admission, the resigning Manager shall cease to be a Manager of the Company.

11.2 Removal. Subject to the terms of the Loan Documents, the Manager may be removed by a Majority Vote for "cause". For purposes of this Section 11.2, "cause" shall be deemed to exist (i) if the Manager has engaged in fraud or gross negligence and has materially damaged the Company, or (ii) upon an Event of Insolvency of the Manager.

11.3 Manager's Fees. Upon the removal of the Manager pursuant to Section 11.2 or its withdrawal with the approval of a Majority Vote, such Manager shall be paid all of its earned but unpaid fees and other compensation remaining to be paid under this Agreement. The Company shall pay these amounts to the Manager in cash prior to the effective date of the removal or withdrawal of the Manager. All fees and compensation paid to the Manager pursuant to this Section 11.3 shall be subordinate to all amounts owed by the Company to the Lender; provided, however, the Manager shall be entitled to receive and keep all such fees and compensation paid to the Manager so long as the Loans are not in default at the time such fees and compensation are paid to the Manager.

12. Assignment of Units.

12.1 Permitted Assignments. Subject to the terms and conditions of the Loan Documents, a Member may only sell, assign, hypothecate, encumber or otherwise transfer all or any part of his or her interest in the Company if the following requirements are satisfied:

12.1.1 The Manager consents in its sole and absolute discretion in writing to the transfer;

12.1.2 No Member shall transfer, assign or convey or offer to transfer, assign or convey all or any portion of a Unit to any person who does not possess the financial qualifications required of all persons who become Members, as described in the Memorandum;

12.1.3 No Member shall have the right to transfer any Unit to any minor or to any person who, for any reason, lacks the capacity to contract for himself or herself under applicable law. Such limitations shall not, however, restrict the right of any Member to transfer any one or more Units to a custodian or a trustee for a minor or other person who lacks such contractual capacity;

12.1.4 The Manager, with advice of counsel, must determine that such transfer will not jeopardize the applicability of the exemptions from the registration requirements under the Securities Act of 1933, as amended, and registration or qualification under state securities laws relied upon by the Company and Manager in offering and selling the Units or otherwise violate any federal or state securities laws;

12.1.5 The Manager, with advice of counsel, must determine that, despite such transfer, Units will not be deemed traded on an established securities market or “readily tradable on a secondary market (or the substantial equivalent thereof)” under Section 7704 of the Code;

12.1.6 Any such transfer shall be by a written instrument of assignment, the terms of which are not in contravention of any of the provisions of this Agreement, and which has been duly executed by the assignor of such Units and accepted by the Manager in writing, in advance of consummation of the transfer;

12.1.7 A transfer fee shall be paid by the transferring Member in such amount as may be required by the Manager and/or Lender to cover all reasonable expenses, including attorneys’ fees, connected with such assignment;

12.1.8 The transfer will not result in qualified benefit plans owning twenty-five percent (25%) or more of the Units; and

12.1.9 The transfer will not violate any of the terms of the Loan Documents, including any requirement for Lender approval of the transfer.

12.2 [Intentionally Omitted]

12.3 Records of Ownership. The Manager shall keep Records of Ownership, which shall include records of the transfer and exchange of Units. Notwithstanding any provision of this Agreement to the contrary, transfer of a Unit, or of any right, title or interest therein, shall occur only upon and by virtue of the entry of such transfer in the Records of Ownership.

12.4 Substituted Member.

12.4.1 Conditions to be Satisfied. Subject to the terms of the Loan Documents, no person shall have the right to become a Substituted Member unless the Manager shall consent thereto in accordance with Section 12.1.1 and all of the following conditions are satisfied:

(a) A duly executed and acknowledged written instrument of assignment shall have been filed with the Company, which instrument shall specify the number of Units being assigned and set forth the intention of the assignor that the assignee succeed to the assignor’s interest as a Substituted Member in his or her place;

(b) The assignor and assignee shall have executed, acknowledged and delivered such other instruments as the Manager may deem necessary or desirable to effect such substitution, which may include an opinion of counsel regarding the effect and legality of any such proposed transfer, and which shall include: (i) the written acceptance and adoption by the assignee of the provisions of this Agreement and (ii) the execution, acknowledgment and delivery to the Manager of a special power of attorney, the form and content of which are more fully described herein; and

(c) A transfer fee sufficient to cover all reasonable expenses connected with such substitution shall have been paid to the Company.

12.4.2 Consent of Manager. The consent of the Manager shall be required to admit a person as a Substituted Member. The granting or withholding of such consent shall be within the sole and absolute discretion of the Manager.

12.4.3 Consent of Member. By executing or adopting this Agreement, each Member hereby consents to the admission of additional or Substituted Members upon consent of the Manager and in compliance with this Agreement.

12.5 Assignment of 50% or More of Units. No assignment of any Units may be made if the Units to be assigned, when added to the total of all other Units assigned within the thirteen (13) immediately preceding months, would, in the advice of counsel for the Company, result in the termination of the Company under the Code.

12.6 Transfer Subject to Law. No assignment, sale, transfer, exchange or other disposition of any Units may be made except in compliance with the applicable governmental laws and regulations, including state and federal securities laws.

12.7 Termination of Limited Liability Company Interest. Upon the transfer of a Unit in violation of this Agreement, or the occurrence of a Member Dissolution that does not result in the dissolution of the Company, the Limited Liability Company Interest of a Member shall be, at the option of the Manager in its sole and absolute discretion, either (a) converted into an Economic Interest, or (b) deemed void ab initio and shall not be binding on the Company, the Manager or any other Member.

12.8 FMV Option.

12.8.1 FMV Option. Subject to Sections 12.8.2 and 12.8.3, each of the Members does hereby grant to Bluerock Industrial Holdings, LP, a Delaware limited Partnership (“OP”), its affiliates, successors or assigns, the right, but not the obligation, to require that each such Member exchange its interest in the Company for units in the OP (the “OP Units”) in a transaction intended to qualify as a tax-deferred exchange under Code Section 721, pursuant to the terms of this Section 12.8 (the “FMV Option”). Each Member participating in an exchange of its interests in the Company for the OP Units pursuant to the FMV Option (a “Contributing Member”) shall receive an amount of OP Units with an aggregate value equal to the Exchange FMV (as defined below) of such Contributing Member’s interest in the Company as of the date the FMV Option is exercised, less the amount of the Call Option Fee (as defined below). In connection with the exercise of the FMV Option, the Manager shall receive a call-option fee from the Trust equal to 1.0% of the FMV Option Appraised Value of the Property (the “Call-Option Fee”). For the avoidance of doubt, the Call-Option Fee shall only be payable if the FMV Option is exercised. The FMV Option shall be exercised pursuant to a “Notice of Exchange,” a form of which is attached as Exhibit IV to this Agreement, delivered to the Members by the OP. The OP and/or the Manager may, but is/are not obligated to, coordinate to provide the Members with a non-binding survey in advance of an anticipated Notice of Exchange in order to seek input from the Members regarding their desire to become either a Contributing Member or a Cash Member (defined below) in connection with a contemplated exercise of the FMV Option.

12.8.2 Cash Members. Notwithstanding the provisions of Section 12.8.1, a Member may elect to have the OP acquire the Member’s interests in the Company for cash rather than exchange such interests for OP Units following the exercise of the OP of its FMV Option (a Member who makes an election under this Section 12.8.2, a “Cash Member”). If a Cash Member elects to exercise its rights to have the OP acquire its interests in the Company for cash under this Section 12.8.2 with respect to a Notice of Exchange, it shall so notify the OP in writing within ten (10) Business Days after the date on which the Manager mails the Notice of Exchange to the Member. If any Member does not provide such notice to the Manager within ten (10) Business Days after the mailing date of the Notice of Exchange, such Member will be deemed to have agreed to have the OP acquire the Member’s interest in the Company in exchange for OP Units. The cash purchase price for a Cash Member’s interest (the “Cash Amount”) shall be equal to the Exchange FMV of such Cash Investor’s interest in the Trust as of the date the FMV Option is exercised, reduced by a 2% cash redemption fee (the “Cash Redemption Fee”). The total Cash Amount for all Cash Members shall not exceed 50% of the FMV Option Appraised Value of the Property (the “Cash Redemption Cap”), subject to the discretion of the OP. In the event the Cash Redemption Cap is reached, then the total available cash proceeds shall be pro-rated among the Cash Members based on such Members’ percentage interest in the Company, and Cash Members may receive both cash and OP Units in exchange for such Cash Members’ Units. For the avoidance of doubt, the Cash Redemption Fee shall only apply to the Cash Amount.

12.8.3 Documentation and Signatures; Delivery. Each Member agrees to execute such documents and signatures as the Manager or the OP may reasonably require in connection with the exercise of the FMV Option under Section 12.8.1 or the cash purchase, if any, under Section 12.8.2. For a Contributing Member, the Manager shall provide a tax protection agreement (a “Tax Protection Agreement”) in which the Manager: (i) will agree not to directly or indirectly sell, exchange, transfer, or otherwise dispose of the Real Estate or any interest therein (without regard to whether such disposition is voluntary or involuntary) in a transaction within three (3) years of the date of the exercise of the FMV Option that would cause a Contributing Member to recognize any gain under Code Section 704(c) (such transaction, a “Triggering Event”), and (ii) for a period of three (3) years following the occurrence of a Triggering Event, will agree to pay a Contributing Member’s damages equal to the aggregate federal, state and local income taxes incurred by such Contributing Member in connection with such Triggering Event. Upon receipt of any and all documents and signatures required by the Manager or OP under this Section 10.3 (such date of final receipt, the “Receipt Date”), the Manager shall distribute (i) to any Contributing Member the OP Units within ten (10) Business Days of the Receipt Date and (ii) to any Cash Member the Cash Amount within ten (10) Business Days of the Receipt Date.

12.8.4 Determination of Fair Market Value of Interests in the Company. For the purposes of the FMV Option, the fair market value (the “Exchange FMV”) of a Member’s interests in the company to be acquired by the OP will be determined by multiplying: (i) the Percentage Share represented by the interests in the Company to be acquired by the OP by (ii) the fair market value of the Property as determined by an independent appraisal firm selected by the Manager in its sole discretion (the “FMV Option Appraised Value of the Property”), less any liabilities of the Property. Such appraisal shall have been completed within one (1) year of the date the FMV Option is exercised. No discounts for lack of liquidity or minority interests shall be considered in determining the fair market value of such interests in the Company.

12.8.5 Continued Existence of Company. Notwithstanding anything to the contrary in this Agreement, the Company shall survive the exercise of the FMV Option by the OP. The Company intends to remain a “disregarded entity” under Regulations Section 301.7701-3 for federal income tax purposes.

13. Books, Records, Accounting and Reports.

13.1 Records, Audits and Reports. The Company shall maintain at its principal office the Company’s records and accounts of all operations and expenditures of the Company including the following:

13.1.1 A current list in alphabetical order of the full name and last known business or resident address of each Member and Manager, together with the number of Units owned by each Member;

13.1.2 A copy of the Certificate of Formation and all amendments thereto, together with any powers of attorney pursuant to which the Certificate of Formation or any amendments thereto were executed;

13.1.3 Copies of the Company’s federal, state, and local income tax or information returns and reports, if any, for the six (6) most recent taxable years;

13.1.4 Copies of this Agreement and any amendments thereto together with any powers of attorney pursuant to which any written accounting or any amendments thereto were executed;

13.1.5 Copies of any financial statements of the Company, if any, for the six (6) most recent years;
and

13.1.6 The Company’s books and records as they relate to the internal affairs of the Company for at least the current and past four (4) fiscal years.

13.2 Delivery to Members.

13.2.1 Each Member and each Member’s representative designated in writing have the right, upon reasonable written request for purposes related to the interest of that person as a Member, which purposes are

set forth in the written request, to receive from the Company a copy of this Agreement and the Certificate of Formation and all amendments thereto, together with executed copies of any written powers of attorney pursuant to which this Agreement and any certificate and all amendments thereto have been executed, provided such copy shall not contain any identifying information with regard to a Member and shall be redacted of such information.

13.2.2 Other than as expressly provided in this Agreement, no Member shall have any right to information, reports or records of the Company or with respect to any Member or the Manager. Without limiting the foregoing, no Member shall have the right under this Agreement to receive, review, copy or inspect any list of the Members or any identifying information with regard to the Members, whether or not requested, and Manager shall not have any obligation to provide such information.

13.3 Annual Report. The Manager will cause the Company, at the Company's expense, to prepare an annual report containing a year-end balance sheet, income statement and a statement of changes in financial position. Copies of such statements shall be distributed to each Member within ninety (90) days after the close of each fiscal year of the Company.

13.4 Tax Information. The Manager shall cause the Company, at the Company's expense, to prepare and timely file income tax returns for the Company with the appropriate authorities and shall cause all Company information necessary in the preparation of the Members' individual income tax returns to be distributed to the Members not later than 75 days after the end of the Company's fiscal year.

14. Termination and Dissolution of the Company.

14.1 Termination of Company. Subject to the limitations contained in Section 1.4 and Section 10 of this Agreement and to the Certificate of Formation, the Company shall be dissolved, shall terminate and its assets shall be disposed of, and its affairs wound up, upon the earliest to occur of the following:

14.1.1 Upon the happening of any event of dissolution specified in the Certificate of Formation;

14.1.2 A determination by the Manager to terminate the Company;

14.1.3 The sale of the Contributed Property, held by the Company, or the receipt of the final payment on any seller financing provided by the Company on the sale of the Contributed Property, if later; or

14.1.4 The occurrence of a Dissolution Event unless the business of the Company is continued by a Majority Vote of the remaining Members within ninety (90) days following the occurrence of the event, which shall be mandatory at the times any amounts remain outstanding under the Loan.

The bankruptcy, death, dissolution, liquidation, termination or adjudication of incompetency of a Member (a "Member Dissolution") shall not cause the termination or dissolution of the Company and the business of the Company shall continue.

14.2 Certificate of Cancellation. As soon as possible following the completion of the winding up of the Company, a Manager who has not wrongfully dissolved the Company or, if none, the Members, shall execute and file a Certificate of Cancellation in such form as shall be required by the Act. The Company shall continue to exist as a separate legal entity until the Certificate of Cancellation has been filed in accordance with the Act.

14.3 Liquidation of Assets. Upon a dissolution and termination of the Company, the Manager (or in case there is no Manager, the Members or person designated by a Majority Vote) shall take full account of the Company assets and liabilities, shall liquidate the assets as promptly as is consistent with obtaining the fair market value thereof, and shall apply and distribute the proceeds therefrom in the following order:

14.3.1 To the payment of creditors of the Company, including the Lender, other than Members who are creditors, but excluding secured creditors whose obligations will be assumed or otherwise transferred on liquidation of Company assets, and then to the payment of Members who are creditors of the Company;

14.3.2 To the setting up of any reserves as required by law for any liabilities or obligations of the Company; provided, however, that said reserves shall be deposited with a bank or trust company in escrow with interest for the purpose of disbursing such reserves for the payment of any of the aforementioned contingencies and, at the expiration of a reasonable period, for the purpose of distributing the balance remaining in accordance with the remaining provisions of this Section 14.3; and

14.3.3 To the Members in proportion to their Units.

14.4 Distributions Upon Dissolution. Each Member shall look solely to the assets of the Company for all Distributions and shall have no recourse therefor (upon dissolution or otherwise) against any Manager or any Member.

14.5 Limitation on Distributions. Notwithstanding any other provision in this Agreement, the Company shall make no distribution that would violate the Act, the Loan Documents or other applicable law.

14.6 Waiver of Dissolution and Termination. Notwithstanding anything to the contrary contained in this Agreement, the Company and its Members, to the fullest extent permitted by law, hereby waive their right to dissolve or terminate (and waive their right to consent to the dissolution or termination of) the Company or this Agreement, and shall not take any action towards that end, so long as any Loan remains outstanding to Lender, except upon the express prior written consent of the Lender. This paragraph shall cease to be of further force or effect once the Company no longer has any outstanding Loan or other obligation of any kind whatsoever owing or due the Lender.

15. Special and Limited Power of Attorney.

15.1 Power of Attorney. The Manager shall at all times during the term of the Company have a special and limited power of attorney as the attorney-in-fact for each Member, with power and authority to act in the name and on behalf of each such Member to execute, acknowledge, and swear to in the execution, acknowledgment and filing of documents that are not inconsistent with the provisions of this Agreement and which may include, by way of illustration but not by way of limitation, the following:

15.1.1 This Agreement, as well as any amendments to the foregoing which, under the laws of the State of Delaware or the laws of any other state, are required to be filed or which the Manager shall deem it advisable to file;

15.1.2 Any other instrument or document that may be required to be filed by the Company under the laws of any state or by any governmental agency or which the Manager shall deem it advisable to file;

15.1.3 Any instrument or document that may be required to effect the continuation of the Company, the admission of Substituted Members, or the dissolution and termination of the Company (provided such continuation, admission or dissolution and termination are in accordance with the terms of this Agreement);

15.1.4 Any instrument of conveyance or encumbrance with respect to the Contributed Property;

15.1.5 This Agreement or any other instrument or document to include any special purpose entity or bankruptcy remote entity requirement imposed by the Lender; and

15.1.6 Any and all other instruments as the Manager may deem necessary or desirable to effect the purposes of this Agreement and carry out fully its provisions, including, but not limited to, those in Sections 7 and 17.

15.2 Provision of Power of Attorney. The special and limited power of attorney of the Manager:

15.2.1 Is a special power of attorney coupled with the interest of the Manager in the Company, and its assets, is irrevocable, shall survive the death, incapacity, termination or dissolution of the granting Member, and is limited to those matters herein set forth;

15.2.2 May be exercised by the Manager by and through one or more of the officers of the Manager, for each of the Members by the signature of the Manager acting as attorney-in-fact for the Members, together with a list of all Members executing such instrument by their attorney-in-fact or by such other method as may be required or requested in connection with the recording or filing of any instrument or other document so executed; and

15.2.3 Shall survive an assignment by a Member of all or any portion of his or her Units except that, where the assignee of the Units owned by the Member has been approved by the Manager for admission to the Company as a Substituted Member, the special power of attorney shall survive such assignment for the sole purpose of enabling the Manager to execute, acknowledge and file any instrument or document necessary to effect such substitution to the fullest extent permitted by law.

15.3 Notice to Members. The Manager shall promptly furnish to a Member a copy of any amendment to this Agreement executed by the Manager pursuant to a power of attorney from the Member.

16. Relationship of this Agreement to the Act. Many of the terms of this Agreement are intended to alter or extend provisions of the Act as they may apply to the Company or the Members. Any failure of this Agreement to mention or specify the relationship of such terms to provisions of the Act that may affect the scope or application of such terms shall not be construed to mean that any of such terms are not intended to be a provision of this Agreement authorized or permitted by the Act or which in whole or in part alters, extends or supplants provisions of the Act as may be allowed thereby.

17. Amendment of Agreement.

17.1 Admission of Member. Amendments to this Agreement for the admission of any Member or Substituted Member shall not, if in accordance with the terms of this Agreement and the Loan Documents, require the consent of any Member.

17.2 Amendments with Consent of Members. Subject to the terms of the Certificate of Formation, in addition to any amendments otherwise authorized herein, this Agreement may be amended by the Manager with a Majority Vote of the Units; provided, however, that any amendment that would treat a specific Member less favorably than another Member (in application but not in effect), then such amendment shall require the vote of such adversely affected Member.

17.3 Amendments Without Consent of the Members. Subject to the terms of the Certificate of Formation, in addition to any amendment to this Agreement authorized pursuant to Section 7.3.11 or otherwise authorized herein, the Manager may amend this Agreement, without the consent of any of the Members, to (i) change the name and/or principal place of business of the Company, or (ii) decrease the rights and powers of the Manager (so long as such decrease does not impair the ability of the Manager to manage the Company and conduct its business and affairs); provided, however, that no amendment shall be adopted pursuant to this Section 17.3 unless the adoption thereof (A) is for the benefit of or not adverse to the interests of the Members, (B) is not inconsistent with Section 7 or Section 10, and (C) does not affect the limited liability of the Members or the status of the Company as a partnership for federal income tax purposes. Further, the Manager shall be allowed to amend this Agreement without the consent of any of the Members to comply with any terms or modifications required by any lender to make this Agreement comply with any special purpose entity requirements; provided, however, no such amendment shall be adverse to the interests of the Members.

17.4 Execution and Recording of Amendments. Any amendment to this Agreement shall be executed by the Manager, and by the Manager as attorney-in-fact for the Members pursuant to the power of attorney contained in Section 15. After the execution of such amendment, the Manager shall also prepare and record or file any certificate or other document which may be required to be recorded or filed with respect to such amendment, either under the Act or under the laws of any other jurisdiction in which the Company holds any property or otherwise does business.

18. Member Representations. Each Member hereby represents and warrants to the Company, the Manager and all other Members that:

18.1 Such Member has the power and authority to execute and comply with the terms and provisions hereof.

18.2 Such Member's interest in the Company has not and will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state, and cannot be sold or transferred without compliance with the registration provisions of said Securities Act of 1933, as amended, and the applicable state securities laws, or compliance with the exemptions, if any, available thereunder. Such Member understands that neither the Company nor the Manager or any other Member has any obligation or intention to register the Member interests under any federal or state securities act or law, or to file the reports to make public the information required by Rule 144 under the Securities Act of 1933, as amended.

19. Miscellaneous.

19.1 Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one Agreement, binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the original or the same counterpart.

19.2 Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the respective Members.

19.3 Severability. In the event any sentence or Section of this Agreement is declared by a court of competent jurisdiction to be void, such sentence or Section shall be deemed severed from the remainder of this Agreement and the balance of this Agreement shall remain in full force and effect.

19.4 Notices. All notices under this Agreement shall be in writing and shall be given to the Member entitled thereto, by personal service or by mail, posted to the address maintained by the Company for such person or at such other address as he or she may specify in writing; provided, however, that in the event that any such Member does not respond to the personal service or mail as set forth above, that the Manager shall send out one additional notice by certified mail return receipt requested or by a delivery service that maintains records regarding their deliveries or attempted deliveries.

19.5 Manager's Address. The address of the Manager is as follows:

BR Diversified Industrial Portfolio I Springing Manager, LLC
c/o Bluerock Real Estate, L.L.C.
1345 Avenue of the Americas,
32nd Floor, Suite B
New York, NY 10105

19.6 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the state of Delaware (without regard to conflict of law principles). Any legal proceeding concerning interpretation or enforcement of any provision of this Agreement shall be venued exclusively in the Borough of Manhattan, New York City, New York. Members hereby waive trial by jury in any action, proceeding or counterclaim brought by any of the parties hereto on any matters whatsoever arising out of or in any way connected with this Agreement, or in connection with any emergency statutory or any other statutory remedy.

19.7 Captions. Section titles or captions contained in this Agreement are inserted only as a matter of convenience and reference. Such titles and captions in no way define, limit, extend or describe the scope of this Agreement nor the intent of any provisions hereof.

19.8 Gender. Whenever required by the context hereof, the singular shall include the plural, and vice versa, the masculine gender shall include the feminine and neuter genders, and vice versa.

19.9 Time. Time is of the essence with respect to this Agreement.

19.10 Additional Documents. Each Member, upon the request of the Manager, shall perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement, including, but not limited to, providing acknowledgment before a Notary Public of any signature made by a Member.

19.11 Descriptions. All descriptions referred to in this Agreement are expressly incorporated herein by reference as if set forth in full, whether or not attached hereto.

19.12 Choice of Law and Venue. Any action relating to or arising out of this Agreement shall be brought only in a court of competent jurisdiction located in the borough of Manhattan in New York County, New York, and in such action the substantive laws of the State of New York shall be applicable, without regard to any choice of laws principles. Members hereby waive trial by jury in any action, proceeding or counterclaim brought by any of the parties hereto on any matters whatsoever arising out of or in any way connected with this Agreement, or in connection with any emergency statutory or any other statutory remedy.

19.13 Partition. The Members agree that the assets of the Company are not and will not be suitable for partition. Accordingly, each of the Members hereby irrevocably waives any and all rights that he may have, or may obtain, to maintain any action for partition of any of the assets of the Company.

19.14 Integrated and Binding Agreement. This Agreement contains the entire understanding and agreement among the Members with respect to the subject matter hereof, and there are no other agreements, understandings, representations or warranties among the Members other than those set forth herein except the Purchase Agreement executed in connection with the purchase of Beneficial Interests in the Trust (the "Purchase Agreement"). This Agreement may be amended only as provided in this Agreement.

19.15 Legal Counsel. Each Member acknowledges and agrees that counsel representing the Company, the Manager and its Affiliates does not represent and shall not be deemed under the applicable codes of professional responsibility to have represented or to be representing any or all of the Members, other than the Manager, in any respect. In addition, each Member consents to the Manager hiring counsel for the Company that is also counsel to one or more of the Managers.

19.16 Title to Company Property. All property owned by the Company shall be owned by the Company as an entity and, insofar as permitted by applicable law, no Member shall have any ownership interest in any Company property in its individual name or right, and each Member's Limited Liability Company Interest shall be personal property for all purposes. As long as any obligation to the Lender is outstanding, nothing herein is intended to give any creditor of a Member any rights in the Member's interest in the Company other than as an assignee of the Member's interest in the Company and such creditor will have no direct claim to the assets of the Company.

19.17 Conflict. In the event of a conflict between the terms of this Agreement and the Certificate of Formation, the terms of the Certificate of Formation shall control.

19.18 Signature of the Members. The Members hereby acknowledge and agree that by signing the Purchase Agreement they are also agreeing to be bound by the terms of this Agreement and that their signature hereto will not be required as of the Transfer Date.

* * * *

IN WITNESS WHEREOF, the undersigned have set their hands to this Agreement as of the date set forth below.

MANAGER:

BR Diversified Industrial Portfolio I Springing Manager, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

Date: _____

INITIAL MEMBER:

BR Diversified Industrial Portfolio I, DST,
a Delaware statutory trust

By: BR Diversified Industrial Portfolio I DST Manager, LLC,
not in its individual capacity, but solely as Manager of the
Issuer

By: _____

Name: _____
Title: _____

Date: _____

**ACKNOWLEDGED AND AGREED WITH RESPECT TO
SECTION 12.8:**

BLUEROCK INDUSTRIAL HOLDINGS, LP, a Delaware
limited partnership

By: **BLUEROCK INDUSTRIAL GROWTH REIT, INC.**,
a Maryland corporation, its general partner

By: _____
Name:
Title: Authorized Signatory

EXHIBIT I

DEFINITIONS

“Act” shall mean the Delaware Limited Liability Company Act, as the same may be amended from time to time.

“Additional Voluntary Capital Contributions” means those additional Capital Contributions which may be voluntarily given pursuant to Section 3.2 hereof.

“Affiliate” shall mean (i) any person directly or indirectly controlling, controlled by or under common control with another person; (ii) a person owning or controlling ten percent (10%) or more of the outstanding voting securities of such other person; (iii) any officer, director or partner of such other person; and (iv) if such other person is an officer, director or partner, any company for which such person acts in any capacity. The term “person” shall include any natural person, corporation, partnership, company, trust, unincorporated association or other legal entity.

“Agreement” shall mean this Limited Liability Company Agreement, as amended from time to time.

“Beneficial Interest” means a beneficial interest in the Trust, as such term is used in the Statutory Trust Act, all of which interests shall be either Class 1 Beneficial Interests (as defined in the Trust Agreement) or the Class 2 Beneficial Interests (as defined in the Trust Agreement).

“Beneficial Owner” means each person who, at the time of determination, holds a Beneficial Interest as reflected on the Ownership Records (as defined in the Trust Agreement) as of the Transfer Date.

“Business Day” is any day other than on Saturday, Sunday or legal holiday in the State of Delaware.

“Call-Option Fee” has the meaning given to such term in Section 12.8.1

“Capital Contribution(s)” means, with respect to any Member, or all of the Members, all cash and properties contributed to the Company pursuant to Section 3.1.1 of this Agreement net of liabilities assumed or taken subject to by the Company.

“Capital Expenditures” means expenditures for items that are capital in nature, including, but not limited to, tenant improvements, leasing commissions, and major repairs, made at the discretion of the Manager.

“Cash Amount” has the meaning given to such term in Section 12.8.2.

“Cash Member” has the meaning given to such term in Section 12.8.2.

“Cash Redemption Cap” has the meaning given to such term in Section 12.8.2.

“Cash Redemption Fee” has the meaning given to such term in Section 12.8.2.

“Cash from Operations” shall mean the net cash realized by the Company from all sources, including, but not limited to, the operations of the Company including the sale, financing, refinancing or other disposition of the Contributed Property, after payment of all cash expenditures of the Company, including, but not limited to, all operating expenses including all fees payable to the Manager or its Affiliates, all payments of principal and interest on indebtedness, and such reserves and retentions as the Manager reasonably determines to be necessary and desirable in connection with Company operations with its then existing assets and any anticipated acquisitions.

“Certificate of Cancellation” shall mean the Certificate of Cancellation of the Company as filed with the Secretary of State of Delaware.

“Certificate of Formation” shall mean the Certificate of Formation of the Company as filed with the Secretary of State of Delaware as the same may be amended or restated from time to time.

“Code” shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequently enacted federal revenue laws.

“Company” shall mean BR Diversified Industrial Portfolio I Springing, LLC.

“Contributed Property” means all of the Trust’s right, title, and interest in and to the Real Estate, the Lease or Leases (as defined in the Trust Agreement), as applicable, and any and all other property and assets (whether tangible or intangible) in which the Trust at any time has any right, title or interest, contributed by the Trust pursuant to the Transfer Distribution, and all of which are or will be acquired by the Company in connection with the formation of the Company.

“Contributing Member” shall have the meaning given such term in Section 12.8.1.

“Disposition Fee” has the meaning given such term in Section 6.1.

“Dissolution Event” shall mean with respect to the Manager one or more of the following: the death, insanity, withdrawal, retirement, resignation, expulsion, Event of Insolvency or dissolution (unless reconstituted by the Manager) of the Manager unless the Members consent to continue the business of the Company pursuant to Section 14.1.4.

“Distributable Cash” shall mean Cash from Operations and Capital Contributions determined by the Manager to be available for Distribution to the Members.

“Distribution” shall refer to any money or other property transferred without consideration (other than repurchased Units) to Members with respect to their interests or Units in the Company but shall not include any payments to the Manager pursuant to Section 6.

“Economic Interest” shall mean an interest in the income, loss and Distributions of the Company but shall not include any right to vote or to participate in the management of the Company.

“Event of Insolvency” shall occur when an order for relief against the Manager is entered under Chapter 7 of the federal bankruptcy law, or (A) the Manager: (1) makes a general assignment for the benefit of creditors, (2) files a voluntary petition under the federal bankruptcy law, (3) files a petition or answer seeking for that Manager a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, (4) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Manager in any proceeding of this nature, or (5) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of that Manager or of all or a substantial part of that Manager’s properties, or (B) the expiration of sixty (60) days after either (1) the commencement of any proceeding against the Manager seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law, or regulation, if the proceeding has not been dismissed, or (2) the appointment without the Manager’s consent or acquiescence of a trustee, receiver, or liquidator of the Manager or of all or any substantial part of the Manager’s properties, if the appointment has not been vacated or stayed (or if within sixty (60) days after the expiration of any such stay, the appointment is not vacated).

“FMV Option” shall have the meaning set forth in Section 12.8.1.

“Initial Member” shall mean the Trust.

“Lender” shall mean, with respect to each of the Operating DSTs, KeyBank National Association, together with its successors, assigns and transferees.

“Limited Liability Company Interest” shall mean a Member’s entire interest in the Company including such Member’s Economic Interest and such voting and other rights and privileges that the Member may enjoy by being a Member.

“Liquidation” means, in respect to the Company, the earlier of the date upon which the Company is terminated under Section 708(b)(1) of the Code or the date upon which the Company ceases to be a going concern (even though it may exist for purposes of winding up its affairs, paying its debts and distributing any remaining balance

to its Members), and in respect to a Member, where the Company is not in Liquidation means the date upon which occurs the termination of the Member's entire interest in the Company by means of a Distribution or the making of the last of a series of Distributions (whether or not made in more than one (1) year) to the Member by the Company.

“Loan” shall mean collectively the loans made by the Lender to each of the Operating DSTs with respect to the Real Estate.

“Loan Documents” means any and all documents evidencing the Loan or any assumption thereof, without limitation, any loan agreement or promissory note.

“Majority Vote” shall mean the vote of more than fifty percent (50%) of the Units entitled to vote. Members shall be entitled to cast one vote for each Unit they own, and a fractional vote for each fractional Unit they own. All Units shall be deemed to have voted FOR the proposed action unless affirmatively cast AGAINST the proposed action in a timely manner, except that votes under Section 9.2.1, 9.2.2, and 9.2.5 shall require the actual and affirmative vote of more than 50% of the Units to pass the proposed action.

“Manager” shall refer to BR Diversified Industrial Portfolio I Springing Manager, LLC, a Delaware limited liability company. The term “Manager” shall also refer to any successor or additional Manager who is admitted to the Company as the Manager.

“Member” or “Members” shall mean the persons listed on Exhibit II attached hereto.

“Member Dissolution” shall have the meaning set forth in Section 14.1.

“Notice of Exchange” has the meaning given to such term in Section 12.8.1.

“OP” means Bluerock Industrial Holdings, LP, a Delaware limited partnership.

“OP Units” shall have the meaning set forth in Section 12.8.1.

“Operating DSTs” means the following Delaware statutory trusts: (1) BR 3040 Tucker Street, DST, (2) BR 2016 Cornatzer Road, DST, (3) BR 13202 E. Adam Aircraft Circle, DST, (4) BR 6015 Enterprise Park Drive, DST, and (5) BR 6056 Enterprise Park Drive, DST.

“Organization Expenses” shall mean all expenses incurred in connection with the organization and formation of the Company, including but not limited to legal and accounting fees, tax planning fees, promotional fees or expenses, filing and recording fees and other costs or expenses incurred in connection therewith.

“Partnership Representative” means the “partnership representative,” as said term is used in section 6223(a) of the Code. The Partnership Representative shall be the Manager until such time as a new Partnership Representative is selected by the Company.

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

“Prime Rate” shall mean the reference rate announced from time-to-time by the Wall Street Journal, and changes in the Prime Rate shall be deemed to occur on the date that changes in such rate are announced.

“Property” shall mean the Real Estate.

“Real Estate” shall mean, collectively, the real estate and improvements owned by the Operating DSTs as reflected in Exhibit III attached hereto.

“Receipt Date” shall have the meaning set forth in Section 12.8.3.

“Records of Ownership” means the records maintained by the Manager indicating from time to time the name, mailing address, and the number of Units of each Member, and shall be revised by the Manager contemporaneously

to reflect the issuance of additional Units in accordance with this Agreement, changes in mailing addresses, or other changes.

“Substituted Member” shall mean any person admitted as a substituted Member pursuant to this Agreement.

“Tax Payment” shall have the meaning set forth in Section 4.6.1.

“Tax Protection Agreement” has the meaning given to such term in Section 12.8.3.

“Transfer Date” shall mean the date the Contributed Property is contributed to the Company pursuant to Section 9.2 of the Trust Agreement.

“Triggering Event” has the meaning given to such term in Section 12.8.3.

“Trust” means BR Diversified Industrial Portfolio I, DST, that certain Delaware statutory trust formed by and in accordance with, and governed by, the Trust Agreement.

“Trust Agreement” means that certain Second Amended and Restated Trust Agreement dated as of August 10, 2022 by and among BR Diversified Industrial Portfolio I, DST, as Depositor, BR Diversified Industrial Portfolio I DST Manager, LLC, as Manager, Delaware Trust Company, as Trustee, and certain Beneficial Owners holding a Beneficial Interest in the Trust.

“Trust Estate” means all of the Trust’s right, title, and interest in and to the Operating DSTs, Property, the Lease and any and all other property and assets (whether tangible or intangible) in which the Trust at any time has any right, title or interest, held by the Trust prior to the Transfer Distribution.

“Trustee” means the person serving, at the time of determination, as the trustee under the Trust.

“Unit” shall represent an interest in the Company entitling the owner of the Unit if admitted as a Member or Manager to the respective voting and other rights afforded to a Member holding a Unit, and affording to such Member’s share in income, loss and Distributions as provided for in this Agreement. The Units shall consist of ten thousand (10,000) Units held by the Members.

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EXHIBIT II

MEMBERS

(prior Beneficial Owners under the Trust Agreement)

<u>Name</u>	<u>Address</u>	<u>Percentage Interest in the Trust</u>	<u>Number of Units</u>
[Members]		[____]%	[____] Units

EXHIBIT III
PROPERTY

EXHIBIT IV

NOTICE OF EXCHANGE

In accordance with Section 12.8.1 of the Limited Liability Company Agreement (the "Agreement") of BR Diversified Industrial Portfolio I Springing, LLC (the "Company") the undersigned hereby irrevocably requires _____ (the "Member") to exchange its _____% interest in the Company for (a) the OP Units (as defined in the Agreement) in the amount of the fair market value of the Member's interest in the Company or (b) the Cash Amount (as defined in the Agreement), provided however, that the Member must notify the undersigned in writing within ten (10) days of the date of this Notice of Exchange should it desire to receive the Cash Amount rather than OP Units. Unless a separate notice has been provided by the OP, the Member shall be deemed to have surrendered its interest in the Company and all rights, title and interest therein in exchange for the OP Units. The undersigned shall deliver the OP Units or Cash Amount, whichever is applicable, to the Member in accordance with the terms of Section 12.8.3 of the Agreement and to the address specified in Section 1.2 of the Agreement.

Date: _____, ____

BR Diversified Industrial Portfolio I, DST, a Delaware statutory trust

By: _____

By: _____

Name: _____

Title: _____

EXHIBIT G

FORM OF CONVERSION NOTICE

BR Diversified Industrial Portfolio I, DST (the “Depositor”), as the sole Class 2 Beneficial Owner and the sole holder of the Class 2 Beneficial Ownership Certificates in BR Diversified Industrial Portfolio I, DST (the “Trust”), hereby provides a Conversion Notice pursuant to Section 6.12 of the Trust Agreement dated as of August 10, 2022.

Date: _____, 20__

BR Diversified Industrial Portfolio I, DST, a Delaware limited liability company

By: _____

By: _____

Name: _____

Title: _____

EXHIBIT H

NOTICE OF EXCHANGE

In accordance with Section 10.1 of the Trust Agreement (the "Agreement") of BR Diversified Industrial Portfolio I, DST (the "Trust") the undersigned hereby irrevocably requires _____ (the "Investor") to exchange its _____% interest in the Trust for (a) the OP Units (as defined in the Agreement) in the amount of the fair market value of the Investor's interest in the Trust or (b) the Cash Amount (as defined in the Agreement), provided however, that the Investor must notify the undersigned in writing within ten (10) days of the date of this Notice of Exchange should it desire to receive the Cash Amount rather than OP Units. Unless a separate notice has been provided by the OP, the Investor shall be deemed to have surrendered its interest in the Trust and all rights, title and interest therein in exchange for the OP Units. The undersigned shall deliver the OP Units or Cash Amount, whichever is applicable, to the Investor in accordance with the terms of Section 10.3 of the Agreement and to the address specified in Section 2.1 of the Agreement.

Date: _____, 20__

BR Diversified Industrial Portfolio I, DST, a Delaware
statutory trust

By: _____

By: _____

Name: _____

Title: _____

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SECOND AMENDED AND RESTATED TRUST AGREEMENT

OF

BR 13202 E. ADAM AIRCRAFT CIRCLE, DST, A DELAWARE STATUTORY TRUST

DATED AS OF

AUGUST 10, 2022

BY AND AMONG

BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST,

AS DEPOSITOR

BR DIVERSIFIED INDUSTRIAL PORTFOLIO I DST MANAGER, LLC,

AS MANAGER

AND

DELAWARE TRUST COMPANY,

AS TRUSTEE

**SECOND AMENDED AND RESTATED TRUST AGREEMENT
OF
BR 13202 E. ADAM AIRCRAFT CIRCLE, DST,
A DELAWARE STATUTORY TRUST**

This SECOND AMENDED AND RESTATED TRUST AGREEMENT, dated as of August 10, 2022 (as the same may be amended or supplemented from time to time, this “Trust Agreement”), is made by and among BR Diversified Industrial Portfolio I, DST (the “Depositor”), BR Diversified Industrial Portfolio I DST Manager, LLC, as manager (the “Manager”), and Delaware Trust Company (“DTC”), as trustee (the “Trustee”).

RECITALS

A. The Depositor and DTC have heretofore formed BR 13202 E. Adam Aircraft Circle, DST as a Delaware statutory trust (the “Trust”) in accordance with Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. §3801, *et seq.* (the “Statutory Trust Act”) by filing that certain certificate of trust (the “Certificate of Trust”) with the Secretary of State of the State of Delaware on May 27, 2022.

B. The Depositor and DTC entered into that certain Trust Agreement of the Trust dated May 27, 2022 (the “Original Trust Agreement”), and the Depositor, DTC, and the Manager entered into that certain Amended and Restated Trust Agreement of the Trust dated June 23, 2022 (the “A&R Trust Agreement”).

C. The Depositor, DTC, and the Manager desire to enter into this Trust Agreement to amend and restate in their entirety both the Original Trust Agreement and the A&R Trust Agreement.

D. BGR Exchange TRS, LLC, a Delaware limited liability company (the “Sponsor”), is a wholly owned taxable real estate investment trust subsidiary of Bluerock Industrial Holdings, LP, a Delaware limited partnership (the “OP”), and an affiliate of Bluerock Value Exchange, LLC, a Delaware limited liability company (“BVEX”). BVEX has heretofore entered into that certain Purchase and Sale Agreement, dated as of May 9, 2022 (the “PSA”) to acquire real estate more particularly described on Exhibit A, together with all buildings, structures, fixtures and improvements located thereon (the “Real Estate”).

E. Heretofore, BVEX assigned its rights and obligations under the PSA to the Parent Depositor, which has further assigned its rights and obligations to Depositor, which has further assigned its rights and obligations to the Trust.

F. Concurrent with the acquisition of the Real Estate pursuant to the PSA, or thereafter, the Real Estate will be subject to certain Financing Documents (as hereinafter defined) and the Leases (as hereinafter defined).

G. The Trust has retained BR Diversified Industrial Portfolio I DST Manager, LLC as the Manager of the Trust to undertake certain actions and perform certain duties that would otherwise be performed by the Trust.

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

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

Section 1.1 **Definitions.** Capitalized terms used in this Trust Agreement shall have the meanings as set forth below. Capitalized terms not otherwise defined have the meanings set forth in the Loan Agreement.

“A&R Trust Agreement” has the meaning given such term in the Recitals.

“Affiliate” means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control,” when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract, or otherwise; and the terms “controlling” and “controlled” shall have meanings correlative to the foregoing.

“Beneficial Interest” means a beneficial interest in the Trust, as such term is used in the Statutory Trust Act, all of which interests shall be either Class 1 Beneficial Interests or Class 2 Beneficial Interests. Notwithstanding anything set forth herein or in the Statutory Trust Act to the contrary, the lien, if any, granted to the Bridge Lender (or the exercise of remedies by Bridge Lender of such lien) by Depositor and/or Parent Depositor with respect to the cash proceeds of the Class 2 Beneficial Interests of the Trust or the Offering DST shall not constitute a “Beneficial Interest”.

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

“Beneficial Ownership Certificate” means a certificate, stating whether it is a Class 1 Beneficial Ownership Certificate or a Class 2 Beneficial Ownership Certificate, in substantially the form of Exhibit B-1 or Exhibit B-2, respectively, evidencing a Beneficial Interest in the Trust.

“Bridge Lender” means KeyBank National Association, together with its successors and assigns.

“Bridge Loan” means that certain bridge loan from Bridge Lender to Bluerock Real Estate Holdings, LLC, and guaranteed on a limited recourse basis by Depositor in the aggregate amount of up to \$70,050,000, and entered into for purposes that include the Trust’s acquisition of the Real Estate and the Depositor’s capitalization of the Trust.

“Bridge Loan Agreement” means that certain Credit Agreement dated as of February 9, 2021, as amended by that certain First Credit Agreement Supplement and Amendment dated as of May 6, 2021, the Second Credit Agreement Supplement and Amendment dated as of June 30, 2021, the Third Credit Agreement Supplement and Amendment dated as of October 15, 2021, the Fourth Credit Agreement Supplement and Amendment dated as of October 22, 2021, the Fifth Credit Agreement Supplement and Amendment dated January 13, 2022, the Sixth Amendment to Credit Agreement dated as of June 15, 2022, and the Seventh Amendment to Credit Agreement dated on or about the date hereof (as may be further amended, restated and/or modified from time to time), by and between Bluerock Real Estate Holdings, LLC and Bridge Lender.

“BVEX” means Bluerock Value Exchange, LLC, a Delaware limited liability company.

“Business Day” is any day other than on Saturday, Sunday or legal holiday in the State of Delaware.

“Call-Option Fee” has the meaning given to such term in Section 10.1.

“Cash Amount” has the meaning given to such term in Section 10.2.

“Cash Investor” has the meaning given to such term in Section 10.2.

“Cash Redemption Cap” has the meaning given to such term in Section 10.2.

“Cash Redemption Fee” has the meaning given to such term in Section 10.2.

“Certificate of Trust” means the certificate of trust of the Trust, a copy of which is attached as Exhibit C.

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

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

“Class 1 Beneficial Owners” means the Investors.

“Class 2 Beneficial Owner” means the Depositor and any permitted assignee of the Class 2 Beneficial Interest.

“Class 1 Beneficial Ownership Certificates” means the Beneficial Ownership Certificates issued to the Investors.

“Class 2 Beneficial Ownership Certificate” means the Beneficial Ownership Certificate issued to the Depositor and any permitted assignee of the Class 2 Beneficial Interest, and if, at any time, the Class 2 Beneficial Interest is held by more than one Person, such term in the plural shall mean the Beneficial Ownership Certificates issued to such Persons.

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

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

“Contributing Investor” has the meaning given to such term in Section 10.1.

“Conversion Notice” means the notice, in substantially the form of Exhibit G, issued by the Depositor to the Trustee and the Manager stating that the provisions of Section 3.3(c) shall become effective upon receipt of the notice by the Trustee.

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

“Disposition Fee” has the meaning given to such term in Section 9.4.

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

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

“Exchange FMV” has the meaning given to such term in Section 10.4.

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

“Financing Documents” means the First Mortgage Loan Documents and any other documents or agreements contemplated by any of the foregoing or otherwise required by Lender.

“First Mortgage” means the first-priority Mortgage securing the First Mortgage Loan.

“First Mortgage Loan” means the Lender’s mortgage loan, secured by the First Mortgage and the First Mortgage Loan Documents.

“First Mortgage Loan Documents” means, in connection with the First Mortgage Loan, the First Mortgage and all related assignment of leases and rents, and the other security instruments in or related to the Real Estate.

“FMV Option” has the meaning given to such term in Section 10.1.

“FMV Option Appraised Value of the Property” has the meaning given to such term in Section 10.4.

“Investors” mean either (i) the Depositor, or (ii) if the Manager conducts an offering of Beneficial Interests at the Trust-level in lieu of the issuance of interests by the Offering DST, then the Persons, if any, who purchase Class 1 Beneficial Interests in the Trust and each of their successors in interest as beneficiaries of the Trust.

“Leases” means (i) the Master Lease and (ii) any subleases relating to the Real Estate.

“Lender” means KeyBank National Association, together with its successors, assigns and transferees.

“LLC” has the meaning given to such term in Section 9.2.

“Loan” means, collectively, all debt obligations to the Lender as evidenced and secured by the Financing Documents.

“Loan Documents” mean any and all documents evidencing the Loan or any assumptions thereof including, without limitation, any loan agreement or promissory note.

“Manager” means the Person serving, at the time of determination, as the manager under this Trust Agreement. As of the Effective Date, the Manager is BR Diversified Industrial Portfolio I DST Manager, LLC.

“Manager Covered Expenses” has the meaning given to such term in Section 5.4.

“Manager Indemnified Persons” has the meaning given to such term in Section 5.4.

“Master Lease” means that master lease agreement between the Trust, as landlord, and Master Tenant, as master tenant, relating to the Real Estate, together with all amendments, supplements and modifications thereto.

“Master Tenant” means BGR 13202 E. Adam Aircraft Leaseco, LLC, as master tenant under the Master Lease, including all permitted assigns, transferees and successors.

“Memorandum” means any Confidential Private Placement Memorandum (as supplemented and amended from time to time), through which the Class 1 Beneficial Interests are being syndicated to accredited investors.

“Mortgage” means any mortgage and security agreement or deed of trust and security agreement, as the case may be, encumbering the Real Estate as security for the Loan.

“Notice of Exchange” has the meaning given to such term in Section 10.1.

“Offering DST” means BR Diversified Industrial Portfolio I, DST.

“OP” means Bluerock Industrial Holdings, LP, a Delaware limited partnership.

“OP Units” has the meaning given to such term in Section 10.1.

“Original Trust Agreement” has the meaning given such term in the Recitals.

“Ownership Records” means the records maintained by the Manager, substantially in the form of Exhibit D, indicating from time to time the name, mailing address, and Percentage Share of each Beneficial Owner, which records shall initially indicate the Depositor as the sole Beneficial Owner and shall be revised by the Manager contemporaneously to reflect the issuance of Beneficial Interests and Beneficial Ownership Certificates in accordance with this Trust Agreement, changes in mailing addresses, or other changes.

“Parent Depositor” means BR Diversified Industrial Portfolio I Investment Co, LLC.

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

“Permitted Investment” has the meaning set forth in Section 7.2.

“Permitted Transfer” means the transfer of a Class 1 Beneficial Interest (i) by devise, descent or by operation of law upon the death of a Class 1 Beneficial Owner or the member, partner, or stockholder of a Class 1 Beneficial Owner or (ii) for estate planning purposes primarily for the benefit of such Beneficial Owner.

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

“PSA” has the meaning given to such term in the Recitals.

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

“Real Estate” has the meaning given to such term in the Recitals.

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

“Reserves” has the meaning given to such term in Section 7.2 and includes, without limitation, the Supplemental Trust Reserve, the Capital Expenditure Reserve and Lease Reserves (as defined in the Loan Documents), and any other reserve or escrow account required by Lender under the Financing Documents or by the Trust as elsewhere provided herein.

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

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

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

“Sponsor” means BGR Exchange TRS, LLC, a wholly owned “taxable real estate investment trust subsidiary” of the OP.

“Statutory Trust Act” has the meaning given to such term in the Recitals.

“Supplemental Trust Reserve” means the Manager-controlled reserve account created in part on behalf of and owned in part by the Trust for costs and expenses associated with the Real Estate.

“Tax Protection Agreement” has the meaning given to such term in Section 10.3.

“Transaction Documents” means the Trust Agreement, the PSA, the Purchase Agreement, the Leases and the Financing Documents and the documents evidencing the Bridge Loan, together with any other documents to be executed in furtherance of the investment activities of the Trust.

“Transfer Distribution” has the meaning given to such term in Section 9.2.

“Triggering Event” has the meaning given to such term in Section 10.3.

“Trust” means BR 13202 E. Adam Aircraft Circle, DST, a Delaware statutory trust continued by and in accordance with, and governed by, this Trust Agreement.

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

“Trust Estate” means all of the Trust’s right, title, and interest in and to the Leases, the Real Estate, and any and all other property and assets (whether tangible or intangible) in which the Trust at any time has any right, title or interest.

“Trustee” means the Person serving, at the time of determination, as the trustee under this Trust Agreement, in such Person’s capacity as Trustee and not in such Person’s individual capacity. As of the Effective Date, the Person serving as Trustee is DTC.

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

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

ARTICLE 2 GENERAL MATTERS

Section 2.1 Organizational Matters.

(a) DTC is hereby appointed as the Trustee, and DTC hereby accepts such appointment, pursuant and subject to this Trust Agreement.

(b) The filing of the Certificate of Trust has been duly made at the office of the Secretary of State of the State of Delaware (the “Secretary of State”), and the Trustee is hereby authorized to execute and file in the office of the Secretary of State such other certificates as may from time to time be required under the Statutory Trust Act or any other Delaware law.

(c) The name of the Trust is “BR 13202 E. Adam Aircraft Circle, DST”. The Manager shall have full power and authority, and is hereby authorized, to conduct the activities of the Trust, execute and deliver all documents (including, without limitation, the Transaction Documents to which the Trust is or becomes a party from time to time) for or on behalf of the Trust, and cause the Trust to sue or be sued under its name. Any reference to the Trust shall be a reference to the statutory trust formed pursuant to the Certificate of Trust and this Trust Agreement and not to the Trustee or the Manager individually or to the officers, agents or employees of the Trust, the Trustee, or the Manager.

(d) The principal office of the Trust, and such additional offices as the Manager may determine to establish, shall be located at such places inside or outside of the State of Delaware as the Manager shall designate from time to time. As of the Effective Date, the principal office of the Trust is located at 1345 Avenue of the Americas, 32nd Floor, Suite B, New York, NY 10105.

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

(f) Depositor, DTC, and the Manager hereby acknowledge and agree to the amendment and restatement of both the Original Trust Agreement and the A&R Trust Agreement in their entirety pursuant to the terms of this Trust Agreement.

Section 2.2 Declaration of Trust and Statement of Intent.

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

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

Section 2.3 Purposes. The purposes of the Trust are, and the Trust has all requisite power, authority and authorization to engage in, the following activities: (i) to acquire the Real Estate and enter into, execute, deliver and perform the Leases and the Financing Documents and the other Transaction Documents to which it is or becomes a party from time to time; (ii) to hold for investment and eventually dispose of the Real Estate; and (iii) to take only such other actions as the Manager deems necessary or appropriate to carry out the foregoing. Neither the Trustee, the

Manager, Investors or Beneficial Owners, nor any of their agents, shall provide services: (a) that are not “customary services” within the meaning of Revenue Ruling 75-374, 1975-2 C.B. 261; (b) the payment for which would not qualify as “rents from real property” within the meaning of Code Section 512(b)(3)(A)(i) and the Regulations thereunder; or (c) the payment for which would not qualify as “rents from real property” within the meaning of Code Sections 856(c)(2)(C) and 856(c)(3)(A) and the Regulations thereunder. The Trust shall conduct no business other than as specifically set forth in this Section 2.3.

ARTICLE 3 PROVISIONS RELATING TO TAX TREATMENT

Section 3.1 Article 3 Supersedes All Other Provisions of this Trust Agreement. This Article 3 contains certain provisions intended to achieve the desired treatment of the Trust and Beneficial Interests for United States federal income tax purposes. To the extent of any inconsistency between this Article 3 and any other provision of this Trust Agreement, this Article 3 shall supersede and be controlling; provided, for the avoidance of doubt, that nothing in this Article 3 or elsewhere in this Trust Agreement shall limit or impair the Trust’s power, authority and authorization (or limit or impair the Manager’s power, authority and authorization to cause the Trust) to enter into, execute, deliver, and perform its obligations under, the Transaction Documents to which it is or becomes a party from time to time, and to do so without the need for the consent or approval of any Beneficial Owner or other Person, and further provided that the requirements of this Article 3 shall be enforceable to the maximum extent permissible under the Statutory Trust Act.

Section 3.2 [Intentionally Omitted]

Section 3.3 Provisions Relating to Tax Treatment.

(a) Prior to the issuance of the Conversion Notice, the sole Beneficial Owner of the Trust shall be the Depositor. The rights of the Depositor (as the Class 2 Beneficial Owner) with respect to the assets and property held by the Trust, as provided in Section 6.11 hereof, are such that the Trust will be characterized at such time as a “business entity” within the meaning of Regulations Section 301.7701-3. Because the Depositor will be the sole Beneficial Owner, prior to the Conversion Notice, the Trust will be characterized as a disregarded entity, and all assets and property of the Trust shall be treated for Federal income tax purposes as assets and property of the Depositor.

(b) Upon the issuance of the Conversion Notice, the special rights of Depositor (as the Class 2 Beneficial Owner) set forth in Section 6.11 will terminate, as set forth in Section 6.12, and the Depositor will have the same rights as any Class 1 Beneficial Owner.

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

- (1) sell, transfer or exchange the Real Estate except as required under Article 9;
- (2) reinvest any monies of the Trust, except to make modifications or repairs to the Real Estate permitted hereunder or in accordance with Section 7.2;
- (3) renegotiate the terms of the Loan or enter into new financing, except in the case of the Master Tenant’s bankruptcy or insolvency;

(4) renegotiate the Master Lease or enter into new leases (other than the original Master Lease entered into in connection with the acquisition of the Real Estate), except in the case of the Master Tenant's bankruptcy or insolvency;

(5) make modifications to the Real Estate (other than minor non-structural modifications) unless required by law;

(6) accept any capital from a Beneficial Owner (other than capital from an Investor that will be (i) used to pay expenses of the offer and sale of the Class 1 Beneficial Interests, (ii) used to fund Reserves, or (iii) distributed to the Depositor and reduce the Depositor's Percentage Share); or

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

The Trust shall hold the Trust Estate for investment purposes and only lease the Real Estate to the Master Tenant. The activities of the Trust with respect to the Trust Estate shall be limited to the activities which are customary services in connection with the maintenance and repair of the Real Estate and none of the Trustee, Beneficial Owners, the Manager or their agents shall provide non-customary services, as such term is defined in Code Sections 512 and 856 and Rev. Rul. 75-374, 1975-2 C.B. 261. The Trust shall conduct no business other than as specifically set forth in this Section 3.3. Without limiting the generality of the foregoing, upon and after issuance of the Conversion Notice, (i) none of the Trustee, the Manager, the Beneficial Owners and the Trust shall have any power or authority to undertake any actions that are not permitted to be undertaken by an entity that is treated as a "trust" within the meaning of Regulations Section 301.7701-4 and not treated as a "business entity" within the meaning of Regulations Section 301.7701-3, and (ii) this Trust Agreement shall be interpreted and enforced so as to be in compliance with the requirements of Rev. Rul. 2004-86, 2004-33 I.R.B. 191.

For Federal income tax purposes, after issuance of the Conversion Notice, the Trust is intended to be and shall constitute an investment trust pursuant to Regulations Section 301.7701-4(c) and a "grantor trust" under Subpart E of Part 1, Subchapter J of the Code (Code Sections 671 - 679) and shall not constitute a "business entity."

ARTICLE 4 CONCERNING THE TRUSTEE

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

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

Until the Trustee has received such instructions after delivering such notice, it shall be fully protected in refraining from taking any action with respect to the matters described in such notice.

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

Section 4.4 Duties. None of the Trustee or any successor trustee shall have any duty or obligation under or in connection with this Trust Agreement, the Trust, or any transaction or document contemplated hereby, except as expressly provided by the terms of this Trust Agreement, and no implied fiduciary or other duties or obligations shall be read into this Trust Agreement against the Trustee or any successor trustee. The right of the Trustee to perform any discretionary act enumerated herein shall not be construed as a duty. To the fullest extent permitted by applicable law, including without limitation Section 3806 of the Statutory Trust Act, the Trustee and any successor trustee (i) shall have no duties (fiduciary or otherwise) to any Person other than the Trust and the Beneficial Owners, and all such duties (including only those fiduciary duties expressly set forth herein as being fiduciary in nature) shall be restricted to those duties (including fiduciary duties) expressly set forth in this Trust Agreement, and (ii) shall have no liability (including no liability for breach of contract or breach of duty) to any Person other than the Trust and the Beneficial Owners, and all such liability shall be restricted to those liabilities expressly set forth in this Trust Agreement and only those which are due to its willful misconduct, bad faith, fraud or gross negligence in the performance of its duties under this Trust Agreement; provided, however, no provision of this Trust Agreement is intended to or shall eliminate the implied contractual covenant of good faith and fair dealing or limit or eliminate liability for any act or omission that constitutes a bad faith violation of the implied contractual covenant of good faith and fair dealing.

Section 4.5 Indemnification. The Beneficial Owners and the Trust, jointly and severally, hereby agree to: (i) reimburse the Person serving as Trustee and/or any successor Trustee for all reasonable expenses (including reasonable fees and expenses of counsel and other professionals), incurred in connection with the negotiation, execution, delivery, or performance of, or exercise of rights or powers under, this Trust Agreement; (ii) to the fullest extent permitted by law, indemnify, defend and hold harmless the Person serving as Trustee and/or any successor Trustee, and the officers, directors, employees and agents of the Person serving as Trustee and/or any successor Trustee (collectively, including the Trustee and/or any successor Trustee in its individual capacity, the "Trustee Indemnified Persons") from and against any and all losses, damages, liabilities, claims, actions, suits, costs, expenses, disbursements (including the reasonable fees and expenses of counsel and other professionals), taxes and penalties of any kind and nature whatsoever (collectively, "Trustee Covered Expenses"), to the extent that such Trustee Covered Expenses arise out of or are imposed upon or asserted at any time against any such Trustee Indemnified Persons, including without limitation on the basis of ordinary negligence on the part of any such Trustee Indemnified Persons, with respect to or in connection with this Trust Agreement, the Trust, or any transaction or document contemplated hereby; provided, however, that the Beneficial Owners or the Trust shall not be required to indemnify a Trustee Indemnified Person for Trustee Covered Expenses to the extent such Trustee Covered Expenses result from the willful misconduct, bad faith, fraud or gross negligence of such Trustee Indemnified Person; and (iii) to the fullest extent permitted by law, advance to each such Trustee Indemnified Person Trustee Covered Expenses incurred by such Trustee Indemnified Person in defending any claim, demand, action, suit or proceeding, in connection with this Trust Agreement, the Trust, or any transaction or document contemplated hereby, prior to the final disposition of such claim, demand, action, suit or proceeding, only upon receipt by any Beneficial Owner of an undertaking, by or on behalf of such Trustee Indemnified Person, to repay such amount if a court of competent jurisdiction renders a final, non-

appealable judgment that includes a specific finding of fact that such Trustee Indemnified Person is not entitled to be indemnified therefor under this Section 4.5. The obligations of the Beneficial Owners and the Trust under this Section 4.5 shall survive the resignation or removal of the Trustee, shall survive the dissolution and termination of the Trust, and shall survive the termination, amendment, supplement, and/or restatement of this Trust Agreement; provided, however, a Beneficial Owner shall be released from and relieved of any and all obligations under this Section 4.5 that relate to any acts or events occurring in their entirety after the date on which such Beneficial Owner no longer owns any Beneficial Interest in the Trust. So long as any obligation evidenced or secured by the Financing Documents is outstanding, no indemnity payment from funds of the Trust (as distinct from funds from other sources, such as insurance) of any indemnity pursuant to this Section 4.5 shall be payable from amounts allocable to the Lender pursuant to the Financing Documents. Any indemnification set forth in this Trust Agreement shall be fully subordinate to the Loan and shall not constitute a claim against the Trust in the event its cash flow is insufficient to pay its obligations, nor shall it constitute a claim against any Beneficial Owner. Notwithstanding anything to the contrary in the above, in all cases, the indemnification provided under this Section 4.5 shall be limited to and only paid out of the Trust Estate.

Section 4.6 Removal; Resignation; Succession. The Trustee may resign at any time by giving at least 60 days' prior written notice to the Manager. The Manager may at any time remove the Trustee for cause by written notice to the Trustee. Cause shall only result from the willful misconduct, bad faith, fraud or gross negligence of the Trustee. Such resignation or removal shall be effective upon the acceptance of appointment by a successor trustee as hereinafter provided. In case of the removal or resignation of a trustee, and with the prior written consent of Lender while the Loan is outstanding, the Manager may appoint a successor by written instrument. If a successor trustee shall not have been appointed within 60 days after the giving of such notice, the Trustee or any of the Beneficial Owners may apply to any court of competent jurisdiction in the United States to appoint a successor trustee to act until such time, if any, as a successor shall have been appointed as provided above; provided the Lender approves such appointment during any period in which the Loan remains outstanding. Any successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as provided above within one year from the date of the appointment by such court. Any successor, however appointed, shall execute and deliver to its predecessor trustee an instrument accepting such appointment, and thereupon such successor, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor trustee in the trusts hereunder with like effect as if originally named the Trustee herein; but upon the written request of such successor, such predecessor shall execute and deliver an instrument transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers, duties and trusts of such predecessor, and such predecessor shall duly assign, transfer, deliver and pay over to such successor all monies or other property then held by such predecessor upon the trusts herein expressed. Any right of the Beneficial Owners against a predecessor trustee in its individual capacity shall survive the resignation or removal of such predecessor, shall survive the dissolution and termination of the Trust, and shall survive the termination, amendment, supplement, and/or restatement of this Trust Agreement.

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

Section 4.7 Fees and Expenses. The Trustee shall receive as compensation for its services hereunder such fees as have been separately agreed upon between Depositor and the Trustee. The Trustee shall not have any obligation by virtue of this Trust Agreement to spend any of its/their own funds, or to take any action that could result in its/their incurring any cost or expense.

ARTICLE 5 CONCERNING THE MANAGER

Section 5.1 Power and Authority. The investment activities and affairs of the Trust shall be managed exclusively by or under the direction of the Manager. The Manager shall have the power and authority, and is hereby authorized and empowered, to manage the Trust Estate and the investment activities and affairs of the Trust, subject

to and in accordance with the terms and provisions of this Trust Agreement, provided that the Manager shall have no power to engage on behalf of the Trust in any activities that the Trust could not engage in directly, and further provided that the Manager shall at all times be subject to the terms and provisions of the Trust Agreement. The Manager shall have the power and authority, and is hereby authorized, empowered, and directed by the Trust, to enter into, execute and deliver, and to cause the Trust to perform its obligations under, each of the Transaction Documents to which the Trust is or becomes a party or signatory, and in furtherance thereof, the Class 2 Beneficial Owner, at any time prior to the issuance of the Conversion Notice, may confirm such authorization, empowerment, and direction and otherwise direct the Manager in connection with the investment activities and affairs of the Trust. Notwithstanding the other provisions of this Section 5.1, the Manager shall have the power and authority to cause the Trust to (i) acquire the Real Estate; and (ii) execute and deliver the Master Lease and Financing Documents. Further, the Manager shall at all times during the term of the Trust have a special and limited power of attorney as the attorney-in-fact for each Beneficial Owner, with power and authority to act in the name and on behalf of each such Beneficial Owner to execute, acknowledge, and swear to in the execution, acknowledgment and filing of documents that are not inconsistent with the provisions of this Trust Agreement relating to the FMV Option.

Section 5.2 Manager's Capacity. The Manager acts solely as an agent of the Trust and not in its individual capacity, and all Persons having any claim against the Manager by reason of the transactions contemplated by this Trust Agreement, the Transaction Documents, or any other document shall look only to the Trust Estate for payment or satisfaction thereof. Notwithstanding any provision of this Trust Agreement to the contrary, the Manager shall not have any liability to any Person except for its own fraud or gross negligence.

Section 5.3 Duties.

(a) The Manager has primary responsibility for performing the administrative actions set forth in this Section 5.3. In addition, the Manager shall have the obligations with respect to a potential sale of the Trust Estate set forth in Article 9. The Manager shall have no duty or obligation to comply with any directive from any Beneficial Owner with respect to the Trust Estate. The Manager shall not have any duty or obligation under or in connection with this Trust Agreement, the Trust, or any transaction or document contemplated hereby, except as expressly provided by the terms of this Trust Agreement, and no implied duties or obligations shall be read into this Trust Agreement against the Manager. The right of the Manager to perform any discretionary act enumerated herein shall not be construed as a duty. To the fullest extent permitted by applicable law, including without limitation Section 3806 of the Statutory Trust Act, (i) the Manager's duties and liabilities relating thereto to the Trust and the Beneficial Owners shall be restricted to those duties expressly set forth in this Trust Agreement and liabilities relating thereto, and (ii) Manager has no fiduciary duties whatsoever to the Trust or to Beneficial Owners.

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

- (1) complying with the terms of the Financing Documents;
- (2) collecting rents and making distributions in accordance with Article 7;
- (3) entering into any agreement for purposes of completing tax-free exchanges of real property with a "qualified intermediary" as defined in Regulation Section 1.1031(k)-1;
- (4) notifying the relevant parties of any default by them under the Transaction Documents;
- (5) take any action which in the reasoned opinion of tax counsel to the Trust, should not have an adverse effect on either the treatment of the Trust as an "investment trust" within the meaning of Regulation Section 301.7701-4(c) or each Beneficial Owner as a "grantor" within the meaning of Code Section 671; and

(6) solely to the extent necessitated by the bankruptcy or insolvency of the Master Tenant or any other tenant of the Real Estate, if the Trust has not terminated under Section 9.2, entering into a new lease with respect to the Real Estate or renegotiating or refinancing any debt secured by the Real Estate (including, without limitation, the Loan).

The foregoing notwithstanding, from and after the issuance of the Conversion Notice, under no circumstances shall the power or authority of the Manager include the ability to take any actions which would cause the Trust to cease to constitute an “investment trust” within the meaning of Regulation Section 301.7701-4(c). After issuance of the Conversion Notice, the power and authority of the Manager shall be strictly and narrowly construed so as to preserve and protect the status of the Trust as an “investment trust” for Federal income tax purposes.

(c) The Manager shall keep customary and appropriate books and records relating to the Trust and the Trust Estate and shall certify reports regarding same to the Lender, if required by the Financing Documents. The Manager shall maintain appropriate books and records in order to provide reports of income and expenses to each Beneficial Owner as necessary for such Beneficial Owner to prepare his/her income tax returns regarding the Trust Estate.

(d) The Manager shall promptly furnish to the Beneficial Owners copies of any reports, notices, requests, demands, certificates, financial statements and any other writings that the Financing Documents require that the Manager distribute to the Beneficial Owners (unless the Manager reasonably believes the same have been already sent directly to the Beneficial Owners in which case the Manager shall have no obligation to re-distribute them).

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

(f) The Manager shall not, on its own behalf (in contrast to actions that the Manager is required to perform on behalf of the Trust), have any duty to (i) file, record or deposit any document or to maintain any such filing, recording or deposit or to refile, rerecord or redeposit any such document, (ii) obtain or maintain any insurance on the Real Estate, (iii) maintain the Real Estate, (iv) pay or discharge any tax levied against any part of the Trust Estate, (v) confirm, verify, investigate or inquire into the failure to receive any reports or financial statements from any party obligated under the Financing Documents to provide such, or (vi) inspect the Real Estate at any time or to ascertain or inquire as to the performance or observance of any of the covenants of any Person under the Financing Documents.

(g) The Manager shall manage, control, dispose of or otherwise deal with the Trust Estate in its discretion, subject to any restrictions or obligations set forth in the Financing Documents or in this Trust Agreement.

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

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

Section 5.4 Indemnification. The Class 1 Beneficial Owners and the Trust, jointly and severally, hereby agree to (i) reimburse the Manager for all reasonable expenses (including reasonable fees and expenses of counsel and other professionals), incurred in connection with the negotiation, execution, delivery, or performance of, or exercise of rights or powers under, this Trust Agreement, (ii) to the fullest extent permitted by law, indemnify, defend and hold harmless the Manager, and the officers, directors, employees and agents of the Manager (collectively, including the Manager, the “Manager Indemnified Persons”) from and against any and all losses, damages, liabilities, claims, actions, suits, costs, expenses, disbursements (including the reasonable fees and expenses of counsel and other professionals), taxes and penalties of any kind and nature whatsoever (collectively, “Manager Covered Expenses”), to the extent that such Manager Covered Expenses arise out of or are imposed upon or asserted at any time against

such Manager Indemnified Persons, including without limitation on the basis of ordinary negligence on the part of any such Manager Indemnified Persons, with respect to or in connection with this Trust Agreement, the Trust, or any transaction or document contemplated hereby; provided, however, that the Class 1 Beneficial Owners shall not be required to indemnify a Manager Indemnified Person for Manager Covered Expenses to the extent such Manager Covered Expenses result from the fraud or gross negligence of such Manager Indemnified Person, and (iii) to the fullest extent permitted by law, advance to each such Manager Indemnified Person Manager Covered Expenses incurred by such Manager Indemnified Person in defending any claim, demand, action, suit or proceeding, in connection with this Trust Agreement, the Trust, or any transaction or document contemplated hereby, prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by any Class 1 Beneficial Owner of an undertaking, by or on behalf of such Manager Indemnified Person, to repay such amount unless a court of competent jurisdiction renders a final, non-appealable judgment that includes a specific finding of fact that such Manager Indemnified Person is not entitled to be indemnified therefor under this Section 5.4. The obligations of the Class 1 Beneficial Owners and the Trust under this Section 5.4 shall survive the resignation or removal of the Manager, shall survive the dissolution and termination of the Trust, and shall survive the termination, amendment, supplement, and/or restatement of this Trust Agreement. So long as any obligation evidenced or secured by the Financing Documents is outstanding, no indemnity payment from funds of the Trust (as distinct from funds from other sources, such as insurance) of any indemnity pursuant to this Section 5.4 shall be payable from amounts allocable to the Lender pursuant to the Financing Documents. Any indemnification set forth in this Trust Agreement shall be fully subordinate to the Loan and shall not constitute a claim against the Trust in the event its cash flow is insufficient to pay its obligations, nor shall it constitute a claim against any Beneficial Owner of an interest in the Trust. Notwithstanding anything to the contrary in the above, in all cases, the indemnification obligations of the Class 1 Beneficial Owners under this Section 5.4 shall be limited to and only paid out of the Trust Estate.

Section 5.5 Fees and Expenses. Except as set forth in Section 9.4, the Manager shall receive no compensation for its services as Manager. The Manager shall not have any obligation by virtue of this Trust Agreement to spend any of its own funds, or to take any action that could result in its incurring any cost or expense.

Section 5.6 Sale of Trust Estate by Manager Is Binding. Any sale or other conveyance of the Trust Estate or any part thereof by the Manager made for and on behalf of the Trust pursuant to the terms of this Trust Agreement shall bind the Trust and the Beneficial Owners and be effective to transfer or convey all rights, title and interest of the Trust and the Beneficial Owners in and to the Trust Estate.

Section 5.7 Removal/ Resignation; Succession. The Manager may resign at any time by giving at least 30 days' prior written notice to the Trustee. The Trustee may (i) at all times prior to the payment in full of the Loan, upon the prior written consent of the Lender, or (ii) at any time thereafter, either (I) remove the Manager for cause by written notice to the Manager, or (II) limit the duties of the Manager under this Trust Agreement. For the avoidance of doubt, any removal or attempted removal of the Manager made prior to the payment in full of the Loan without the Lender's consent shall be *void ab initio*. Further, "cause" sufficient to warrant a vote for removal shall exist only in the event of the fraud or gross negligence of the Manager which causes material damage to, or diminution in value of, the Trust Estate. Such resignation or removal shall be effective upon the acceptance of appointment by a successor Manager as hereinafter provided. In case of the removal or resignation of the Manager, the Trustee, with the prior written consent of the Lender while the Loan is outstanding, may appoint a successor by written instrument. If a successor Manager shall not have been appointed within 15 days after the giving of such notice, the Manager or any of the Beneficial Owners may apply to any court of competent jurisdiction in the United States to appoint a successor Manager to act until such time, if any, as a successor shall have been appointed as provided above, provided that the Lender approves such appointment during any period in which the Loan is outstanding. Any successor so appointed by such court shall immediately and without further act be superseded by a successor appointed as provided above within one (1) year from the date of the appointment by such court. Any successor, however appointed, shall execute and deliver to its predecessor Manager an instrument accepting such appointment, and thereupon such successor, without further act, shall become vested with all the rights, powers and duties of the predecessor Manager in the trusts hereunder with like effect as if originally named the Manager herein; but upon the written request of such successor, such predecessor shall execute and deliver an instrument transferring to such successor, upon the trusts herein expressed, all the rights, powers and duties of such predecessor. Any right of the Beneficial Owners against a predecessor Manager in its individual capacity shall survive the resignation or removal of such predecessor Manager, shall survive the dissolution and termination of the Trust, and shall survive the termination, amendment, supplement, and/or restatement of this Trust Agreement.

ARTICLE 6
BENEFICIAL INTERESTS

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

(a) Heretofore or in connection with the execution of this Trust Agreement, (i) the Trust shall issue a Class 2 Beneficial Ownership Certificate to the Depositor and (ii) the Depositor shall contribute an amount of cash sufficient to enable the Trust to acquire the Real Estate; and the Trust shall issue a Class 2 Beneficial Ownership Certificate to the Depositor in exchange for such contributions. The Class 2 Beneficial Ownership Certificate, in substantially the form set forth in Exhibit B-2, with such appropriate insertions, omissions, substitutions, endorsements and other variations as are required by this Trust Agreement, and with such letters, numbers or other marks of identification and such legends and endorsements placed thereon as may, consistent herewith, be approved by the Manager, shall be issued in registered form and delivered to, and registered in the name of, the Depositor. Each Class 2 Beneficial Ownership Certificate shall be printed and dated the date of its execution. Any portion of any Class 2 Beneficial Ownership Certificate may be set forth on the reverse or subsequent pages thereof. The Class 2 Beneficial Ownership Certificate shall be printed, lithographed, typewritten, mimeographed, photocopied or otherwise produced or may be produced in any other manner as may, consistently herewith, be determined by the Manager. While the Class 2 Beneficial Interests are held by a single Beneficial Owner such certificate shall represent ownership of the entire Percentage Share from time to time of the Class 2 Beneficial Interests. If, at any time, the Class 2 Beneficial Interests are held by more than one Beneficial Owner, each Class 2 Beneficial Ownership Certificate shall represent ownership of the Percentage Share of the Beneficial Interests to which it corresponds. It is anticipated that the Trust will issue its Class 1 Beneficial Interests in the Trust to the Offering DST and that interests in the Offering DST may be sold to investors pursuant to a private placement memorandum of interests in the Offering DST.

(b) Following the issuance of the Conversion Notice, on or after the Closing Date one or more Investors who have executed Purchase Agreement(s) and contributed cash to the Trust shall be issued Class 1 Beneficial Ownership Certificates, in substantially the form set forth in Exhibit B-1, with such appropriate insertions, omissions, substitutions and other variations to evidence their investment and as are otherwise required by this Trust Agreement, and with such letters, numbers or other marks of identification and such legends and endorsements placed thereon as may, consistent herewith, be approved by the Manager. Such Class 1 Beneficial Ownership Certificates shall be issued in registered form and delivered to, and registered in the name of, the applicable Beneficial Owner. Notwithstanding the foregoing, no Class 1 Beneficial Owner, and no assignee or transferee of a Class 1 Beneficial Interest, may own more than a 49% Percentage Share of the aggregate Class 1 Beneficial Ownership Certificates, and any purported issuance of a Class 1 Beneficial Ownership Certificate in violation of the foregoing shall be null, void and of no effect whatsoever. Each Class 1 Beneficial Ownership Certificate shall be printed and dated the date of its execution. Any portion of any Class 1 Beneficial Ownership Certificate may be set forth on the reverse or subsequent pages thereof. The Class 1 Beneficial Ownership Certificate shall be printed, lithographed, typewritten, mimeographed, photocopied or otherwise produced or may be produced in any other manner as may, consistently herewith, be determined by the Manager.

(c) The Manager is hereby authorized to execute each Beneficial Ownership Certificate for and on behalf of the Trust by the manual signature of any duly authorized officer of the Manager, such execution to constitute the authentication thereof.

(d) Each Beneficial Ownership Certificate bearing the manual signature of any individual who at the time such Beneficial Ownership Certificate was executed was a duly authorized officer of the Manager shall bind the Trust, notwithstanding that any such individual has ceased to hold such office or to be a duly authorized officer of the Manager prior to the delivery of such Beneficial Ownership Certificate or at any time thereafter. No Beneficial Ownership Certificate shall be valid for any purpose unless it is executed on behalf of the Trust by the Manager. The signature of a duly authorized officer of the Manager on any Beneficial Ownership Certificate shall be conclusive evidence that such Beneficial Ownership Certificate has been duly executed and authenticated under this Trust Agreement.

(e) Any Beneficial Owner shall be deemed, by virtue of the acceptance of such Beneficial Ownership Certificate or beneficial interest therein, to have agreed, accepted and become bound by, and subject to, the provisions of this Trust Agreement. Each Beneficial Owner hereby acknowledges and agrees that, in its capacity

as a Beneficial Owner, it has no ability either to (i) petition for a partition of the assets of the Trust, (ii) file a petition in bankruptcy on behalf of the Trust, or (iii) take any action that consents to, aids, supports, solicits or otherwise cooperates in the filing of an involuntary bankruptcy proceeding involving the Trust.

(f) Notwithstanding anything to the contrary in this Trust Agreement, any provisions of this Trust Agreement relating to Beneficial Ownership Certificates shall be construed as optional, and it shall be within the Manager's sole discretion as to whether or not the Trust issues Beneficial Ownership Certificates pursuant to the terms and provisions of this Trust Agreement or, in the alternative, determines and evidences the fact of ownership.

Section 6.2 Ownership Records. The Manager shall at all times be the Person at whose office a Beneficial Ownership Certificate may be presented or surrendered for registration of transfer or for exchange and where notices and demands to or upon the Trust in respect of a Beneficial Ownership Certificate may be served. The Manager shall keep Ownership Records, which shall include records of the transfer and exchange of Beneficial Interests. Notwithstanding any provision of this Trust Agreement to the contrary, transfer of a Beneficial Interest in the Trust, or of any right, title or interest therein, shall occur only upon and by virtue of the entry of such transfer in the Ownership Records. In the event of any transfer not prohibited under the terms of this Trust Agreement, the Manager shall issue a new Beneficial Ownership Certificate setting forth the current percentage interest in the Trust held by such new Beneficial Owner, the transferring Beneficial Owner shall surrender its Beneficial Ownership Certificate for cancellation and if applicable the Manager shall issue a new Beneficial Ownership Certificate setting forth the Beneficial Interest retained by any transferring Beneficial Owner. The Beneficial Ownership Certificates may not be negotiated, endorsed or otherwise transferred to a holder in violation of Sections 6.4, 6.5 or 6.6.

Section 6.3 Mutilated, Destroyed, Lost or Stolen Beneficial Ownership Certificates. If any Beneficial Ownership Certificate shall become mutilated, destroyed, lost or stolen, the Trust shall, upon the written request of the holder of any Beneficial Ownership Certificate thereof and presentation of the Beneficial Ownership Certificate or satisfactory evidence of destruction, loss or theft thereof to the Manager, issue and deliver in exchange therefor or in replacement thereof, a new Beneficial Ownership Certificate in the name of such Beneficial Owner evidencing the same Beneficial Interest and dated the date of its execution. If the Beneficial Ownership Certificate being replaced has become mutilated, such Beneficial Ownership Certificate shall be surrendered to the Manager. If the Beneficial Ownership Certificate being replaced has been destroyed, lost or stolen, the Beneficial Owner thereof shall furnish to the Trust and the Manager (i) a written indemnity by such Beneficial Owner to the Trust and the Manager which provides for such Person to save the Trust and the Manager harmless; and (ii) evidence satisfactory to the Trust and the Manager of the destruction, loss or theft of such Beneficial Ownership Certificate and of the ownership thereof. The applicable Beneficial Owner shall pay any tax imposed in connection therewith.

Section 6.4 Restrictions on Transfer. Except for a Permitted Transfer, the prior written consent of the Manager, which consent may be withheld in Manager's sole and absolute discretion, is required in connection with the assignment or transfer of all or any portion of the Beneficial Interest of any Beneficial Owner. All expenses of any such transfer shall be paid by the assigning or transferring Beneficial Owner. In addition, no Class 1 Beneficial Owner, and no assignee or transferee of a Class 1 Beneficial Interest, may own more than a 49% Percentage Share of the aggregate Class 1 Beneficial Ownership Certificates, and any purported transfer or assignment of a Class 1 Beneficial Interest in violation of the foregoing shall be null, void and of no effect whatsoever.

Section 6.5 Conditions to Admission of New Beneficial Owners. Any assignee or transferee of a Class 1 Beneficial Owner shall become a Class 1 Beneficial Owner only upon such assignee's or transferee's written acceptance and adoption of this Trust Agreement, as manifested by its execution and delivery to the Manager of an executed agreement substantially in the form of Exhibit E, plus the issuance by the Trust of a new Class 1 Beneficial Ownership Certificate to such assignee or transferee, copies of which will be provided by the Manager to the Trustee. Any assignee or transferee of a Class 2 Beneficial Owner shall become a Class 2 Beneficial Owner upon the transfer of such Class 2 Beneficial Interests in accordance with Section 6.2 hereof and shall be deemed to have accepted and adopted the terms of this Trust Agreement upon the completion of such transfer.

Section 6.6 Limit on Number of Beneficial Owners. Notwithstanding anything to the contrary in this Trust Agreement, the Trust shall at no time have more than one thousand nine hundred and ninety-nine (1,999) Beneficial Owners. Any transfer that results in a violation of the preceding sentence shall, to the fullest extent permitted by law, be null, void, and of no effect whatsoever.

Section 6.7 Representations and Acknowledgements of Beneficial Owners. Each Beneficial Owner hereby represents and warrants that it (i) is not acquiring its Beneficial Interest with a view to any distribution thereof in a transaction that would violate the Securities Act or the securities laws of any state of the United States; and (ii) is aware of the restrictions on transfer that are applicable to the Beneficial Interests and will not offer, sell, pledge or otherwise transfer its Beneficial Interest except in compliance with all terms and conditions of this Trust Agreement and applicable securities laws and regulations. Each Beneficial Owner hereby acknowledges that (y) no Beneficial Interest may be sold, transferred or otherwise disposed of unless expressly permitted hereunder and it is registered or qualified under the Securities Act and all other applicable laws of any applicable jurisdiction or an exemption therefrom is available in accordance with all other laws of any applicable jurisdiction; and (z) no Beneficial Interest has been or is expected to be registered under the Securities Act, and accordingly, all Beneficial Interests are subject to restrictions on transfer.

Section 6.8 Status of Relationship. This Trust Agreement shall not be interpreted to impose a partnership or joint venture relationship on the Beneficial Owners either at law or in equity. Accordingly, no Beneficial Owner shall have any liability for the debts or obligations incurred by any other Beneficial Owner, with respect to the Trust Estate, or otherwise, and no Beneficial Owner shall have any authority, other than as specifically provided herein, to act on behalf of any other Beneficial Owner or to impose any obligation on any other Beneficial Owner with respect to the Trust Estate. Neither the power to give direction to the Trustee, the Manager, or any other Person nor the exercise thereof by any Beneficial Owner shall cause such Beneficial Owner to have duties (including fiduciary duties) or liabilities relating thereto to the Trust or to any Beneficial Owner. For the avoidance of doubt, Manager has no fiduciary duties to Beneficial Owners.

Section 6.9 No Legal Title to Trust Estate. The Beneficial Owners shall not have legal title to the Trust Estate. The death, incapacity, dissolution, termination, or bankruptcy of any Beneficial Owner, Manager or Trustee shall not result in the termination or dissolution of the Trust.

Section 6.10 In-Kind Distributions. Except as expressly provided in Section 9.2, no Beneficial Owner (i) has an interest in specific Trust property or (ii) shall have any right to demand and receive from the Trust an in-kind distribution of the Trust Estate or any portion thereof. In addition, each Beneficial Owner expressly waives any right, if any, under the Statutory Trust Act to seek a judicial dissolution of the Trust, to terminate the Trust, or, to the fullest extent permit by law, to partition the Trust Estate.

Section 6.11 Rights and Powers of Class 2 Beneficial Owner Prior to Conversion Notice. Prior to the issuance of the Conversion Notice, the Class 2 Beneficial Owner shall have the right and power, at its sole discretion (but subject to the restrictions in Article 3), to:

- (a) Cause the Trust to acquire the Real Estate and enter into, or direct the Manager to enter into, the Transaction Documents;
- (b) Contribute additional assets to the Trust;
- (c) Cause the Trust to negotiate or re-negotiate loans or leases;
- (d) Cause the Trust to sell all or any portion of its assets and re-invest the proceeds of such sale or sales; and
- (e) Amend this Trust Agreement.

It is expressly understood by the Class 2 Beneficial Owner that these powers are inconsistent with the ability to classify the Trust as an "investment trust" under Regulations Section 301.7701-4(c), and the Trust shall not be so classified prior to the issuance of the Conversion Notice. The Percentage Share of the Class 2 Beneficial Owner prior to the issuance of any Class 1 Beneficial Interests (pursuant to Section 6.14 hereof) shall be 100%.

Section 6.12 Issuance of Conversion Notice. The Class 2 Beneficial Owner may, at any time in its sole discretion, issue the Conversion Notice to the Trustee and the Manager. Upon issuance of the Conversion Notice, the

Class 2 Beneficial Owner shall no longer have any of the rights or powers set forth in Section 6.11. Instead, after issuance of the Conversion Notice, the Class 2 Beneficial Owner shall have only those rights and powers as apply to a Class 1 Beneficial Owner (as set forth in Section 6.13).

Section 6.13 Rights and Powers of Class 1 Beneficial Owners. The Class 1 Beneficial Owners shall only have the right to receive distributions from the Trust as a result of the operations or sale of the Real Estate. The Class 1 Beneficial Owners shall not have the right or power to direct in any manner the Trust or the Manager in connection with the operation of the Trust or the actions of the Trustee or the Manager. In addition, the Class 1 Beneficial Owners shall not have the right or power to:

- (a) Contribute additional assets to the Trust;
- (b) Be involved in any manner in the operation or management of the Trust or its assets;
- (c) Cause the Trust to negotiate or re-negotiate loans or leases; or
- (d) Cause the Trust to sell its assets and re-invest the proceeds of such sale.

Section 6.14 Contributions by the Class 1 Beneficial Owners; Issuance of Class 1 Beneficial Ownership Certificates; Reduction in Class 2 Beneficial Interests. The Trust shall issue Class 1 Beneficial Ownership Certificates to the Depositor upon the Conversion Notice in which the Class 1 Beneficial Interests shall be used by the Trust to redeem a corresponding portion of the Class 2 Beneficial Interest then held by the Depositor. With respect to this redemption, the reduction of the Percentage Share of the Depositor shall be equal to the Percentage Share granted by the Trust to the contributing Class 1 Beneficial Owner, and the Depositor shall surrender its Class 2 Beneficial Ownership Certificate for cancellation and issuance of a new Class 2 Beneficial Ownership Certificate reflecting the Depositor's remaining Percentage Share, if any. In no event may such redemption result in a net increase or decrease in the corpus of the Trust.

ARTICLE 7 DISTRIBUTIONS AND REPORTS

Section 7.1 Payments from Trust Estate Only. All payments to be made by the Manager under this Trust Agreement shall be from the Trust Estate.

Section 7.2 Distributions in General. The Manager shall distribute all available cash to the Beneficial Owners in accordance with their Percentage Shares on a monthly basis (or, prior to the issuance of the Conversion Notice, at such intervals as the Manager may determine in its sole discretion), but only after (i) paying or reimbursing the Trustee and then the Manager, respectively, for any claims subject to indemnification (including as provided in Sections 4.5 and 5.4, respectively) and for their respective reasonable fees and/or expenses actually incurred on behalf of the Trust and (ii) retaining such additional amounts as the Manager in its discretion determines are necessary to pay anticipated ordinary current and future Trust expenses ("Reserves"). Reserves and any other cash retained pursuant to this paragraph shall be invested by or on behalf of the Manager only in short-term obligations of (or guaranteed by) the United States, or any agency or instrumentality thereof and in certificates of deposit or interest-bearing bank accounts of any bank or trust companies having a minimum stated capital and surplus of \$100,000,000 (a "Permitted Investment"). All such obligations must mature prior to the next distribution date, and be held to maturity. All amounts distributable to the Beneficial Owners pursuant to this Trust Agreement shall be paid by check or in immediately available funds by transfer to a banking institution with bank wire transfer facilities for the account of such Beneficial Owner, as instructed from time to time by such Beneficial Owner on the last Business Day of each calendar quarter.

Section 7.3 Distribution Upon Dissolution. In the event of the Trust's dissolution in accordance with Article 9 hereof, all of the Trust Estate as may then exist after the winding up of its affairs in accordance with the Statutory Trust Act (including without limitation subsections (d) and (e) of Section 3808 of the Statutory Trust Act and providing for all costs and expenses, including any income or transfer taxes which may be assessed against the

Trust, whether or not by reason of the dissolution of the Trust), shall, subject to Section 9.2, be distributed to those Persons who are then Beneficial Owners in their respective Percentage Shares.

Section 7.4 Cash and other Accounts; Reports by the Manager. The Manager shall be responsible for receiving all cash from the Master Tenant and placing such cash into one or more accounts as required under the distribution and investment obligations of the Trust under Section 7.2. The Manager shall furnish annual reports, audited by a nationally recognized accounting firm selected by the Manager from time to time, to each of the Beneficial Owners as to the amounts of rent received from the Master Tenant, the expenses incurred by the Trust with respect to the Real Estate (if any), the amount of any Reserves and the amount of the distributions made by the Trust to the Beneficial Owners.

Section 7.5 Information. Upon written demand of the Manager made by a Beneficial Owner, which written demand may not be made more than once per calendar quarter, a Beneficial Owner shall have the right to receive a copy of this Trust Agreement and the Certificate of Trust, and any amendments to either of them, provided that such copy shall not contain any identifying information with regard to any other Beneficial Owner. Except as specifically set forth in Sections 7.4 or 7.5, or elsewhere in this Trust Agreement, no Beneficial Owner or group of Beneficial Owners shall have any right to demand or receive any information, report, or document from Manager or Trustee. Without limiting the foregoing, no Beneficial Owner shall have the right under this Trust Agreement to receive, review, copy or inspect any list of the Members or any identifying information with regard to the Beneficial Owners, whether or not requested, and Manager shall not have any obligation to provide such information. Notwithstanding anything to the contrary contained herein or the Statutory Trust Act, a Beneficial Owner or group of Beneficial Owners shall not have any of the rights to information or other rights set forth in §3819 of the Statutory Trust Act.

ARTICLE 8 RELIANCE; REPRESENTATIONS; COVENANTS

Section 8.1 Good Faith Reliance. Neither the Trustee nor the Manager shall incur any liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper reasonably and in good faith believed by such Person to be genuine and signed by the proper party or parties thereto. As to any fact or matter, the manner of ascertainment of which is not specifically described herein, the Trustee and the Manager may for all purposes hereof rely on a certificate, signed by or on behalf of the Person executing such certificate, as to such fact or matter, and such certificate shall constitute full protection of the Trustee and the Manager for any action taken or omitted to be taken by them in good faith in reliance thereon, and the Trustee and the Manager may conclusively rely upon any certificate furnished to such Person that on its face conforms to the requirements of this Trust Agreement. Each of the Trustee and the Manager may (i) exercise its powers and perform its duties by or through such attorneys and agents as it shall appoint with due care, and it shall not be liable for the acts or omissions of such attorneys and agents; and (ii) consult with counsel, accountants and other experts, and shall be entitled to rely upon the advice of counsel, accountants and other experts selected by it in good faith and shall be protected by the advice of such counsel and other experts in anything done or omitted to be done by it in accordance with such advice. In particular, no provision of this Trust Agreement shall be deemed to impose any duty on the Trustee or the Manager to take any action if such Person shall have been advised by counsel that such action may involve it in personal liability or is contrary to the terms hereof or to applicable law. For all purposes of this Trust Agreement, the Trustee shall be fully protected in relying upon the most recent Ownership Records delivered to it by the Manager.

Section 8.2 No Representations or Warranties as to Certain Matters. NEITHER THE TRUSTEE NOR THE MANAGER, EITHER WHEN ACTING HEREUNDER IN ITS CAPACITY AS TRUSTEE OR MANAGER OR IN ITS INDIVIDUAL CAPACITY, MAKES OR SHALL BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE TITLE, LOCATION, VALUE, CONDITION, WORKMANSHIP, DESIGN, COMPLIANCE WITH SPECIFICATIONS, CONSTRUCTION, OPERATION, MERCHANTABILITY OR FITNESS FOR USE FOR A PARTICULAR PURPOSE OF THE TRUST ESTATE OR ANY PART THEREOF, AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, AS TO THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY

IN TORT, OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE TRUST ESTATE OR ANY PART THEREOF.

Neither the Trustee nor the Manager makes any representation or warranty as to (i) the title, value, condition or operation of the Real Estate, and (ii) the validity or enforceability of Transaction Documents or as to the correctness of any statement contained in any thereof, except as expressly made by the Trustee or the Manager in its individual capacity. Each of the Trustee and the Manager represents and warrants to the Beneficial Owners that it has authorized, executed and delivered the Trust Agreement.

ARTICLE 9 TERMINATION

Section 9.1 Termination in General. The Trust shall not have perpetual existence and instead shall be dissolved and wound up in accordance with Section 3808 of the Statutory Trust Act upon the first to occur of a Transfer Distribution or the sale of the Trust Estate pursuant to Section 9.3, at which time each Beneficial Owner's Percentage Share of the Trust Estate shall be distributed to such Beneficial Owner in accordance with Section 7.3; provided, however, that in connection with a sale of the Trust Estate in accordance with Section 7.3, the Loan shall have been defeased, paid in full or assumed in accordance with the terms of the Financing Documents.

Section 9.2 Termination to Protect and Conserve Trust Estate. Subject to the terms and conditions of the Financing Documents, upon the first to occur of (i) a sale of the Trust Estate pursuant to Section 9.3 or (ii) if the Conversion Notice has been issued and the Manager determines that (a) the Master Tenant is insolvent or has failed to timely pay the full rent due under the Master Lease after the expiration of any applicable notice and cure provisions in the Master Lease (not including any permitted deferral of rent due pursuant to Section 4.2 of the Master Lease), (b) the Trust Estate is in jeopardy of being lost due to a default or imminent default on the Loan, and in either case the Manager is prohibited from acting pursuant to Section 3.3 hereof, (c) the Master Tenant files for bankruptcy, seeks appointment of a receiver, makes an assignment for the benefit of its creditors or there occurs any similar event, (d) the Loan will commence hyper-amortization within ninety (90) days under which all cash flow from the Real Estate will need to be utilized to pay down the principal and interest on the Loan, (e) the Trust is otherwise terminated in violation of Section 3.3(c), (f) the Manager needs to take, but is precluded from taking, one of the actions enumerated in Section 3.3(c) and the Manager determines in writing that dissolution of the Trust is necessary and appropriate to preserve and protect the Trust Estate for the benefit of the Beneficial Owners, or (g) the Trust is otherwise terminated or dissolved without the consent of Lender, then, in either case, the Trust shall dissolve and wind up in accordance with Section 3808 of the Statutory Trust Act and each Beneficial Owner's Percentage Share of the Trust Estate shall be distributed to such Beneficial Owner in accordance with this Section 9.2 in full and complete satisfaction and redemption of their Beneficial Ownership Certificates. Subject to the requirements of Section 3808 of the Statutory Trust Act, immediately before any such liquidating distributions, and only in the event that a distribution is to be made to the Beneficial Owners under Section 9.2(ii), the Manager shall transfer title to the assets comprising the Trust Estate to a newly formed Delaware limited liability company (the "LLC") that has a limited liability company operating agreement substantially similar to that set forth in Exhibit F (the "Transfer Distribution"). As part of the Transfer Distribution, the Manager shall cause the membership interests in the LLC to be distributed to the Beneficial Owners in proportion to their Percentage Shares immediately prior to the dissolution of the Trust in complete satisfaction of their Beneficial Interests and their Beneficial Ownership Certificates in order to consummate the dissolution of the Trust. It is the express intent of this Trust Agreement that no distribution be made under this Section 9.2 except in the rare and unexpected situation in which such distribution is necessary to prevent the loss of the Trust Estate. To the fullest extent permitted by applicable law, the Manager shall be fully protected in any such determination made in good faith that a condition under Section 9.2(ii) exists, and shall have no liability to any Person, including without limitation the Beneficial Owners, with respect to any such determination. If a determination has been made to make a Transfer Distribution under Section 9.2(ii), the Manager may, in its discretion and upon advice of counsel, utilize such other form of transaction (including, without limitation, a conversion of the Trust into a limited liability company if then permitted by applicable law) to accomplish the transaction contemplated by the Manager pursuant to the Transfer Distribution (which other form of transaction shall only require the approval of the Manager and shall not require the approval of any Beneficial Owners or the Trustee), provided that such alternative form of transaction is entered into to preserve and protect the Trust Estate for the benefit of the Beneficial Owners and is otherwise in compliance with the Statutory Trust Act.

Section 9.3 Sale of the Trust Estate. Pursuant to Section 3806(b)(3) of the Statutory Trust Act, the Manager shall sell the Trust Estate upon its determination (in its sole discretion) that a sale of the Trust Estate is appropriate; provided, however, that it is the intent of the parties to this Trust Agreement that the Trust Estate will be held by the Trust for at least two (2) years. Any such sale of the Trust Estate shall occur as soon as practicable after the Manager has determined that the sale of the Trust Estate is appropriate. The Manager shall be responsible for (i) determining the fair market value of the Trust Estate, (ii) providing notice to the Trustee of the sale of the Trust Estate and (iii) conducting the sale of the Trust Estate on behalf of the Trust under commercially reasonable terms and executing such documents and instruments required to be executed by the Trust to affect such sale (Manager shall also provide to the Trustee in execution form any documents and instruments required to be executed by the Trustee to affect such sale). The Manager (and the Trustee, if necessary) shall take all reasonable action that would seek to enable the sale to qualify, with respect to each Beneficial Owner, as a like-kind exchange within the meaning of Code Section 1031. Any sale of the Property shall be on an “as-is, where-is” basis (or on such terms as are deemed commercially reasonable by the Manager) and without any representations or warranties by the Trustee or the Manager (other than representations as to their respective authority to enter into the sale).

Section 9.4 Manager Fees. The Manager shall receive a disposition fee from the Trust equal to not more than 2% of the gross proceeds of any of the sale, exchange or other disposition of all or any portion of the Property or the Trust Estate (the “Disposition Fee”), from which Manager shall pay all sales commissions payable to any third-party broker in connection with such sale, such that the aggregate amount of the Disposition Fee plus the third-party brokerage commission does not exceed 2% of the gross sales price. The payment of the Disposition Fee shall be subordinate to the Financing Documents. Further, for the avoidance of doubt, the Disposition Fee shall not be payable in the event the FMV Option is exercised.

Section 9.5 Loan Paid in Full. If the Manager determines that the Loan, including all interest, principal and penalties, if any, has been paid in full and the Trust Estate has not been sold pursuant to Section 9.3 then the Manager shall provide written notice to such effect to the Trust, and the Trust shall dissolve and wind up in accordance with the procedures set forth in Section 9.2.

Section 9.6 Certificate of Cancellation. Upon the completion of the dissolution and winding up of the Trust, the Certificate of Trust shall be cancelled by the Trustee, acting upon direction by the Manager and at the expense of the Trust, and the Trustee shall execute and cause a certificate of cancellation to be filed in the office of the Secretary of State.

ARTICLE 10 FMV OPTION

Section 10.1 FMV Option. Subject to the requirements of the Financing Documents and Section 10.2 and Section 10.3, each of the Investors does hereby grant to the OP, its affiliates, successors or assigns, the right, but not the obligation, to require that each such Investor exchange its interest in the Trust for units in the OP (the “OP Units”) in a transaction intended to qualify as a tax-deferred exchange under Code Section 721, pursuant to the terms of this Article 10 (the “FMV Option”). Each Investor participating in an exchange of its interest in the Trust for the OP Units pursuant to the FMV Option (a “Contributing Investor”) shall receive an amount of OP Units with an aggregate value equal to Exchange FMV (as defined below) of such Contributing Investor’s interest in the Trust as of the date the FMV Option is exercised, less the amount of the Call Option Fee (as defined below). In connection with the exercise of the FMV Option, the Manager shall receive a call-option fee from the Trust equal to 1.0% of the FMV Option Appraised Value of the Property (the “Call-Option Fee”). For the avoidance of doubt, the Call-Option Fee shall only be payable if the FMV Option is exercised. The FMV Option shall be exercised pursuant to a “Notice of Exchange,” a form of which is attached as Exhibit H to this Trust Agreement, delivered to the Investors by the OP. The OP and/or the Manager may, but is/are not obligated to, coordinate to provide the Investors with a non-binding survey in advance of an anticipated Notice of Exchange in order to seek input from the Investors regarding their desire to become either a Contributing Investor or a Cash Investor (defined below) in connection with a contemplated exercise of the FMV Option. Notwithstanding anything to the contrary, the OP may not exercise the FMV Option until all Investors have held their Beneficial Interests for at least two (2) years.

Section 10.2 Cash Investors. Notwithstanding the provisions of Section 10.1, a Beneficial Owner may elect to have the OP acquire the Beneficial Owner's interests in the Trust for cash rather than exchange such interests for OP Units following the exercise by the OP of its FMV Option (a Beneficial Owner who makes an election under this Section 10.2, a "Cash Investor"). If a Cash Investor elects to exercise its rights to have the OP acquire its interests in the Trust for cash under this Section 10.2 with respect to a Notice of Exchange, it shall so notify the OP in writing within ten (10) Business Days after the date on which the Manager mails the Notice of Exchange to the Beneficial Owner. If any Beneficial Owner does not provide such notice to the Manager within ten (10) Business Days after the mailing date of the Notice of Exchange, such Beneficial Owner will be deemed to have agreed to have the OP acquire the Beneficial Owner's interest in the Trust in exchange for OP Units. The cash purchase price for a Cash Investor's interest (the "Cash Amount") shall be equal to the Exchange FMV of such Cash Investor's interest in the Trust as of the date the FMV Option is exercised, reduced by a 2% cash redemption fee (the "Cash Redemption Fee"). The total Cash Amount for all Cash Investors shall not exceed 50% of the FMV Option Appraised Value of the Property (the "Cash Redemption Cap"), subject to the discretion of the OP. In the event the Cash Redemption Cap is reached, then the total available cash proceeds shall be pro-rated among the Cash Investors based on Percentage Share, and Cash Investors may receive both cash and OP Units in exchange for such Cash Investors' Beneficial Interests. For the avoidance of doubt, the Cash Redemption Fee shall only apply to the Cash Amount.

Section 10.3 Documentation and Signatures; Delivery. Each Investor agrees to execute such documents and signatures as the Manager or the OP may reasonably require in connection with the exercise of the FMV Option under Section 10.1 or the cash purchase, if any, under Section 10.2. For a Contributing Investor, the Manager shall provide a tax protection agreement (a "Tax Protection Agreement") in which the Manager: (i) will agree not to directly or indirectly sell, exchange, transfer, or otherwise dispose of the Real Estate or any interest therein (without regard to whether such disposition is voluntary or involuntary) in a transaction within three (3) years of the date of the exercise of the FMV Option that would cause a Contributing Investor to recognize any gain under Code Section 704(c) (such transaction, a "Triggering Event"), and (ii) for a period of three (3) years following the occurrence of a Triggering Event, will agree to pay a Contributing Investor's damages equal to the aggregate federal, state and local income taxes incurred by such Contributing Investor in connection with such Triggering Event. Upon receipt of any and all documents and signatures required by the Manager or OP under this Section 10.3 (such date of final receipt, the "Receipt Date"), the Manager shall distribute (i) to any Contributing Investor the OP Units within ten (10) Business Days of the Receipt Date and (ii) to any Cash Investor the Cash Amount within ten (10) Business Days of the Receipt Date.

Section 10.4 Determination of Fair Market Value of Interests in the Trust. For the purposes of the FMV Option, the fair market value (the "Exchange FMV") of an Investor's interests in the Trust to be acquired by the OP will be determined by multiplying: (i) the Percentage Share represented by the interests in the Trust to be acquired by the OP by (ii) the fair market value of the Property as determined by an independent appraisal firm selected by the Manager in its sole discretion (the "FMV Option Appraised Value of the Property"), less any liabilities of the Property. Such appraisal shall have been completed within one (1) year prior to the date the FMV Option is exercised. No discounts for lack of liquidity or minority interests shall be considered in determining the fair market value of such interests in the Trust.

Section 10.5 Continued Existence of Trust. Notwithstanding anything to the contrary in this Trust Agreement, the Trust shall survive the exercise of the FMV Option by the OP; provided, however, that following the exercise of the FMV Option and the completion of the distributions under Section 10.3, the Trust shall take any and all necessary actions to cease to be treated as a fixed investment trust under Regulations Section 301.7701-4(c) and instead be treated as a "disregarded entity" under Regulations Section 301.7701-3 for federal income tax purposes.

ARTICLE 11 MISCELLANEOUS

Section 11.1 Limitations on Rights of Others; Third-Party Beneficiaries. Nothing in this Trust Agreement, whether express or implied, shall give to any Person other than the Depositor, the Trustee, the Manager, the Beneficial Owners, and the Trust any legal or equitable right, remedy or claim hereunder, and shall not confer any rights or remedies on any individual other than the parties hereto and their respective successors and permitted assigns. Notwithstanding the preceding sentence, the Lender shall be an explicit third-party beneficiary of this Trust Agreement with the right to independently enforce the terms of this Trust Agreement.

Section 11.2 Successors and Assigns. All covenants and agreements contained herein shall be binding upon and inure to the benefit of the Depositor, the Trustee, the Manager, the Beneficial Owners, the Trust, and their successors and assigns, all as herein provided. Any request, notice, direction, consent, waiver or other writing or action by any such Person shall bind its successors and assigns.

Section 11.3 Usage of Terms. With respect to all terms in this Trust Agreement, the singular includes the plural and the plural includes the singular; words importing any gender include the other gender; references to “writing” include printing, typing, lithography and other means of reproducing words in a visible form; references to agreements and other contractual instruments include all subsequent amendments thereto or changes therein entered into in accordance with their respective terms and not prohibited by this Trust Agreement; references to Persons include their successors and permitted assigns; and the term “including” means including without limitation.

Section 11.4 Headings. The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 11.5 Amendments. This Trust Agreement may be supplemented or amended by the Manager as determined solely by the Manager and will not require the consent of the Beneficial Owners; provided, however, that without the written consent of the Trustee in its individual capacity, no such supplement or amendment shall be enforceable against the Trustee in its individual capacity to the extent such supplement or amendment affects the Trustee in its individual capacity. During the period that the Loan is outstanding, this Trust Agreement may not be supplemented or amended, and no term or provision hereof may be waived, discharged, or terminated without the consent of the Lender, which consent may be withheld in the Lender’s sole and absolute discretion.

Section 11.6 Notices. All notices, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms hereof shall be in writing, and given by (i) overnight courier, or (ii) hand delivery and shall be deemed to have been duly given when received. Notices shall be provided to the parties at the addresses specified below.

If to the Depositor:

BR Diversified Industrial Portfolio I, DST
c/o Bluerock Real Estate, L.L.C.
1345 Avenue of the Americas,
32nd Floor, Suite B
New York, NY 10105

If to the Trustee:

Delaware Trust Company
251 Little Falls Drive
Wilmington, DE 19808
Attn: Alan Halpern

If to the Manager:

BR Diversified Industrial Portfolio I DST Manager, LLC
c/o Bluerock Real Estate, L.L.C.
1345 Avenue of the Americas,
32nd Floor, Suite B
New York, NY 10105

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

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

Section 11.7 Governing Law; Venue; Jury Trial Waiver. This Trust Agreement shall be governed by and construed and enforced in accordance with the laws of the state of Delaware (without regard to conflict of law

principles). The laws of the state of Delaware pertaining to trusts (other than the Statutory Trust Act) shall not apply to this Trust Agreement, except to the extent otherwise required by the Statutory Trust Act. Any legal proceeding concerning interpretation or enforcement of any provision of this Trust Agreement shall be venued exclusively in the Borough of Manhattan, New York City, New York. Beneficial Owners hereby waive trial by jury in any action, proceeding or counterclaim brought by any of the parties hereto on any matters whatsoever arising out of or in any way connected with this Trust Agreement, or in connection with any emergency statutory or any other statutory remedy.

Section 11.8 Counterparts. This Trust Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 11.9 Severability. Any provision of this Trust Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction only, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, each of the parties hereby waives any provision of applicable law that renders any such provision prohibited or unenforceable in any respect.

Section 11.10 Signature of Beneficial Owners. Each Investor will execute the Signature Page for Assignee or Transferee Beneficial Owners of BR 13202 E. Adam Aircraft Circle, DST in substantially the form set forth in Exhibit E hereto (the "Signature Page") in connection with their acquisition of a Class 1 Beneficial Ownership Certificate. By executing the Signature Page, each Investor hereby acknowledges and agrees to be bound by the terms of the limited liability company agreement contemplated under Section 9.2 and in the form substantially similar to that set forth in Exhibit F hereto (the "LLC Agreement") when and if such limited liability company is formed in accordance with the LLC Agreement. In addition, in light of their agreement to this Section 11.11, each Investor hereby acknowledges and agrees that their signature to the LLC Agreement will not be required as of the Transfer Date (as defined in the LLC Agreement).

Section 11.11 Division. Neither the Trust nor the Trustee, the Manager or any other Person, shall have the power to divide the Trust under the Statutory Trust Act or under any applicable trust law. The Trust shall not file a certificate of division, adopt a plan of division, amend any of its organizational documents, or take, permit, or consent to any other actions in order to divide the Trust into two or more entities pursuant to a plan of division.

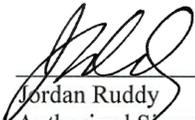
[Signature Page Follows]

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

THE DEPOSITOR:

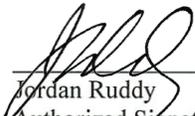
BR Diversified Industrial Portfolio I Investment Co, LLC,
a Delaware limited liability company

By: Bluerock Real Estate Holdings, LLC, a Delaware
limited liability company, its manager

By: 
Name: Jordan Ruddy
Title: Authorized Signatory

THE MANAGER:

BR Diversified Industrial Portfolio I DST Manager, LLC,
a Delaware limited liability company

By: 
Name: Jordan Ruddy
Title: Authorized Signatory

THE TRUSTEE:

DELAWARE TRUST COMPANY

By: 
Name: _____
Title: Alan R. Halpern
Vice President

**ACKNOWLEDGED AND AGREED WITH RESPECT
TO ARTICLE 10:**

BLUEROCK INDUSTRIAL HOLDINGS, LP, a Delaware
limited partnership

By: BLUEROCK INDUSTRIAL GROWTH REIT, INC.,
a Maryland corporation, its general partner

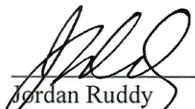
By: 
Name: Jordan Ruddy
Title: Authorized Signatory

EXHIBIT A

LAND – LEGAL DESCRIPTION

Lot 1, Block 1 and Tract A, Dove Valley Business Park Subdivision Filing No. 16, located in the Northeast one quarter of Section 36, T5.S, R67W of the Sixth Principal Meridian, City of Aurora, County of Arapahoe, State of Colorado.

EXHIBIT B-1

FORM OF CLASS 1 BENEFICIAL OWNERSHIP CERTIFICATE

THIS CLASS 1 BENEFICIAL OWNERSHIP CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY IN ANY JURISDICTION. THIS CLASS 1 BENEFICIAL OWNERSHIP CERTIFICATE MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED, OTHER THAN PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE SECURITIES LAWS. TRANSFER OF A BENEFICIAL INTEREST IN THE TRUST, OR OF ANY RIGHT, TITLE OR INTEREST THEREIN, SHALL OCCUR IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE TRUST AGREEMENT AND ONLY UPON AND BY VIRTUE OF THE ENTRY OF SUCH TRANSFER IN THE OWNERSHIP RECORDS OF THE TRUST. THIS CLASS 1 BENEFICIAL OWNERSHIP CERTIFICATE IS NON-TRANSFERABLE AND MAY NOT BE NEGOTIATED, ENDORSED OR OTHERWISE TRANSFERRED TO A HOLDER.

BR 13202 E. Adam Aircraft Circle, DST

CLASS 1 BENEFICIAL OWNERSHIP CERTIFICATE

No. _____
BR 13202 E. Adam Aircraft Circle, DST, a statutory trust organized under the laws of the State of Delaware (the "Issuer"), certifies that _____ is the owner of a Class 1 Beneficial Interest equal to ___% (_____ percent) of the interest in the Issuer, issued pursuant to the Trust Agreement dated as of [●] (as may be amended or supplemented from time to time, the "Trust Agreement") by and among BR Diversified Industrial Portfolio I, DST, as Depositor, BR Diversified Industrial Portfolio I DST Manager, LLC, as Manager, and Delaware Trust Company, as Trustee.

All capitalized terms used in this Class 1 Beneficial Ownership Certificate and not defined herein shall have the meanings assigned to such terms in the Trust Agreement. Reference is made to the Trust Agreement and any agreements supplemental thereto for a statement of the respective rights and obligations thereunder of the Depositor, the Manager, the Trustee, and the Beneficial Owners. This Class 1 Beneficial Ownership Certificate is subject to all terms of the Trust Agreement.

This Class 1 Beneficial Ownership Certificate shall in all respects be governed by, and construed in accordance with, the laws of the State of Delaware.

By accepting this Class 1 Beneficial Ownership Certificate, the holder hereof hereby acknowledges and agrees that in its capacity as a Beneficial Owner it lacks the ability to (i) seek a partition of the Trust's assets, (ii) file a voluntary bankruptcy petition on behalf of the Trust, or (iii) institute against, or join any other Person in instituting against, the Trust, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceedings under any applicable insolvency law.

IN WITNESS WHEREOF, the Issuer has caused this Class 1 Beneficial Ownership Certificate to be signed manually by the Manager in accordance with the terms of the Trust Agreement.

Date: _____

BR 13202 E. Adam Aircraft Circle, DST

By: BR Diversified Industrial Portfolio I DST Manager,
LLC, not in its individual capacity, but solely as
Manager of the Issuer

By: _____

Name: _____

Title: _____

EXHIBIT B-2

FORM OF CLASS 2 BENEFICIAL OWNERSHIP CERTIFICATE

THIS CLASS 2 BENEFICIAL OWNERSHIP CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY IN ANY JURISDICTION. THIS CLASS 2 BENEFICIAL OWNERSHIP CERTIFICATE MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED, OTHER THAN PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE SECURITIES LAWS. TRANSFER OF A BENEFICIAL INTEREST IN THE TRUST, OR OF ANY RIGHT, TITLE OR INTEREST THEREIN, SHALL OCCUR ONLY UPON AND BY VIRTUE OF THE ENTRY OF SUCH TRANSFER IN THE OWNERSHIP RECORDS OF THE TRUST. THIS CLASS 2 BENEFICIAL OWNERSHIP CERTIFICATE IS NON-TRANSFERABLE AND MAY NOT BE NEGOTIATED, ENDORSED OR OTHERWISE TRANSFERRED TO A HOLDER.

BR 13202 E. Adam Aircraft Circle, DST

CLASS 2 BENEFICIAL OWNERSHIP CERTIFICATE

No. _____
BR 13202 E. Adam Aircraft Circle, DST, a statutory trust organized under the laws of the State of Delaware (the "Issuer"), certifies that _____ is the owner of _____% of the issued and outstanding Class 2 Beneficial Interests in the Issuer, issued pursuant to the Trust Agreement dated as of [●] (as may be amended or supplemented from time to time, the "Trust Agreement") by and among BR Diversified Industrial Portfolio I, DST, as Depositor, BR Diversified Industrial Portfolio I DST Manager, LLC, as Manager, and Delaware Trust Company, as Trustee.

All capitalized terms used in this Class 2 Beneficial Ownership Certificate and not defined herein shall have the meanings assigned to such terms in the Trust Agreement. Reference is made to the Trust Agreement and any agreements supplemental thereto for a statement of the respective rights and obligations thereunder of the Depositor, the Manager, the Trustee, and the Beneficial Owners. This Class 2 Beneficial Ownership Certificate is subject to all terms of the Trust Agreement. Any transferee or assignee of all or any portion of the Class 2 Beneficial Interests represented by this Class 2 Beneficial Ownership Certificate is subject to, and agrees to be bound and abide by the terms of the Trust Agreement.

This Class 2 Beneficial Ownership Certificate shall in all respects be governed by, and construed in accordance with, the laws of the State of Delaware.

By accepting this Class 2 Beneficial Ownership Certificate, the holder hereof hereby acknowledges and agrees that in its capacity as a Beneficial Owner it lacks the ability to (i) seek a partition of the Trust's assets, (ii) file a voluntary bankruptcy petition on behalf of the Trust, or (iii) institute against, or join any other Person in instituting against, the Trust, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceedings under any applicable insolvency law.

IN WITNESS WHEREOF, the Issuer has caused this Class 2 Beneficial Ownership Certificate to be signed manually by the Manager in accordance with the terms of the Trust Agreement.

Date: _____

BR 13202 E. Adam Aircraft Circle, DST

By: BR Diversified Industrial Portfolio I DST Manager, LLC, not in its individual capacity, but solely as Manager of the Issuer

By: _____
Name: _____
Title: _____

ENDORSEMENT

FOR VALUE RECEIVED, BR Diversified Industrial Portfolio I, DST, the registered holder, hereby assigns, transfers, conveys, and delivers unto _____ the Class 2 Beneficial Interests in BR 13202 E. Adam Aircraft Circle, DST, a Delaware statutory trust (the "Trust"), standing in its name on the books of said Trust and represented by Class 2 Beneficial Ownership Certificate, Certificate Number 1 and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Class 2 Beneficial Interest on the books of the Trust with full power of substitution in the premises.

Dated: _____

BR Diversified Industrial Portfolio I, DST

By: _____

By: _____

Name: Jordan Ruddy

Its: Authorized Signatory

EXHIBIT C

**CERTIFICATE OF TRUST
OF
BR 13202 E. Adam Aircraft Circle, DST**

(COPY TO BE ATTACHED)

Delaware

Page 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF STATUTORY TRUST REGISTRATION OF "BR 13202 E. ADAM AIRCRAFT CIRCLE, DST", FILED IN THIS OFFICE ON THE TWENTY-SEVENTH DAY OF MAY, A.D. 2022, AT 11:56 O`CLOCK A.M.




Jeffrey W. Bullock, Secretary of State

6824439 8100
SR# 20222413672

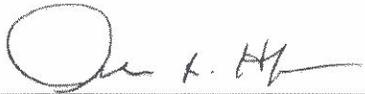
Authentication: 203548002
Date: 05-28-22

You may verify this certificate online at corp.delaware.gov/authver.shtml

STATE *of* DELAWARE CERTIFICATE *of* TRUST

This Certificate of Trust is filed in accordance with the provisions of the Delaware Statutory Trust Act (Title 12 of the Delaware Code, Section 3801 et seq.) and sets forth the following:

- **First:** The name of the trust is BR 13202 E. Adam Aircraft Circle, DST
- **Second:** The name and address of the Delaware trustee is
Delaware Trust Company
251 Little Falls Drive
Wilmington, DE 19808
- **Third:** (Insert any other information the trustees determine to include therein.)

By: 
Alan Halpern, Authorized Officer

Name: Delaware Trust Company
Solely in its capacity as Delaware Trustee

EXHIBIT D

**OWNERSHIP RECORDS
FOR
BR 13202 E. Adam Aircraft Circle, DST
LAST REVISED _____, 20__.**

<u>Name:</u>	<u>Mailing Address:</u>	<u>Percentage (%) Beneficial Interest</u>

I hereby certify that the foregoing Ownership Records are complete and accurate as of the date set forth above.

BR Diversified Industrial Portfolio I DST Manager,
LLC, not in its individual capacity, but solely as
Manager

By: _____
Name: _____
Title: _____

EXHIBIT E

AGREEMENT OF ASSIGNEE OR TRANSFEREE BENEFICIAL OWNER OF

BR 13202 E. Adam Aircraft Circle, DST

The undersigned has received and reviewed, with assistance from such legal, tax, investment, and other advisors and skilled persons as the undersigned has deemed appropriate, the Trust Agreement of BR 13202 E. Adam Aircraft Circle, DST (the "Trust"), dated as of [●] (the "Trust Agreement"), by and among BR Diversified Industrial Portfolio I, DST, as Depositor, BR Diversified Industrial Portfolio I DST Manager, LLC, as Manager, and Delaware Trust Company, as Trustee, and hereby covenants and agrees to be bound by the Trust Agreement as a Class 1 Beneficial Owner under the Trust. All capitalized terms used herein, and not defined herein shall have the meanings given to such terms in the Trust Agreement.

In connection with the purchase of the Class 1 Beneficial Interest, the undersigned hereby makes the following representations, warranties, covenants, acknowledgments, agreements, and understandings to and in favor of the Trust, the Depositor, the Manager, and the Trustee:

1.1 Acknowledges that the Class 1 Beneficial Interest being acquired by the undersigned is pursuant to the contract of sale or other written agreement attached hereto as Exhibit A and that there are no side letters or other undisclosed understandings or agreements between buyer and seller (hereinafter the "Offer").

1.2 Represents and warrants that the undersigned: (i) understands and is aware that there are substantial uncertainties regarding the treatment of the undersigned's Class 1 Beneficial Interest as real estate for federal income tax purposes; (ii) fully understands that there is significant risk that the undersigned's Class 1 Beneficial Interest will not be treated as real estate for federal income tax purposes; (iii) has independently obtained advice from its legal counsel and/or accountant regarding any tax-deferred exchange under Code Section 1031, including, without limitation, whether the acquisition of the undersigned's Class 1 Beneficial Interest may qualify as part of a tax-deferred exchange, and the undersigned is relying on such advice and not on the opinion of counsel issued to the Trust or upon any statements in the Memorandum (as defined below) regarding the tax treatment of the Class 1 Beneficial Interests; (iv) is aware that the Internal Revenue Service ("IRS") has issued Revenue Ruling 2004-86 (the "Revenue Ruling") specifically addressing Delaware statutory trusts, the Revenue Ruling is merely guidance and is not a "safe-harbor" for taxpayers or sponsors, and, without the issuance of a Private Letter Ruling on a specific offering, there is no assurance that the undersigned's Class 1 Beneficial Interest will not be treated as a partnership interest for federal income tax purposes; (v) understands that the Trust has not obtained a ruling from the IRS that the undersigned's Class 1 Beneficial Interest will be treated as an undivided interest in real estate as opposed to an interest in a partnership; (vi) understands that the tax consequences of an investment in the undersigned's Class 1 Beneficial Interest, especially the treatment of the transaction described herein under Code Section 1031 and the related "1031 Exchange" rules, are complex and vary with the facts and circumstances of each individual purchaser; (vii) understands that, notwithstanding the opinion of counsel issued to the Trust states that a purchaser's Class 1 Beneficial Interest "should" be considered a real property interest and not a partnership interest for federal income tax purposes, no assurance can be given that the IRS will agree with this opinion; and (viii) shall, for federal income tax purposes, report the purchase of the Class 1 Beneficial Interest by the undersigned as a purchase by the undersigned of a direct ownership interest in the Real Estate.

1.3 Acknowledges that the undersigned (i) has received from the undersigned's transferor or assignor a courtesy copy of the private offering memorandum regarding the sale of the Class 1 Beneficial Interests by the Trust (together with any addendums or supplements thereto, the "Memorandum") and the Trust Agreement and (ii) is familiar with and understands each of the foregoing including the "Risk Factors" set forth in the Memorandum.

1.4 Represents and warrants that the undersigned, in determining to acquire the Class 1 Beneficial Interest, has relied solely upon the advice of the undersigned's legal counsel and accountants or other financial advisors with respect to the tax and other consequences involved in acquiring the Class 1 Beneficial Interest and that none of Bluerock Real Estate L.L.C., Bluerock Real Estate Holdings, LLC, the Trust, the Trustee, the Manager, the Depositor, or the Sponsor (or any of their respective owners, officers, representatives, professionals or agents) has

made any representation to the undersigned regarding the Class 1 Beneficial Interest or the assets or liabilities of the Trust or the financial viability of the Trust or an investment in the Class 1 Beneficial Interests.

1.5 Acknowledges that the Class 1 Beneficial Interest being acquired will be governed by the terms and conditions of the Trust Agreement, and under certain circumstances by the limited liability company operating agreement contemplated under Section 9.2 of the Trust Agreement and attached as Exhibit F thereto, both of which the undersigned accepts and by which the undersigned agrees by execution hereof to be legally bound notwithstanding that his or her signature will not be required on either agreement.

1.6 Represents and warrants that the undersigned either (i) is an accredited investor, or (ii) is acquiring the Class 1 Beneficial Interest in a fiduciary capacity for a person meeting such condition.

1.7 Represents and warrants that the Class 1 Beneficial Interest being acquired will be acquired for the undersigned's own account without a view to public distribution or resale and that the undersigned has no contract, undertaking, agreement or arrangement to sell or otherwise transfer or dispose of the Class 1 Beneficial Interest or any portion thereof to any other Person.

1.8 Represents and warrants that the undersigned (i) can bear the economic risk of the purchase of the Class 1 Beneficial Interest including the total loss of the undersigned's investment, (ii) has such knowledge and experience in business and financial matters, including the analysis of or participation in offerings of privately issued securities, as to be capable of evaluating the merits and risks of purchasing Class 1 Beneficial Interests, and (iii) if an individual, is at least 19 years of age.

1.9 Understands that the Class 1 Beneficial Interest has not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state and are subject to substantial restrictions on transfer as described in the Memorandum under "Summary of the Trust Agreement – Summary of Certain Provisions of the Trust Agreement –Transfer Rights," which restrictions are in addition to certain other restrictions set forth in the Trust Agreement.

1.10 Understands that a legend will be placed on the Class 1 Beneficial Ownership Certificate with respect to restrictions on distribution, transfer, resale, assignment or subdivision of the Class 1 Beneficial Interest imposed by applicable federal and state securities laws.

1.11 Agrees that the undersigned will not sell or otherwise transfer or dispose of any Class 1 Beneficial Interest or any portion thereof unless (i) such Class 1 Beneficial Interest is registered under the Securities Act and any applicable state securities laws or, if required by the Trust (through the Manager), the undersigned obtains an opinion of counsel that is satisfactory to the Trust that such Class 1 Beneficial Interest may be sold in reliance on an exemption from such registration requirements, and (ii) the transfer is otherwise made in accordance with the Trust Agreement.

1.12 Agrees that the undersigned will not sell or transfer a Class 1 Beneficial Interest or any portion thereof to (i) an employee benefit plan within the meaning of Section 3(3) of ERISA that is subject to the fiduciary responsibility provisions of Title I of ERISA (a "plan"), or a plan within the meaning of Code Section 4975(e)(1) that is subject to Code Section 4975 (also, a "plan"), including a qualified plan (any pension, profit sharing or stock bonus plan that is qualified under Code Section 401(a)) or an individual retirement account; (ii) any Person that is directly or indirectly acquiring a Class 1 Beneficial Interest on behalf of, as investment manager of, as fiduciary of, as trustee of, or with assets of a plan (including any insurance company using assets in its general or separate account that may constitute assets of a plan); (iii) a charitable remainder trust; (iv) any other tax-exempt entity; or (v) a foreign Person.

1.13 Understands that (i) the Trust has no obligation or intention to register any Class 1 Beneficial Interest for resale or transfer under the Securities Act or any state securities laws or to take any action (including the filing of reports or the publication of information as required by Rule 144 under the Securities Act) which would make available any exemption from the registration requirements of any such laws, and (ii) the undersigned therefore may be precluded from selling or otherwise transferring or disposing of any Class 1 Beneficial Interest or any portion thereof for an indefinite period of time or at any particular time.

1.14 Understands that no federal or state agency including the Securities and Exchange Commission, or the securities commission or authorities of any other state has approved or disapproved the Class 1 Beneficial Interests, passed upon or endorsed the merits of the Trust's offering of Class 1 Beneficial Interests or the accuracy or adequacy of the Memorandum, or made any finding or determination as to the fairness of the interest for public investment.

1.15 Represents, warrants and agrees that, if the undersigned is acquiring the Class 1 Beneficial Interest in a fiduciary capacity, (i) the above representations, warranties, agreements, acknowledgments and understandings shall be deemed to have been made on behalf of the Person or Persons for whose benefit such Class 1 Beneficial Interest is being acquired, (ii) the name of such Person or Persons is indicated below the undersigned's name, and (iii) such further information as the Manager deems appropriate shall be furnished regarding such Person or Persons.

1.16 Acknowledges and agrees that counsel, including special tax counsel, to the Trust, the Depositor, the Manager and their Affiliates do not represent, and shall not be deemed under applicable codes of professional responsibility, to have represented or to be representing, any transferee or assignee, including the undersigned, in any way in connection with the transfer or assignment of a Class 1 Beneficial Interest.

1.17 Agrees to indemnify, defend and hold harmless Bluerock Real Estate, L.L.C., Bluerock Real Estate Holdings, LLC, the Trust, Trustee, Depositor, and Manager, and each of their members, managers, shareholders, officers, directors, employees, consultants, affiliates and advisors (collectively, the "Indemnified Persons") of and from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs) that they may incur by reason of the untruth or inaccuracy of any of the representations, warranties, covenants or agreements contained herein or in any other document transferee or assignee has furnished to any of the foregoing in connection with this transaction. In addition, if any person shall assert a claim to a finder's fee or real estate brokerage commission on account of alleged employment as a finder or real estate broker through or under the undersigned in connection with the undersigned's acquisition of the Class 1 Beneficial Interest, the undersigned shall indemnify and hold the Indemnified Persons harmless from and against any such claim. This indemnification includes, but is not limited to, any damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs) incurred by the Indemnified Parties defending against any alleged violation of federal or state securities laws, which is based upon or related to any untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents the undersigned has furnished to any of the foregoing in connection with this transaction, and against any failure of the transaction to satisfy any Code Section 1031 requirements in connection with the undersigned's exchange under such provisions.

1.18 Represents and warrants that neither the undersigned nor any Affiliate of the undersigned (i) is a Sanctioned Person (defined below), (ii) has more than 15% of its assets in Sanctioned Countries (defined below), or (iii) derives more than 15% of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Countries. For purposes of the foregoing, a "Sanctioned Person" shall mean (y) a Person named on the list of "specially designated nationals" or "blocked persons" maintained by the U.S. Office of Foreign Assets Control ("OFAC") at <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>, or as otherwise published from time to time, or (y) (1) an agency of the government of a Sanctioned Country, (2) an organization controlled by a Sanctioned Country, or (3) a person resident in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC. A "Sanctioned Country" shall mean a country subject to a sanctions program identified on the list maintained by OFAC and available at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>, or as otherwise published from time to time.

1.19 Acknowledges that the Class 2 Beneficial Owner has certain rights under the Trust Agreement, as more particularly set forth in the Trust Agreement.

[SIGNATURE PAGE FOLLOWS]

The representations, warranties, acknowledgments, understandings and indemnities of transferee or assignee set forth herein above shall survive the undersigned's acquisition of the Class 1 Beneficial Interest.

Name: _____

EXHIBIT F
FORM OF LIMITED LIABILITY COMPANY AGREEMENT
OPERATING AGREEMENT
OF
BR 13202 E. ADAM AIRCRAFT CIRCLE SPRINGING, LLC

This Limited Liability Company Agreement (“Agreement”), effective as of the Transfer Date, is entered into by and between BR 13202 E. Adam Aircraft Circle, DST, a Delaware statutory trust (the “Trust” or the “Initial Member”), as the Initial Member, and BR 13202 E. Adam Aircraft Circle Springing Manager, LLC, a Delaware limited liability company (the “Manager”) and with the expectation of the admission of the parties listed on Exhibit II attached hereto, as Members, pursuant to the Act on the following terms and conditions.

RECITALS

WHEREAS, an Affiliate of the Manager established the Trust to acquire and hold the Property and sell Beneficial Interests in the Trust, pursuant to that certain Confidential Private Placement Memorandum (as supplemented or amended, the “Memorandum”);

WHEREAS, the Members hold all of the Beneficial Interests in the Trust as the Beneficial Owners thereof and in the percentage amounts reflected on Exhibit II attached hereto;

WHEREAS, the Manager or its predecessor in interest has determined that a distribution of Units to the Beneficial Owners in proportion to their Beneficial Interests should be made pursuant to Section 9.2 of the Trust Agreement in order to preserve and protect the Trust Estate;

WHEREAS, in order to preserve and protect the Trust Estate, the Manager established the Company to hold the Property and issue the Units to the Trust in exchange for its contribution of the Trust Estate to the Company; and

WHEREAS, the Trust, as Initial Member, will distribute all of the Units held by the Trust to the Beneficial Owners (in the amounts reflected on Exhibit II attached hereto) in proportion to their Beneficial Interests, and, in connection therewith, the Manager will admit the Beneficial Owners as Members of the Company and the interest of the Initial Member in the Company will be terminated.

NOW THEREFORE, the Members and the Manager agree that the Company shall be governed by and operated pursuant to the Act and the terms of this Agreement as hereinafter set forth.

1. Organization.

1.1 Limited Liability Company. On or prior to the Transfer Date, the Manager shall file a Certificate of Formation with the office of the Secretary of State of Delaware in accordance with and pursuant to the Act to form the Company.

1.2 Name and Place of Business. The name of the Company shall be “BR 13202 E. ADAM AIRCRAFT CIRCLE SPRINGING, LLC”, and its principal place of business shall be at c/o Bluerock Real Estate, L.L.C., 1345 Avenue of the Americas, 32nd Floor, Suite B, New York, NY 10105. The Manager may change such name, change such place of business or establish additional places of business of the Company as the Manager may determine to be necessary or desirable.

1.3 Business and Purpose of the Company. The nature of the business and the purposes to be conducted and promoted by the Company are to engage solely in the following activities:

1.3.1 To own, hold, sell, assign, transfer, and otherwise deal with the Property.

1.3.2 To exercise all powers enumerated in the Act if necessary or convenient to the conduct, promotion or attainment of the business or purposes otherwise set forth herein.

1.3.3 Notwithstanding anything to the contrary set forth in paragraphs 1.3.1 and 1.3.2 above, since its formation and thereafter until the Loan is paid in full, the Company will continue to (i) be organized solely for the purpose of owning the Property, (ii) not engage in any business unrelated to the ownership of the Property, and (iii) not have any assets other than those related to the Property.

1.4 Term. The term of the Company shall terminate as provided in Section 14 of this Agreement; provided, however, that the Company may not be dissolved at any time during which the Loan remains outstanding with the Lender for the Property.

1.5 Required Filings. The Manager shall execute, acknowledge, file, record and/or publish such certificates and documents as may be required by this Agreement or by law in connection with the formation and operation of the Company.

1.6 Registered Office and Registered Agent. The Company's initial registered office and initial registered agent shall be as provided in the Certificate of Formation. The registered office and registered agent may be changed from time to time by the Manager by filing the address of the new registered office and/or the name of the new registered agent pursuant to the Act.

1.7 Certain Transactions. Any Member, or any Affiliate of a Member, or any shareholder, officer, director, employee, partner, member or any person owning an interest therein, may engage in or possess an interest in any other business or venture of any nature or description, whether or not competitive with the Company, including, but not limited to, the acquisition, syndication, ownership, financing, leasing, operation, maintenance, management, brokerage, construction and development of property similar to the Property and no Member, or any Affiliate of a Member, or any shareholder, officer, director, employee, partner, member or any person owning an interest therein shall have any interest in such other business or venture by reason of their interest in the Company.

2. Definitions. Definitions for this Agreement are set forth on Exhibit I and are incorporated herein.

3. Capitalization and Financing.

3.1 Members' Capital Contributions.

3.1.1 Initial Member. The Trust, as the Initial Member, shall contribute the Trust Estate to the Company in exchange for all of the authorized Units in the Company. The Trust shall then distribute the Units to the Beneficial Owners in proportion to and in exchange for, and in termination of, their Beneficial Interests in the Trust.

3.1.2 Units. The Company is hereby authorized to initially issue ten thousand (10,000) Units and to admit the Beneficial Owners as Members of the Company.

3.1.3 Liabilities of Members. Except as specifically provided in this Agreement, neither the Manager nor any Member shall be required to make any additional contributions to the Company and no Manager or Member shall be liable for the debts, liabilities, contracts, or any other obligations of the Company, nor shall the Manager or the Members be required to lend any funds to the Company.

3.2 Additional Voluntary Capital Contributions or Additional Units. The Manager may determine, in its sole discretion, that Capital Expenditures are in the best interest of the Company. The Manager may request the Members to make additional voluntary capital contributions ("Additional Voluntary Capital Contributions") or may sell additional Units to new Members to enable the Company to make Capital Expenditures. In the event the Manager requests Additional Voluntary Capital Contributions, the Manager shall notify the Members in writing of the requested amount of such Additional Voluntary Capital Contribution, and a Member may, within fifteen (15) days of receiving such notice, elect (in writing by notice given to the Manager) to make the requested Additional Voluntary Capital Contributions. If the total specified amount by the Members wishing to make the Additional Voluntary Capital Contributions is less than the amount requested by the Manager, the Manager, in addition to providing the Members with a supplemental request for the remaining portion of the requested Additional Voluntary Capital Contribution, is

hereby authorized to admit additional Members as necessary to insure that it receives the requested amount of Additional Voluntary Capital Contributions. To the extent that any Additional Voluntary Capital Contributions are made, whether by existing Members or upon the sale of Units to new Members, new Units shall be issued for those Additional Voluntary Capital Contributions on the basis of the fair market value as determined in the sole discretion of the Manager. In the event the Manager determines to sell additional Units, existing Members may participate on the same basis as new Members on a first-come first-serve basis. Fractional Units may be issued hereunder.

3.3 Manager Loans. Provided it does not violate or conflict with the Loan Documents, the Manager or its Affiliates may, but will have no obligation to, make loans to the Company to pay Company operating expenses if deemed necessary in Manager's reasonable business judgment. Any such loan shall bear interest at the actual cost of funds to the Manager and provide for the payment of principal and any accrued but unpaid interest in accordance with the terms of the promissory note evidencing such loan, but in no event later than dissolution of the Company.

4. Allocation of Income and Loss.

4.1 Allocation to the Manager and Members. For each fiscal year, the income and loss of the Company shall be allocated to the Members in proportion to their Units.

4.2 Allocation Among Units. Except as otherwise provided in this Agreement, all Distributions and allocations made to the Units shall be in the ratio of the number of Units held by each such Member on the date of such allocation (which allocation date shall be deemed to be the last day of each month) to the total outstanding Units as of such date, and, except as otherwise provided in this Agreement, without regard to the number of days during such month that the Units were held by each Member. In the event additional Members are admitted to the Company on different dates during any fiscal year, the income or loss allocated to Members for that fiscal year shall be apportioned among them in proportion to the number of Units each Member held from time to time during the fiscal year in accordance with Code Section 706.

4.3 Allocation of Company Items. Except as otherwise provided herein, whenever a proportionate part of income or loss is allocated to a Member, every item of income, gain, loss or deduction entering into the computation of such income or loss, and every item of credit or tax preference related to such allocation and applicable to the period during which such income or loss was realized, shall be allocated to a Member in the same proportion.

4.4 Assignment. In the event of the assignment of a Unit, the income and loss shall be apportioned as between the Member and his or her assignee based upon the number of months of their respective ownership during the year in which the assignment occurs, without regard to the results of the Company's operations during the period before or after such assignment. Distributions shall be made to the holder of record of the Units as of the date of the Distribution. An assignee that receives Units during the first fifteen (15) days of a month will receive any allocations relative to such month. An assignee that acquires Units on or after the sixteenth (16th) day of a month will be treated as acquiring his or her Units on the first day of the following month.

4.5 Consent of Members. The methods for allocating income and loss are hereby expressly consented to by each Member as a condition of becoming a Member.

4.6 Withholding Obligations.

4.6.1 If the Company is required (as determined in good faith by the Manager) to make a payment ("Tax Payment") with respect to any Member to discharge any legal obligation on the part of the Company or the Manager to make payments to any governmental authority with respect to any federal, foreign, state or local tax liability of such Member arising as a result of such Member's interest in the Company, then, notwithstanding any other provision of this Agreement to the contrary, the amount of any such Tax Payment shall be deemed to be a loan by the Company to such Member, which loan shall bear interest at the Prime Rate and be payable upon demand or by offset to any Distribution which otherwise would be made to such Member.

4.6.2 If and to the extent the Company or the Manager is required to make any Tax Payment with respect to any Member, or elects to make payment on any loan described in Section 4.6.1 by offset to a

Distribution to a Member, either (i) such Member's proportionate share of such Distribution shall be reduced by the amount of such Tax Payment, or (ii) such Member shall pay to the Company prior to such Distribution an amount of cash equal to such Tax Payment. In the event a portion of a Distribution in kind is retained by the Company pursuant to clause (i) above, such retained property may, in the discretion of the Manager, either (A) be distributed to the other Members, or (B) be sold by the Company to generate the cash necessary to satisfy such Tax Payment. If the property is sold, then for purposes of income tax allocations only under this Agreement, any gain or loss from such sale or exchange shall be allocated to the Member to whom the Tax Payment relates. If the property is sold at a gain, and the Company is required to make any Tax Payment on such gain, the Member to whom the gain is allocated shall pay the Company prior to the due date of the Tax Payment an amount of cash equal to such Tax Payment.

4.6.3 The Manager shall be entitled to hold back any Distribution to any Member to the extent the Manager believes in good faith that a Tax Payment will be required with respect to such Member in the future and the Manager believes that there will not be sufficient subsequent Distributions to make such Tax Payment.

5. Distributions.

5.1 Cash from Operations. Except as provided in Section 5.2 and as otherwise provided in Section 14, Distributable Cash with respect to each calendar year shall be distributed to the Members in proportion to their Units.

5.2 Restrictions. The Company intends to make periodic distributions of substantially all cash determined by the Manager to be distributable, subject to the following: (i) Distributions may be restricted or suspended for periods when the Manager determines in its reasonable discretion that it is in the best interest of the Company; (ii) all Distributions are subject to the establishment and maintenance by Manager of reasonable reserves for payment of potential future Company obligations; and (iii) all Distributions shall be paid only to the extent that all currently due operating expenses have been paid or otherwise provided for and all amounts then due and payable under the Loan Documents have been paid or otherwise provided for.

6. Compensation to the Manager and its Affiliates.

6.1 Fees and Compensation to the Manager and its Affiliates. The Manager, its Affiliates, and Affiliates of officers of the Manager shall be entitled to receive an administrative fee and additional compensation for any additional service performed on behalf of the Company equal to the then prevailing market rates for similar services performed in the area where the Property is located. In addition, the Manager shall receive a disposition fee from the Company equal to 2% of the gross proceeds (or transfer value, as applicable) of the sale, exchange or other disposition of the Property (the "Disposition Fee"), from which the Manager shall pay all sales commissions payable to any third-party broker in connection with the sale, such that the aggregate amount of the Disposition Fee plus the third-party brokerage commission does not exceed 2% of the gross sales price of the Property. For the avoidance of doubt, the Disposition Fee shall not be payable in the event the FMV Option (as defined below) is exercised.

6.2 Company Expenses.

6.2.1 Operating Expenses. Subject to the limitations set forth in Section 6.2.2, the Company shall pay directly, or reimburse the Manager as the case may be, for all of the costs and expenses of the Company's operations, including, without limitation, the following costs and expenses: (i) all Organization Expenses advanced or otherwise paid by the Manager; (ii) all costs of personnel employed by the Company and directly involved in the Company's business; (iii) all compensation due to the Manager or its Affiliates; (iv) all costs of personnel employed by the Manager or its Affiliates and directly involved in the business of the Company; (v) all costs of borrowed money and taxes applicable to the Company; (vi) legal, accounting, audit, brokerage, and other fees; (vii) fees and expenses paid to independent contractors, mortgage bankers, real estate brokers, and other agents; (viii) all expenses incurred in connection with the maintenance of Company books and records, the preparation and dissemination of reports, tax returns or other information to the Members and the making of Distributions to the Members; (ix) expenses incurred in preparation and filing reports or other information with appropriate regulatory agencies; (x) expenses of insurance as required in connection with the business of the Company, other than any insurance insuring the Manager against losses for which it is not entitled to be indemnified under Section 7.7; (xi) costs incurred in connection with any litigation in which the Company may become involved, or any examination, investigation, or

other proceedings conducted by any regulatory agency, including legal and accounting fees; (xii) the actual costs of goods and materials used by or for the Company; (xiii) the costs of services that could be performed directly for the Company by independent parties such as legal, accounting, secretarial or clerical, reporting, transfer agent, data processing and duplicating services but which are in fact performed by the Manager or its Affiliates, but not in excess of the lesser of: (a) the actual costs to the Manager or its Affiliates of providing such services; or (b) the amounts which the Company would otherwise be required to pay to independent parties for comparable services in the same geographic locale; (xiv) expenses of Company administration, accounting, documentation and reporting; (xv) expenses of revising, amending, modifying, or terminating this Agreement; (xvi) all travel expenses incurred in connection with the Company's business; and (xvii) all other costs and expenses incurred in connection with the business of the Company exclusive of those set forth in Section 6.2.2. All payments set forth herein shall be paid from any funds available after payment of, or other provision for, all other currently due operating expenses for the Property and all currently due amounts under the Loan Documents.

6.2.2 Manager Overhead. Except as set forth in this Section 6, the Manager and its Affiliates shall not be reimbursed for overhead expenses incurred in connection with the Company, including but not limited to rent, depreciation, utilities, capital equipment, or other administrative items.

7. Authority and Responsibilities of the Manager.

7.1 Management. The Manager shall manage the business and affairs of the Company. Except as otherwise set forth in this Agreement and the Certificate of Formation, and to the maximum extent permitted by law, the Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters, and to perform any and all other acts or activities customary or incident to the management of the Company's business.

7.2 Number, Tenure and Qualifications. The Company shall have one Manager, which shall be BR 13202 E. Adam Aircraft Circle Springing Manager, LLC. The Manager shall remain the Manager until such Manager is removed, withdraws or resigns.

7.3 Manager Authority. The Manager shall have all authority, rights and powers conferred by law (subject only to Section 7.4 and Section 10 hereof and the Certificate of Formation) and those required or appropriate to the management of the Company's business, as limited by Section 1.3, which, by way of illustration but not by way of limitation, shall include the right, authority and power to cause the Company to:

7.3.1 Take all actions relating to the management of the Property;

7.3.2 Hold, sell, exchange or otherwise dispose of the Property;

7.3.3 Borrow money, and, if security is required therefor subject the Property to any security device, and to prepay, in whole or in part, refinance, increase, modify, consolidate, or extend any security device. All of the foregoing shall be on such terms and in such amounts as the Manager, in its sole discretion, deems to be in the best interest of the Company and subject to any restrictions or limitations established under the Loan Documents;

7.3.4 Enter into such contracts and agreements as the Manager determines to be reasonably necessary or appropriate in connection with the Company's business and purpose (including contracts with Affiliates of the Manager), and any contract of insurance that the Manager deems necessary or appropriate for the protection of the Company and the Manager, including errors and omissions insurance, for the conservation of Company assets, or for any purpose convenient or beneficial to the Company;

7.3.5 Employ persons, who may be Affiliates of the Manager, in the operation and management of the business of the Company;

7.3.6 Prepare or cause to be prepared reports, statements, and other relevant information for distribution to the Members;

7.3.7 Open accounts and deposits and maintain funds in the name of the Company in banks, savings and loan associations, “money market” mutual funds and other instruments as the Manager may deem in its discretion to be necessary or desirable;

7.3.8 Cause the Company to make or revoke any of the elections referred to in the Code (the Manager shall have no obligation to make any such elections);

7.3.9 Select as its accounting year a calendar or fiscal year as may be approved by the Internal Revenue Service (the Company initially intends to adopt the calendar year);

7.3.10 Determine the appropriate accounting method or methods to be used by the Company;

7.3.11 In addition to any amendments otherwise authorized herein, amend this Agreement without any action on the part of the Members by special or general power of attorney or otherwise to:

(a) Add to the representations, duties, services or obligations of the Manager or its Affiliates, for the benefit of the Members;

(b) Cure any ambiguity or mistake, correct or supplement any provision herein that may be inconsistent with any other provision herein, or make any other provision with respect to matters or questions arising under this Agreement that will not be inconsistent with the provisions of this Agreement;

(c) Amend this Agreement to reflect the addition or substitution of Members;

(d) Minimize the adverse impact of, or comply with, any final regulation of the United States Department of Labor, or other federal agency having jurisdiction, defining “plan assets” for ERISA purposes;

(e) Reconstitute the Company under the laws of another state if beneficial;

(f) Execute, acknowledge and deliver any and all instruments to effectuate the foregoing, including the execution, acknowledgment and delivery of any such instrument by the attorney-in-fact for the Manager under a special or limited power of attorney, and to take all such actions in connection therewith as the Manager shall deem necessary or appropriate with the signature of the Manager acting alone;

(g) Make any changes to this Agreement required by the Lender or any subsequent lender that may be required to obtain financing or any refinancing of the Loan so long as such changes are not adverse to the interests of the Members; and

(h) Delete or add any provision to this Agreement required to be so deleted or added for the benefit of the members by the staff of the Securities and Exchange Commission or by a state “Blue Sky” Commissioner or similar official.

7.3.12 Require in any Company contract that the Manager shall not have any personal liability, but that the person or entity contracting with the Company is to look solely to the Company and its assets for satisfaction;

7.3.13 Lease personal property for use by the Company;

7.3.14 Establish reserves from income in such amounts as the Manager may deem appropriate;

7.3.15 Provided it does not violate or conflict with the Loan Documents, make secured or unsecured loans to the Company and receive interest at the rates set forth herein;

7.3.16 Represent the Company and the Members as “partnership representative” within the meaning of the Code in discussions with the Internal Revenue Service regarding the tax treatment of items of Company income, loss, deduction or credit, or any other matter reflected in the Company’s returns, and, if deemed in the best interest of the Members, to agree to final Company administrative adjustments or file a petition for a readjustment of the Company items in question with the applicable court;

7.3.17 Redeem or repurchase Units on behalf of the Company;

7.3.18 Hold an election for a successor Manager before the resignation, withdrawal, expulsion or dissolution of the Manager;

7.3.19 Initiate, settle and defend legal actions on behalf of the Company;

7.3.20 Admit itself as a Member, but only to the extent necessary to fulfill its duties as the manager of the Company and, in any event, without any Economic Interest;

7.3.21 Enter into any transaction with any partnership, company or venture;

7.3.22 Perform any and all other acts which the Manager is obligated to perform hereunder;

7.3.23 Perform any and all other acts which the Manager is permitted to perform under the Act;
and

7.3.24 Execute, acknowledge and deliver any and all instruments to effectuate the foregoing and take all such actions in connection therewith as the Manager may deem necessary or appropriate. The Manager may, on behalf and in the name of the Company, execute any and all documents or instruments.

7.4 Restrictions on Manager’s Authority. Subject to the balance of the terms of this Agreement and the Certificate of Formation, neither the Manager nor any Affiliates shall have authority, without a Majority Vote of the Units, to:

7.4.1 Enter into contracts with the Company that would bind the Company after the expulsion, withdrawal, Event of Insolvency, or other cessation to exist of the Manager, or to continue the business of the Company after the occurrence of such event;

7.4.2 Use or permit any other person to use Company funds or assets in any manner except for the exclusive benefit of the Company;

7.4.3 Alter the primary purpose of the Company;

7.4.4 Sell or lease to the Company any real property in which the Manager or any Affiliate has any interest;

7.4.5 Admit another person or entity as the Manager, except with the consent of the Members as provided in this Agreement;

7.4.6 Reinvest Cash from Operations in any additional properties;

7.4.7 Enter into any agreement imposing personal liability on any Member; or

7.4.8 Commingle the Company funds with those of any other person or entity, except for (i) the temporary deposit of funds in a bank checking account for the sole purpose of making Distributions immediately thereafter to the Members and the Manager or (ii) funds attributable to the Property and held for use in the management of the operations of the Property.

7.5 Responsibilities of the Manager. The Manager shall:

7.5.1 Have a fiduciary responsibility for the safekeeping and use of all the funds of the Company (but Manager shall have no other fiduciary duties);

7.5.2 Devote such of its time and business efforts to the business of the Company as it shall in its discretion, exercised in good faith, determine to be necessary to conduct the business of the Company for the benefit of the Company and the Members;

7.5.3 File and publish all certificates, statements, or other instruments required by law for formation, qualification and operation of the Company and for the conduct of its business in all appropriate jurisdictions;

7.5.4 Cause the Company to be protected by public liability, property damage and other insurance determined by the Manager in its discretion to be appropriate to the business of the Company; and

7.5.5 At all times use its best efforts to meet applicable requirements for the Company to be taxed as a Company and not as an association taxable as a corporation.

7.5.6 Exercise commercially reasonable efforts to pursue a follow-on syndication of the membership interests of BR Diversified Industrial Portfolio I, DST, if any, within a reasonable time after the Transfer Date.

7.6 Administration of Company. So long as it is the Manager and the provisions of this Agreement for compensation and reimbursement of expenses of the Manager are observed, the Manager shall have the responsibility of providing continuing administrative and executive support, advice, consultation, analysis and supervision with respect to the functions of the Company, and compliance with federal, state and local regulatory requirements and procedures. In this regard, the Manager may retain the services of such Affiliates or unaffiliated parties as the Manager may deem appropriate to provide management and financial consultation and advice, and may enter into agreements for the management and operation of Company assets.

7.7 Indemnification of Manager.

7.7.1 The Manager, its shareholders, Affiliates, officers, directors, partners, manager, members, employees, agents and assigns, shall not be liable for, and shall be indemnified and held harmless (to the extent of the Company's assets) from, any loss or damage incurred by them, the Company or the Members in connection with the business of the Company, including costs and reasonable attorneys' fees and any amounts expended in the settlement of any claims of loss or damage resulting from any act or omission, which shall not constitute fraud or gross negligence, pursuant to the authority granted, to promote the interests of the Company. Moreover, the Manager shall not be liable to the Company or the Members because any taxing authorities disallow or adjust any deductions or credits in the Company income tax returns.

7.7.2 Notwithstanding anything contained herein to the contrary, any indemnification of the Manager or any Member shall be fully subordinated to any obligations respecting the Property (including, without limitation, the Loan Documents which secure the Loan) and such indemnification shall not constitute a claim against the Company in the event that cash flow in excess of amounts necessary to pay holders of such obligations is insufficient to pay such indemnification obligations.

7.8 No Personal Liability for Return of Capital. The Manager shall not be personally liable or responsible for the return or repayment of all or any portion of the Capital Contribution of any Member or any loan made by any Member to the Company, it being expressly understood that any such return of capital or repayment of any loan shall be made solely from the assets (which shall not include any right of contribution from any Member) of the Company.

7.9 Authority as to Third Persons.

7.9.1 No third party dealing with the Company shall be required to investigate the authority of the Manager or secure the approval or confirmation by any Member of any act of the Manager in connection with the Company business. No purchaser of any property or interest owned by the Company shall be required to determine the right to sell or the authority of the Manager to sign and deliver any instrument of transfer on behalf of the Company, or to see to the application or distribution of revenues or proceeds paid or credited in connection therewith.

7.9.2 The Manager shall have full authority to execute on behalf of the Company any and all agreements, contracts, conveyances, deeds, mortgages and other instruments, and the execution thereof by the Manager, executing on behalf of the Company, shall be the only execution necessary to bind the Company thereto. No signature of any Member shall be required.

7.9.3 The Manager shall have the right by separate instrument or document to authorize one or more individuals or entities to execute leases and lease-related documents on behalf of the Company and any leases and documents executed by such agent shall be binding upon the Company as if executed by the Manager.

8. [Intentionally Omitted]

9. Rights, Authority and Voting of The Members.

9.1 Members are Not Agents. Pursuant to Section 7 and the Certificate of Formation, the day-to-day management of the Company is vested solely in the Manager. No Member, acting in the capacity of a Member, is an agent of the Company nor can any Member in such capacity bind or execute any instrument on behalf of the Company.

9.2 Voting Rights of Members. Subject to the terms of the Loan Documents, Members who own Units shall be entitled to cast one vote for each Unit they own. Except as otherwise specifically provided in this Agreement, and subject to receipt of the written approval of the Lender if required under the Loan Documents, Members shall have the right to vote only upon the following matters:

9.2.1 Removal of the Manager as provided in Section 11.2 of this Agreement;

9.2.2 Election of a successor Partnership Representative;

9.2.3 Amendment of this Agreement (except as otherwise provided herein);

9.2.4 Extension of the term of the Company as provided in Section 14.1.4 when there is a Dissolution Event; or

9.2.5 Election of a successor Manager.

9.3 Member Vote; Consent of Manager. All matters upon which the Members may vote, except as otherwise provided in this Agreement, shall require a Majority Vote and, except for removal of the Manager as provided in Section 11.2, the consent of the Manager to pass and become effective, which consent of Manager shall not be unreasonably withheld, conditioned, or delayed. The foregoing notwithstanding, at any time the Loan is outstanding, all Members shall be conclusively deemed to have elected to continue the existence of the Company under Section 9.2.4.

9.4 Meetings of the Members. The Manager may at any time call for a meeting of the Members, or for a vote without a meeting, on matters on which the Members are entitled to vote, and shall call for such a meeting (but not a vote without a meeting) following receipt of a written request therefor of Members holding more than ten percent (10%) of the Units entitled to vote as of the record date. Within twenty (20) days after receipt of such request, the Manager shall notify all Members of record on the record date of the meeting.

9.4.1 Notice. Except as provided by Section 9.4.5, written notice of each meeting shall be given to each Member entitled to vote, either personally or by mail or other means of written communication, charges

prepaid, addressed to such Member at his or her address appearing on the books of the Company or given by him or her to the Company for the purpose of notice or, if no such address appears or is given, at the principal executive office of the Company, or by publication of notice at least once in a newspaper of general circulation in the county in which such office is located. All such notices shall be sent not less than five (5), nor more than sixty (60), days before such meeting. The notice shall specify the place, date and hour of the meeting and the general nature of business to be transacted, and no other business shall be transacted at the meeting.

9.4.2 Adjourned Meeting and Notice Thereof. When a Members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Company may transact any business that might have been transacted at the original meeting. If the adjournment is for more than forty-five (45) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting.

9.4.3 Quorum. The presence in person or by proxy of the persons entitled to vote a majority of the Units shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment. Any meeting of Members may be adjourned from time to time by a Majority Vote of the Units represented either in person or by proxy.

9.4.4 Consent of Absentees. The transactions of any meeting of Members, however called and noticed and wherever held, are as valid as though they occurred at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of the meeting or an approval of the minutes thereof. All waivers, consents and approvals shall be filed with the Company records or made a part of the minutes of the meeting.

9.4.5 Action Without Meeting. Except as otherwise provided in this Agreement, any action which may be taken at any meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by Members having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all entitled to vote thereon were present and voted. In the event the Members are requested to consent on a matter without a meeting, each Member shall be given not less than five (5), nor more than sixty (60), days prior notice.

9.4.6 Record Dates. For purposes of determining the Members entitled to notice of any meeting or to vote or entitled to receive any Distributions or to exercise any rights in respect of any other lawful matter, the Manager may fix in advance a record date, which is not more than sixty (60) nor less than five (5) days prior to the date of the meeting nor more than sixty (60) days prior to any other action. If no record date is fixed:

(a) The record date for determining Members entitled to notice of or to vote at a meeting of Members shall be at the close of business on the Business Day next preceding the day on which notice is given or, if notice is waived, at the close of business on the Business Day next preceding the day on which the meeting is held;

(b) The record date for determining Members entitled to give consent to Company action in writing without a meeting shall be the day on which the first written consent is given;

(c) The record date for determining Members for any other purpose shall be at the close of business on the day on which the Manager adopts it, or the sixtieth (60th) day before the date of the other action, whichever is later; and

(d) A determination of Members of record entitled to notice of or to vote at a meeting of Members shall apply to any adjournment of the meeting unless the Manager, or the Members who requested the meeting, fix a new record date for the adjourned meeting, but the Manager, or such Members,

shall fix a new record date if the meeting is adjourned for more than forty-five (45) days from the date set for the original meeting.

9.4.7 Proxies. Every person entitled to vote or execute consents shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the Manager. No proxy shall be valid after the expiration of three (3) months from the date thereof unless otherwise provided in the proxy. Every proxy continues in full force and effect until revoked as specified or unless it states that it is irrevocable. A proxy that states that it is irrevocable is irrevocable for the period specified therein to the fullest extent permitted by law.

9.4.8 Chairman of Meeting. The Manager may select any person to preside as Chairman of any meeting of the Members, and if such person shall be absent from the meeting, or fail or be unable to preside, the Manager may name any other person in substitution therefor as Chairman. In the absence of an express selection by the Manager of a Chairman or substitute therefor, the Chief Executive Officer, President, Vice President, Secretary, or Chief Financial Officer of the Manager, shall preside as Chairman, in that order. The Chairman of the meeting shall designate a secretary for such meeting, who shall take and keep or cause to be taken and kept minutes of the proceedings thereof. The conduct of all Members' meetings shall at all times be within the discretion of the Chairman of the meeting and shall be conducted under such rules as he may prescribe. The Chairman shall have the right and power to adjourn any meeting at any time, without a vote of the Units present in person or represented by proxy, if the Chairman shall determine such action to be in the best interests of the Company.

9.4.9 Inspectors of Election. In advance of any meeting of Members, the Manager may appoint any persons other than nominees for Manager or other office as the inspector of election to act at the meeting and any adjournment thereof. If an inspector of election is not so appointed, or if any such person fails to appear or refuses to act, the Chairman of any such meeting may, and on the request of any Member or his proxy shall, make such appointment at the meeting. The inspector of election shall determine the number of Units outstanding and the voting power of each, the Units represented at the meeting, the existence of a quorum, the authenticity, validity and effect of proxies, receive votes, ballots or consents, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes or consents, determine when the polls shall close, determine the result and do such acts as may be proper to conduct the election or vote with fairness to all Members.

9.4.10 Record Date and Closing Company Books. When a record date is fixed, only Members of record on that date are entitled to notice of and to vote at the meeting or to receive a Distribution, or allotment of rights, or to exercise the rights, as the case may be, notwithstanding any transfer of any Units on the books of the Company after the record date.

9.5 Rights of Members. No Member shall have the right or power to: (i) withdraw or reduce his contribution to the capital of the Company, except as a result of the dissolution and termination of the Company or as otherwise provided in this Agreement or by law; (ii) bring an action for partition against the Company; (iii) demand or receive property other than cash in return for his Capital Contribution; or (iv) direct the Manager with respect to day-to-day management of the Company or its books and records. Except as provided in this Agreement, no Member shall have priority over any other Member either as to the return of Capital Contributions or as to allocations of the income, loss or Distributions of the Company. Other than upon the termination and dissolution of the Company as provided by this Agreement, there has been no time agreed upon when the contribution of each Member (other than the Initial Member) is to be returned.

9.6 Restrictions on the Member. No Member shall:

9.6.1 Disclose to any non-Member other than their lawyers, accountants or consultants and/or commercially exploit any of the Company's business practices, trade secrets or any other information not generally known to the business community;

9.6.2 Do any other act or deed with the intention of harming the business operations of the Company; or

9.6.3 Do any act contrary to this Agreement.

9.7 Return of Capital of Member. In accordance with the Act, a Member may, under certain circumstances, be required to return to the Company, for the benefit of the Company's creditors, amounts previously distributed to the Member. If any court of competent jurisdiction holds that any Member is obligated to make any such payment, such obligation shall be the obligation of such Member and not of the Company, the Manager or any other Member.

10. [Intentionally Omitted]

11. Resignation, Withdrawal or Removal of the Manager.

11.1 Resignation or Withdrawal of the Manager. Subject to Section 12 hereof, the Manager shall not resign or withdraw as the Manager or do any act that would require its resignation or withdrawal without a Majority Vote. So long as any Loan is outstanding, the Manager may not resign, except as permitted under the Loan Documents. If the Manager is permitted to resign pursuant to this Section 11.1, an additional Manager of the Company shall be admitted to the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the resignation and, immediately following such admission, the resigning Manager shall cease to be a Manager of the Company.

11.2 Removal. Subject to the terms of the Loan Documents, the Manager may be removed by a Majority Vote for "cause". For purposes of this Section 11.2, "cause" shall be deemed to exist (i) if the Manager has engaged in fraud or gross negligence and has materially damaged the Company, or (ii) upon an Event of Insolvency of the Manager.

11.3 Manager's Fees. Upon the removal of the Manager pursuant to Section 11.2 or its withdrawal with the approval of a Majority Vote, such Manager shall be paid all of its earned but unpaid fees and other compensation remaining to be paid under this Agreement. The Company shall pay these amounts to the Manager in cash prior to the effective date of the removal or withdrawal of the Manager. All fees and compensation paid to the Manager pursuant to this Section 11.3 shall be subordinate to all amounts owed by the Company to the Lender; provided, however, the Manager shall be entitled to receive and keep all such fees and compensation paid to the Manager so long as the Loans are not in default at the time such fees and compensation are paid to the Manager.

12. Assignment of Units.

12.1 Permitted Assignments. Subject to the terms and conditions of the Loan Documents, a Member may only sell, assign, hypothecate, encumber or otherwise transfer all or any part of his or her interest in the Company if the following requirements are satisfied:

12.1.1 The Manager consents in its sole and absolute discretion in writing to the transfer;

12.1.2 No Member shall transfer, assign or convey or offer to transfer, assign or convey all or any portion of a Unit to any person who does not possess the financial qualifications required of all persons who become Members, as described in the Memorandum;

12.1.3 No Member shall have the right to transfer any Unit to any minor or to any person who, for any reason, lacks the capacity to contract for himself or herself under applicable law. Such limitations shall not, however, restrict the right of any Member to transfer any one or more Units to a custodian or a trustee for a minor or other person who lacks such contractual capacity;

12.1.4 The Manager, with advice of counsel, must determine that such transfer will not jeopardize the applicability of the exemptions from the registration requirements under the Securities Act of 1933, as amended, and registration or qualification under state securities laws relied upon by the Company and Manager in offering and selling the Units or otherwise violate any federal or state securities laws;

12.1.5 The Manager, with advice of counsel, must determine that, despite such transfer, Units will not be deemed traded on an established securities market or “readily tradable on a secondary market (or the substantial equivalent thereof)” under Section 7704 of the Code;

12.1.6 Any such transfer shall be by a written instrument of assignment, the terms of which are not in contravention of any of the provisions of this Agreement, and which has been duly executed by the assignor of such Units and accepted by the Manager in writing, in advance of consummation of the transfer;

12.1.7 A transfer fee shall be paid by the transferring Member in such amount as may be required by the Manager and/or Lender to cover all reasonable expenses, including attorneys’ fees, connected with such assignment;

12.1.8 The transfer will not result in qualified benefit plans owning twenty-five percent (25%) or more of the Units; and

12.1.9 The transfer will not violate any of the terms of the Loan Documents, including any requirement for Lender approval of the transfer.

12.2 [Intentionally Omitted]

12.3 Records of Ownership. The Manager shall keep Records of Ownership, which shall include records of the transfer and exchange of Units. Notwithstanding any provision of this Agreement to the contrary, transfer of a Unit, or of any right, title or interest therein, shall occur only upon and by virtue of the entry of such transfer in the Records of Ownership.

12.4 Substituted Member.

12.4.1 Conditions to be Satisfied. Subject to the terms of the Loan Documents, no person shall have the right to become a Substituted Member unless the Manager shall consent thereto in accordance with Section 12.1.1 and all of the following conditions are satisfied:

(a) A duly executed and acknowledged written instrument of assignment shall have been filed with the Company, which instrument shall specify the number of Units being assigned and set forth the intention of the assignor that the assignee succeed to the assignor’s interest as a Substituted Member in his or her place;

(b) The assignor and assignee shall have executed, acknowledged and delivered such other instruments as the Manager may deem necessary or desirable to effect such substitution, which may include an opinion of counsel regarding the effect and legality of any such proposed transfer, and which shall include: (i) the written acceptance and adoption by the assignee of the provisions of this Agreement and (ii) the execution, acknowledgment and delivery to the Manager of a special power of attorney, the form and content of which are more fully described herein; and

(c) A transfer fee sufficient to cover all reasonable expenses connected with such substitution shall have been paid to the Company.

12.4.2 Consent of Manager. The consent of the Manager shall be required to admit a person as a Substituted Member. The granting or withholding of such consent shall be within the sole and absolute discretion of the Manager.

12.4.3 Consent of Member. By executing or adopting this Agreement, each Member hereby consents to the admission of additional or Substituted Members upon consent of the Manager and in compliance with this Agreement.

12.5 Assignment of 50% or More of Units. No assignment of any Units may be made if the Units to be assigned, when added to the total of all other Units assigned within the thirteen (13) immediately preceding months, would, in the advice of counsel for the Company, result in the termination of the Company under the Code.

12.6 Transfer Subject to Law. No assignment, sale, transfer, exchange or other disposition of any Units may be made except in compliance with the applicable governmental laws and regulations, including state and federal securities laws.

12.7 Termination of Limited Liability Company Interest. Upon the transfer of a Unit in violation of this Agreement, or the occurrence of a Member Dissolution that does not result in the dissolution of the Company, the Limited Liability Company Interest of a Member shall be, at the option of the Manager in its sole and absolute discretion, either (a) converted into an Economic Interest, or (b) deemed void ab initio and shall not be binding on the Company, the Manager or any other Member.

12.8 FMV Option.

12.8.1 FMV Option. Subject to Sections 12.8.2 and 12.8.3, each of the Members does hereby grant to Bluerock Industrial Holdings, LP, a Delaware limited Partnership (“OP”), its affiliates, successors or assigns, the right, but not the obligation, to require that each such Member exchange its interest in the Company for units in the OP (the “OP Units”) in a transaction intended to qualify as a tax-deferred exchange under Code Section 721, pursuant to the terms of this Section 12.8 (the “FMV Option”). Each Member participating in an exchange of its interests in the Company for the OP Units pursuant to the FMV Option (a “Contributing Member”) shall receive an amount of OP Units with an aggregate value equal to Exchange FMV (as defined below) of such Contributing Member’s interest in the Company as of the date the FMV Option is exercised, less the amount of the Call Option Fee (as defined below). In connection with the exercise of the FMV Option, the Manager shall receive a call-option fee from the Trust equal to 1.0% of the FMV Option Appraised Value of the Property (the “Call-Option Fee”). For the avoidance of doubt, the Call-Option Fee shall only be payable if the FMV Option is exercised. The FMV Option shall be exercised pursuant to a “Notice of Exchange,” a form of which is attached as Exhibit IV to this Agreement, delivered to the Members by the OP. The OP and/or the Manager may, but is/are not obligated to, coordinate to provide the Members with a non-binding survey in advance of an anticipated Notice of Exchange in order to seek input from the Members regarding their desire to become either a Contributing Member or a Cash Member (defined below) in connection with a contemplated exercise of the FMV Option.

12.8.2 Cash Members. Notwithstanding the provisions of Section 12.8.1, a Member may elect to have the OP acquire the Member’s interests in the Company for cash rather than exchange such interests for OP Units following the exercise of the OP of its FMV Option (a Member who makes an election under this Section 12.8.2, a “Cash Member”). If a Cash Member elects to exercise its rights to have the OP acquire its interests in the Company for cash under this Section 12.8.2 with respect to a Notice of Exchange, it shall so notify the OP in writing within ten (10) Business Days after the date on which the Manager mails the Notice of Exchange to the Member. If any Member does not provide such notice to the Manager within ten (10) Business Days after the mailing date of the Notice of Exchange, such Member will be deemed to have agreed to have the OP acquire the Member’s interest in the Company in exchange for OP Units. The cash purchase price for a Cash Member’s interest (the “Cash Amount”) shall be equal to the Exchange FMV of such Cash Investor’s interest in the Trust as of the date the FMV Option is exercised, reduced by a 2% cash redemption fee (the “Cash Redemption Fee”). The total Cash Amount for all Cash Members shall not exceed 50% of the FMV Option Appraised Value of the Property (the “Cash Redemption Cap”), subject to the discretion of the OP. In the event the Cash Redemption Cap is reached, then the total available cash proceeds shall be pro-rated among the Cash Members based on such Members’ percentage interest in the Company, and Cash Members may receive both cash and OP Units in exchange for such Cash Members’ Units. For the avoidance of doubt, the Cash Redemption Fee shall only apply to the Cash Amount

12.8.3 Documentation and Signatures; Delivery. Each Member agrees to execute such documents and signatures as the Manager or the OP may reasonably require in connection with the exercise of the FMV Option under Section 12.8.1 or the cash purchase, if any, under Section 12.8.2. For a Contributing Member, the Manager shall provide a tax protection agreement (a “Tax Protection Agreement”) in which the

Manager: (i) will agree not to directly or indirectly sell, exchange, transfer, or otherwise dispose of the Real Estate or any interest therein (without regard to whether such disposition is voluntary or involuntary) in a transaction within three (3) years of the date of the exercise of the FMV Option that would cause a Contributing Member to recognize any gain under Code Section 704(c) (such transaction, a “Triggering Event”), and (ii) for a period of three (3) years following the occurrence of a Triggering Event, will agree to pay a Contributing Member’s damages equal to the aggregate federal, state and local income taxes incurred by such Contributing Member in connection with such Triggering Event. Upon receipt of any and all documents and signatures required by the Manager or OP under this Section 10.3 (such date of final receipt, the “Receipt Date”), the Manager shall distribute (i) to any Contributing Member the OP Units within ten (10) Business Days of the Receipt Date and (ii) to any Cash Member the Cash Amount within ten (10) Business Days of the Receipt Date.

12.8.4 Determination of Fair Market Value of Interests in the Company. For the purposes of the FMV Option, the fair market value (the “Exchange FMV”) of a Member’s interests in the company to be acquired by the OP will be determined by multiplying: (i) the Percentage Share represented by the interests in the Company to be acquired by the OP by (ii) the fair market value of the Property as determined by an independent appraisal firm selected by the Manager in its sole discretion (the “FMV Option Appraised Value of the Property”), less any liabilities of the Property. Such appraisal shall have been completed within one (1) year of the date the FMV Option is exercised. No discounts for lack of liquidity or minority interests shall be considered in determining the fair market value of such interests in the Company.

12.8.5 Continued Existence of Company. Notwithstanding anything to the contrary in this Agreement, the Company shall survive the exercise of the FMV Option by the OP. The Company intends to remain a “disregarded entity” under Regulations Section 301.7701-3 for federal income tax purposes.

13. Books, Records, Accounting and Reports.

13.1 Records, Audits and Reports. The Company shall maintain at its principal office the Company’s records and accounts of all operations and expenditures of the Company including the following:

13.1.1 A current list in alphabetical order of the full name and last known business or resident address of each Member and Manager, together with the number of Units owned by each Member;

13.1.2 A copy of the Certificate of Formation and all amendments thereto, together with any powers of attorney pursuant to which the Certificate of Formation or any amendments thereto were executed;

13.1.3 Copies of the Company’s federal, state, and local income tax or information returns and reports, if any, for the six (6) most recent taxable years;

13.1.4 Copies of this Agreement and any amendments thereto together with any powers of attorney pursuant to which any written accounting or any amendments thereto were executed;

13.1.5 Copies of any financial statements of the Company, if any, for the six (6) most recent years; and

13.1.6 The Company’s books and records as they relate to the internal affairs of the Company for at least the current and past four (4) fiscal years.

13.2 Delivery to Members.

13.2.1 Each Member and each Member’s representative designated in writing have the right, upon reasonable written request for purposes related to the interest of that person as a Member, which purposes are set forth in the written request, to receive from the Company a copy of this Agreement and the Certificate of Formation and all amendments thereto, together with executed copies of any written powers of attorney pursuant to which this Agreement and any certificate and all amendments thereto have been executed, provided such copy shall not contain any identifying information with regard to a Member and shall be redacted of such information.

13.2.2 Other than as expressly provided in this Agreement, no Member shall have any right to information, reports or records of the Company or with respect to any Member or the Manager. Without limiting the foregoing, no Member shall have the right under this Agreement to receive, review, copy or inspect any list of the Members or any identifying information with regard to the Members, whether or not requested, and Manager shall not have any obligation to provide such information.

13.3 Annual Report. The Manager will cause the Company, at the Company's expense, to prepare an annual report containing a year-end balance sheet, income statement and a statement of changes in financial position. Copies of such statements shall be distributed to each Member within ninety (90) days after the close of each fiscal year of the Company.

13.4 Tax Information. The Manager shall cause the Company, at the Company's expense, to prepare and timely file income tax returns for the Company with the appropriate authorities and shall cause all Company information necessary in the preparation of the Members' individual income tax returns to be distributed to the Members not later than 75 days after the end of the Company's fiscal year.

14. Termination and Dissolution of the Company.

14.1 Termination of Company. Subject to the limitations contained in Section 1.4 and Section 10 of this Agreement and to the Certificate of Formation, the Company shall be dissolved, shall terminate and its assets shall be disposed of, and its affairs wound up, upon the earliest to occur of the following:

14.1.1 Upon the happening of any event of dissolution specified in the Certificate of Formation;

14.1.2 A determination by the Manager to terminate the Company;

14.1.3 The sale of the Contributed Property, held by the Company, or the receipt of the final payment on any seller financing provided by the Company on the sale of the Contributed Property, if later; or

14.1.4 The occurrence of a Dissolution Event unless the business of the Company is continued by a Majority Vote of the remaining Members within ninety (90) days following the occurrence of the event, which shall be mandatory at the times any amounts remain outstanding under the Loan.

The bankruptcy, death, dissolution, liquidation, termination or adjudication of incompetency of a Member (a "Member Dissolution") shall not cause the termination or dissolution of the Company and the business of the Company shall continue.

14.2 Certificate of Cancellation. As soon as possible following the completion of the winding up of the Company, a Manager who has not wrongfully dissolved the Company or, if none, the Members, shall execute and file a Certificate of Cancellation in such form as shall be required by the Act. The Company shall continue to exist as a separate legal entity until the Certificate of Cancellation has been filed in accordance with the Act.

14.3 Liquidation of Assets. Upon a dissolution and termination of the Company, the Manager (or in case there is no Manager, the Members or person designated by a Majority Vote) shall take full account of the Company assets and liabilities, shall liquidate the assets as promptly as is consistent with obtaining the fair market value thereof, and shall apply and distribute the proceeds therefrom in the following order:

14.3.1 To the payment of creditors of the Company, including the Lender, other than Members who are creditors, but excluding secured creditors whose obligations will be assumed or otherwise transferred on liquidation of Company assets, and then to the payment of Members who are creditors of the Company;

14.3.2 To the setting up of any reserves as required by law for any liabilities or obligations of the Company; provided, however, that said reserves shall be deposited with a bank or trust company in escrow with interest for the purpose of disbursing such reserves for the payment of any of the aforementioned contingencies

and, at the expiration of a reasonable period, for the purpose of distributing the balance remaining in accordance with the remaining provisions of this Section 14.3; and

14.3.3 To the Members in proportion to their Units.

14.4 Distributions Upon Dissolution. Each Member shall look solely to the assets of the Company for all Distributions and shall have no recourse therefor (upon dissolution or otherwise) against any Manager or any Member.

14.5 Limitation on Distributions. Notwithstanding any other provision in this Agreement, the Company shall make no distribution that would violate the Act, the Loan Documents or other applicable law.

14.6 Waiver of Dissolution and Termination. Notwithstanding anything to the contrary contained in this Agreement, the Company and its Members, to the fullest extent permitted by law, hereby waive their right to dissolve or terminate (and waive their right to consent to the dissolution or termination of) the Company or this Agreement, and shall not take any action towards that end, so long as any Loan remains outstanding to Lender, except upon the express prior written consent of the Lender. This paragraph shall cease to be of further force or effect once the Company no longer has any outstanding Loan or other obligation of any kind whatsoever owing or due the Lender.

15. Special and Limited Power of Attorney.

15.1 Power of Attorney. The Manager shall at all times during the term of the Company have a special and limited power of attorney as the attorney-in-fact for each Member, with power and authority to act in the name and on behalf of each such Member to execute, acknowledge, and swear to in the execution, acknowledgment and filing of documents that are not inconsistent with the provisions of this Agreement and which may include, by way of illustration but not by way of limitation, the following:

15.1.1 This Agreement, as well as any amendments to the foregoing which, under the laws of the State of Delaware or the laws of any other state, are required to be filed or which the Manager shall deem it advisable to file;

15.1.2 Any other instrument or document that may be required to be filed by the Company under the laws of any state or by any governmental agency or which the Manager shall deem it advisable to file;

15.1.3 Any instrument or document that may be required to effect the continuation of the Company, the admission of Substituted Members, or the dissolution and termination of the Company (provided such continuation, admission or dissolution and termination are in accordance with the terms of this Agreement);

15.1.4 Any instrument of conveyance or encumbrance with respect to the Contributed Property;

15.1.5 This Agreement or any other instrument or document to include any special purpose entity or bankruptcy remote entity requirement imposed by the Lender; and

15.1.6 Any and all other instruments as the Manager may deem necessary or desirable to effect the purposes of this Agreement and carry out fully its provisions, including, but not limited to, those in Sections 7 and 17.

15.2 Provision of Power of Attorney. The special and limited power of attorney of the Manager:

15.2.1 Is a special power of attorney coupled with the interest of the Manager in the Company, and its assets, is irrevocable, shall survive the death, incapacity, termination or dissolution of the granting Member, and is limited to those matters herein set forth;

15.2.2 May be exercised by the Manager by and through one or more of the officers of the Manager, for each of the Members by the signature of the Manager acting as attorney-in-fact for the Members,

together with a list of all Members executing such instrument by their attorney-in-fact or by such other method as may be required or requested in connection with the recording or filing of any instrument or other document so executed; and

15.2.3 Shall survive an assignment by a Member of all or any portion of his or her Units except that, where the assignee of the Units owned by the Member has been approved by the Manager for admission to the Company as a Substituted Member, the special power of attorney shall survive such assignment for the sole purpose of enabling the Manager to execute, acknowledge and file any instrument or document necessary to effect such substitution to the fullest extent permitted by law.

15.3 Notice to Members. The Manager shall promptly furnish to a Member a copy of any amendment to this Agreement executed by the Manager pursuant to a power of attorney from the Member.

16. Relationship of this Agreement to the Act. Many of the terms of this Agreement are intended to alter or extend provisions of the Act as they may apply to the Company or the Members. Any failure of this Agreement to mention or specify the relationship of such terms to provisions of the Act that may affect the scope or application of such terms shall not be construed to mean that any of such terms are not intended to be a provision of this Agreement authorized or permitted by the Act or which in whole or in part alters, extends or supplants provisions of the Act as may be allowed thereby.

17. Amendment of Agreement.

17.1 Admission of Member. Amendments to this Agreement for the admission of any Member or Substituted Member shall not, if in accordance with the terms of this Agreement and the Loan Documents, require the consent of any Member.

17.2 Amendments with Consent of Members. Subject to the terms of the Certificate of Formation, in addition to any amendments otherwise authorized herein, this Agreement may be amended by the Manager with a Majority Vote of the Units; provided, however, that any amendment that would treat a specific Member less favorably than another Member (in application but not in effect), then such amendment shall require the vote of such adversely affected Member.

17.3 Amendments Without Consent of the Members. Subject to the terms of the Certificate of Formation, in addition to any amendment to this Agreement authorized pursuant to Section 7.3.11 or otherwise authorized herein, the Manager may amend this Agreement, without the consent of any of the Members, to (i) change the name and/or principal place of business of the Company, or (ii) decrease the rights and powers of the Manager (so long as such decrease does not impair the ability of the Manager to manage the Company and conduct its business and affairs); provided, however, that no amendment shall be adopted pursuant to this Section 17.3 unless the adoption thereof (A) is for the benefit of or not adverse to the interests of the Members, (B) is not inconsistent with Section 7 or Section 10, and (C) does not affect the limited liability of the Members or the status of the Company as a partnership for federal income tax purposes. Further, the Manager shall be allowed to amend this Agreement without the consent of any of the Members to comply with any terms or modifications required by any lender to make this Agreement comply with any special purpose entity requirements; provided, however, no such amendment shall be adverse to the interests of the Members.

17.4 Execution and Recording of Amendments. Any amendment to this Agreement shall be executed by the Manager, and by the Manager as attorney-in-fact for the Members pursuant to the power of attorney contained in Section 15. After the execution of such amendment, the Manager shall also prepare and record or file any certificate or other document which may be required to be recorded or filed with respect to such amendment, either under the Act or under the laws of any other jurisdiction in which the Company holds any property or otherwise does business.

18. Member Representations. Each Member hereby represents and warrants to the Company, the Manager and all other Members that:

18.1 Such Member has the power and authority to execute and comply with the terms and provisions hereof.

18.2 Such Member's interest in the Company has not and will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state, and cannot be sold or transferred without compliance with the registration provisions of said Securities Act of 1933, as amended, and the applicable state securities laws, or compliance with the exemptions, if any, available thereunder. Such Member understands that neither the Company nor the Manager or any other Member has any obligation or intention to register the Member interests under any federal or state securities act or law, or to file the reports to make public the information required by Rule 144 under the Securities Act of 1933, as amended.

19. Miscellaneous.

19.1 Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one Agreement, binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the original or the same counterpart.

19.2 Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the respective Members.

19.3 Severability. In the event any sentence or Section of this Agreement is declared by a court of competent jurisdiction to be void, such sentence or Section shall be deemed severed from the remainder of this Agreement and the balance of this Agreement shall remain in full force and effect.

19.4 Notices. All notices under this Agreement shall be in writing and shall be given to the Member entitled thereto, by personal service or by mail, posted to the address maintained by the Company for such person or at such other address as he or she may specify in writing; provided, however, that in the event that any such Member does not respond to the personal service or mail as set forth above, that the Manager shall send out one additional notice by certified mail return receipt requested or by a delivery service that maintains records regarding their deliveries or attempted deliveries.

19.5 Manager's Address. The address of the Manager is as follows:

BR 13202 E. Adam Aircraft Circle Springing Manager, LLC
c/o Bluerock Real Estate, L.L.C.
1345 Avenue of the Americas,
32nd Floor, Suite B
New York, NY 10105

19.6 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the state of Delaware (without regard to conflict of law principles). Any legal proceeding concerning interpretation or enforcement of any provision of this Agreement shall be venued exclusively in the Borough of Manhattan, New York City, New York. Members hereby waive trial by jury in any action, proceeding or counterclaim brought by any of the parties hereto on any matters whatsoever arising out of or in any way connected with this Agreement, or in connection with any emergency statutory or any other statutory remedy.

19.7 Captions. Section titles or captions contained in this Agreement are inserted only as a matter of convenience and reference. Such titles and captions in no way define, limit, extend or describe the scope of this Agreement nor the intent of any provisions hereof.

19.8 Gender. Whenever required by the context hereof, the singular shall include the plural, and vice versa, the masculine gender shall include the feminine and neuter genders, and vice versa.

19.9 Time. Time is of the essence with respect to this Agreement.

19.10 Additional Documents. Each Member, upon the request of the Manager, shall perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement, including, but not limited to, providing acknowledgment before a Notary Public of any signature made by a Member.

19.11 Descriptions. All descriptions referred to in this Agreement are expressly incorporated herein by reference as if set forth in full, whether or not attached hereto.

19.12 Choice of Law and Venue. Any action relating to or arising out of this Agreement shall be brought only in a court of competent jurisdiction located in the borough of Manhattan in New York County, New York, and in such action the substantive laws of the State of New York shall be applicable, without regard to any choice of laws principles. Members hereby waive trial by jury in any action, proceeding or counterclaim brought by any of the parties hereto on any matters whatsoever arising out of or in any way connected with this Agreement, or in connection with any emergency statutory or any other statutory remedy.

19.13 Partition. The Members agree that the assets of the Company are not and will not be suitable for partition. Accordingly, each of the Members hereby irrevocably waives any and all rights that he may have, or may obtain, to maintain any action for partition of any of the assets of the Company.

19.14 Integrated and Binding Agreement. This Agreement contains the entire understanding and agreement among the Members with respect to the subject matter hereof, and there are no other agreements, understandings, representations or warranties among the Members other than those set forth herein except the Purchase Agreement executed in connection with the purchase of Beneficial Interests in the Trust (the "Purchase Agreement"). This Agreement may be amended only as provided in this Agreement.

19.15 Legal Counsel. Each Member acknowledges and agrees that counsel representing the Company, the Manager and its Affiliates does not represent and shall not be deemed under the applicable codes of professional responsibility to have represented or to be representing any or all of the Members, other than the Manager, in any respect. In addition, each Member consents to the Manager hiring counsel for the Company that is also counsel to one or more of the Managers.

19.16 Title to Company Property. All property owned by the Company shall be owned by the Company as an entity and, insofar as permitted by applicable law, no Member shall have any ownership interest in any Company property in its individual name or right, and each Member's Limited Liability Company Interest shall be personal property for all purposes. As long as any obligation to the Lender is outstanding, nothing herein is intended to give any creditor of a Member any rights in the Member's interest in the Company other than as an assignee of the Member's interest in the Company and such creditor will have no direct claim to the assets of the Company.

19.17 Conflict. In the event of a conflict between the terms of this Agreement and the Certificate of Formation, the terms of the Certificate of Formation shall control.

19.18 Signature of the Members. The Members hereby acknowledge and agree that by signing the Purchase Agreement they are also agreeing to be bound by the terms of this Agreement and that their signature hereto will not be required as of the Transfer Date.

* * * *

IN WITNESS WHEREOF, the undersigned have set their hands to this Agreement as of the date set forth below.

MANAGER:

BR 13202 E. Adam Aircraft Circle Springing Manager, LLC,
a Delaware limited liability company

By: _____
Name _____
Title: _____

Date: _____

INITIAL MEMBER:

BR 13202 E. Adam Aircraft Circle, DST,
a Delaware statutory trust

By: BR Diversified Industrial Portfolio I DST Manager, LLC,
a Delaware limited liability company, its Manager

By: _____
Its: _____

Date: _____

**ACKNOWLEDGED AND AGREED WITH RESPECT TO
SECTION 12.8:**

BLUEROCK INDUSTRIAL HOLDINGS, LP, a Delaware
limited partnership

By: BLUEROCK INDUSTRIAL GROWTH REIT, INC.,
a Maryland corporation, its General Partner

By: _____
Name: _____
Title: _____

EXHIBIT I

DEFINITIONS

“Act” shall mean the Delaware Limited Liability Company Act, as the same may be amended from time to time.

“Additional Voluntary Capital Contributions” means those additional Capital Contributions which may be voluntarily given pursuant to Section 3.2 hereof.

“Affiliate” shall mean (i) any person directly or indirectly controlling, controlled by or under common control with another person; (ii) a person owning or controlling ten percent (10%) or more of the outstanding voting securities of such other person; (iii) any officer, director or partner of such other person; and (iv) if such other person is an officer, director or partner, any company for which such person acts in any capacity. The term “person” shall include any natural person, corporation, partnership, company, trust, unincorporated association or other legal entity.

“Agreement” shall mean this Limited Liability Company Agreement, as amended from time to time.

“Beneficial Interest” means a beneficial interest in the Trust, as such term is used in the Statutory Trust Act, all of which interests shall be either Class 1 Beneficial Interests (as defined in the Trust Agreement) or the Class 2 Beneficial Interests (as defined in the Trust Agreement).

“Beneficial Owner” means each person who, at the time of determination, holds a Beneficial Interest as reflected on the Ownership Records (as defined in the Trust Agreement) as of the Transfer Date.

“Business Day” is any day other than on Saturday, Sunday or legal holiday in the State of Delaware.

“Call-Option Fee” has the meaning given to such term in Section 12.8.1

“Capital Contribution(s)” means, with respect to any Member, or all of the Members, all cash and properties contributed to the Company pursuant to Section 3.1.1 of this Agreement net of liabilities assumed or taken subject to by the Company.

“Capital Expenditures” means expenditures for items that are capital in nature, including, but not limited to, tenant improvements, leasing commissions, and major repairs, made at the discretion of the Manager.

“Cash Amount” has the meaning given to such term in Section 12.8.2.

“Cash Member” has the meaning given to such term in Section 12.8.2.

“Cash Redemption Cap” has the meaning given to such term in Section 12.8.2.

“Cash Redemption Fee” has the meaning given to such term in Section 12.8.2.

“Cash from Operations” shall mean the net cash realized by the Company from all sources, including, but not limited to, the operations of the Company including the sale, financing, refinancing or other disposition of the Contributed Property, after payment of all cash expenditures of the Company, including, but not limited to, all operating expenses including all fees payable to the Manager or its Affiliates, all payments of principal and interest on indebtedness, and such reserves and retentions as the Manager reasonably determines to be necessary and desirable in connection with Company operations with its then existing assets and any anticipated acquisitions.

“Certificate of Cancellation” shall mean the Certificate of Cancellation of the Company as filed with the Secretary of State of Delaware.

“Certificate of Formation” shall mean the Certificate of Formation of the Company as filed with the Secretary of State of Delaware as the same may be amended or restated from time to time.

“Code” shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequently enacted federal revenue laws.

“Company” shall mean BR 13202 E. ADAM AIRCRAFT CIRCLE SPRINGING, LLC .

“Contributed Property” means all of the Trust’s right, title, and interest in and to the Real Estate, the Lease or Leases (as defined in the Trust Agreement), as applicable, and any and all other property and assets (whether tangible or intangible) in which the Trust at any time has any right, title or interest, contributed by the Trust pursuant to the Transfer Distribution, and all of which are or will be acquired by the Company in connection with the formation of the Company.

“Contributing Member” shall have the meaning given such term in Section 12.8.1.

“Disposition Fee” has the meaning given such term in Section 6.1.

“Dissolution Event” shall mean with respect to the Manager one or more of the following: the death, insanity, withdrawal, retirement, resignation, expulsion, Event of Insolvency or dissolution (unless reconstituted by the Manager) of the Manager unless the Members consent to continue the business of the Company pursuant to Section 14.1.4.

“Distributable Cash” shall mean Cash from Operations and Capital Contributions determined by the Manager to be available for Distribution to the Members.

“Distribution” shall refer to any money or other property transferred without consideration (other than repurchased Units) to Members with respect to their interests or Units in the Company but shall not include any payments to the Manager pursuant to Section 6.

“Economic Interest” shall mean an interest in the income, loss and Distributions of the Company but shall not include any right to vote or to participate in the management of the Company.

“Event of Insolvency” shall occur when an order for relief against the Manager is entered under Chapter 7 of the federal bankruptcy law, or (A) the Manager: (1) makes a general assignment for the benefit of creditors, (2) files a voluntary petition under the federal bankruptcy law, (3) files a petition or answer seeking for that Manager a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, (4) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Manager in any proceeding of this nature, or (5) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of that Manager or of all or a substantial part of that Manager’s properties, or (B) the expiration of sixty (60) days after either (1) the commencement of any proceeding against the Manager seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law, or regulation, if the proceeding has not been dismissed, or (2) the appointment without the Manager’s consent or acquiescence of a trustee, receiver, or liquidator of the Manager or of all or any substantial part of the Manager’s properties, if the appointment has not been vacated or stayed (or if within sixty (60) days after the expiration of any such stay, the appointment is not vacated).

“FMV Option” shall have the meaning set forth in Section 12.8.1.

“Initial Member” shall mean the Trust.

“Lease” means that master lease agreement entered into between the Trust and BGR 13202 E. Adam Aircraft Leaseco, LLC, together with all amendments, supplements and modifications thereto.

“Lender” shall mean KeyBank National Association, together with its successors, assigns and transferees.

“Limited Liability Company Interest” shall mean a Member’s entire interest in the Company including such Member’s Economic Interest and such voting and other rights and privileges that the Member may enjoy by being a Member.

“Liquidation” means, in respect to the Company, the earlier of the date upon which the Company is terminated under Section 708(b)(1) of the Code or the date upon which the Company ceases to be a going concern (even though it may exist for purposes of winding up its affairs, paying its debts and distributing any remaining balance to its Members), and in respect to a Member, where the Company is not in Liquidation means the date upon which occurs the termination of the Member’s entire interest in the Company by means of a Distribution or the making of the last of a series of Distributions (whether or not made in more than one (1) year) to the Member by the Company.

“Loan” shall mean the loan made by the Lender to the Trust and secured by a mortgage or deed of trust.

“Loan Documents” means any and all documents evidencing the Loan or any assumption thereof, without limitation, any loan agreement or promissory note.

“Majority Vote” shall mean the vote of more than fifty percent (50%) of the Units entitled to vote. Members shall be entitled to cast one vote for each Unit they own, and a fractional vote for each fractional Unit they own. All Units shall be deemed to have voted FOR the proposed action unless affirmatively cast AGAINST the proposed action in a timely manner, except that votes under Section 9.2.1, 9.2.2, and 9.2.5 shall require the actual and affirmative vote of more than 50% of the Units to pass the proposed action.

“Manager” shall refer to BR 13202 E. Adam Aircraft Circle Springing Manager, LLC, a Delaware limited liability company. The term “Manager” shall also refer to any successor or additional Manager who is admitted to the Company as the Manager.

“Member” or “Members” shall mean the persons listed on Exhibit II attached hereto.

“Member Dissolution” shall have the meaning set forth in Section 14.1.

“Notice of Exchange” has the meaning given to such term in Section 12.8.1.

“OP” means Bluerock Industrial Holdings, LP, a Delaware limited partnership.

“OP Units” shall have the meaning set forth in Section 12.8.1.

“Organization Expenses” shall mean all expenses incurred in connection with the organization and formation of the Company, including but not limited to legal and accounting fees, tax planning fees, promotional fees or expenses, filing and recording fees and other costs or expenses incurred in connection therewith.

“Partnership Representative” means the “partnership representative,” as said term is used in section 6223(a) of the Code. The Partnership Representative shall be the Manager until such time as a new Partnership Representative is selected by the Company.

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

“Prime Rate” shall mean the reference rate announced from time-to-time by the Wall Street Journal, and changes in the Prime Rate shall be deemed to occur on the date that changes in such rate are announced.

“Property” shall mean the property known as “13202 E. Adam Aircraft Circle” located at 13202 E. Adam Aircraft Circle, Englewood, CO.

“Receipt Date” shall have the meaning set forth in Section 12.8.3.

“Records of Ownership” means the records maintained by the Manager indicating from time to time the name, mailing address, and the number of Units of each Member, and shall be revised by the Manager contemporaneously to reflect the issuance of additional Units in accordance with this Agreement, changes in mailing addresses, or other changes.

“Substituted Member” shall mean any person admitted as a substituted Member pursuant to this Agreement.

“Tax Payment” shall have the meaning set forth in Section 4.6.1.

“Tax Protection Agreement” has the meaning given to such term in Section 12.8.3.

“Transfer Date” shall mean the date the Contributed Property is contributed to the Company pursuant to Section 9.2 of the Trust Agreement.

“Triggering Event” has the meaning given to such term in Section 12.8.3.

“Trust” means BR 13202 E. Adam Aircraft Circle, DST, that certain Delaware statutory trust formed by and in accordance with, and governed by, the Trust Agreement.

“Trust Agreement” means that certain Trust Agreement dated as of August [●], 2022 by and among BR Diversified Industrial Portfolio I, DST, as Depositor, BR Diversified Industrial Portfolio I DST Manager, LLC, as Manager, Delaware Trust Company, as Trustee, and certain Beneficial Owners holding a Beneficial Interest in the Trust.

“Trust Estate” means all of the Trust’s right, title, and interest in and to the Property, the Lease and any and all other property and assets (whether tangible or intangible) in which the Trust at any time has any right, title or interest, held by the Trust prior to the Transfer Distribution.

“Trustee” means the person serving, at the time of determination, as the trustee under the Trust.

“Unit” shall represent an interest in the Company entitling the owner of the Unit if admitted as a Member or Manager to the respective voting and other rights afforded to a Member holding a Unit, and affording to such Member’s share in income, loss and Distributions as provided for in this Agreement. The Units shall consist of ten thousand (10,000) Units held by the Members.

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EXHIBIT II

MEMBERS

(prior Beneficial Owners under the Trust Agreement)

<u>Name</u>	<u>Address</u>	<u>Percentage Interest in the Trust</u>	<u>Number of Units</u>
[Members]		[]%	[] Units

EXHIBIT III

PROPERTY

EXHIBIT IV

NOTICE OF EXCHANGE

In accordance with Section 12.8.1 of the Limited Liability Company Agreement (the "Agreement") of BR 13202 E. ADAM AIRCRAFT CIRCLE SPRINGING, LLC (the "Company") the undersigned hereby irrevocably requires _____ (the "Member") to exchange its _____% interest in the Company for (a) the OP Units (as defined in the Agreement) in the amount of the fair market value of the Member's interest in the Company or (b) the Cash Amount (as defined in the Agreement), provided however, that the Member must notify the undersigned in writing within ten (10) days of the date of this Notice of Exchange should it desire to receive the Cash Amount rather than OP Units. Unless a separate notice has been provided by the OP, the Member shall be deemed to have surrendered its interest in the Company and all rights, title and interest therein in exchange for the OP Units. The undersigned shall deliver the OP Units or Cash Amount, whichever is applicable, to the Member in accordance with the terms of Section 12.8.3 of the Agreement and to the address specified in Section 1.2 of the Agreement.

Date: _____, ____

BR Diversified Industrial Portfolio I, DST, a Delaware statutory trust

By: BR Diversified Industrial Portfolio I DST Manager, LLC, a Delaware limited liability company, its Manager

By: _____
Name: _____
Title: _____

EXHIBIT G

FORM OF CONVERSION NOTICE

BR Diversified Industrial Portfolio I, DST (the “Depositor”), as the sole Class 2 Beneficial Owner and the sole holder of the Class 2 Beneficial Ownership Certificates in BR 13202 E. Adam Aircraft Circle, DST (the “Trust”), hereby provides a Conversion Notice pursuant to Section 6.12 of the Trust Agreement dated as of August [●], 2022.

Date: _____, 20__

BR Diversified Industrial Portfolio I, DST, a Delaware limited liability company

By: BR Diversified Industrial Portfolio I DST Manager, LLC, a Delaware limited liability company, its Manager

By: _____

Name: _____

Title: _____

EXHIBIT H

NOTICE OF EXCHANGE

In accordance with Section 10.1 of the Trust Agreement (the "Agreement") of BR 13202 E. Adam Aircraft Circle, DST (the "Trust") the undersigned hereby irrevocably requires _____ (the "Investor") to exchange its _____% interest in the Trust for (a) the OP Units (as defined in the Agreement) in the amount of the fair market value of the Investor's interest in the Trust or (b) the Cash Amount (as defined in the Agreement), provided however, that the Investor must notify the undersigned in writing within ten (10) days of the date of this Notice of Exchange should it desire to receive the Cash Amount rather than OP Units. Unless a separate notice has been provided by the OP, the Investor shall be deemed to have surrendered its interest in the Trust and all rights, title and interest therein in exchange for the OP Units. The undersigned shall deliver the OP Units or Cash Amount, whichever is applicable, to the Investor in accordance with the terms of Section 10.3 of the Agreement and to the address specified in Section 2.1 of the Agreement.

Date: _____, 20__

BR Diversified Industrial Portfolio I, DST, a Delaware
statutory trust

By: BR Diversified Industrial Portfolio I DST Manager,
LLC, a Delaware limited liability company, its
Manager

By: _____
Name: _____
Title: _____

EXHIBIT C
SAMPLE PROPERTY MANAGEMENT AGREEMENT

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PROPERTY MANAGEMENT AGREEMENT

BETWEEN

**BIGR 13202 E. ADAM AIRCRAFT CIRCLE LEASECO, LLC,
a Delaware Limited Liability Company**

AND

BLUEROCK PROPERTY MANAGEMENT, LLC, a Michigan Limited Liability Company

DATED AS OF JUNE 29, 2022

PROPERTY MANAGEMENT AGREEMENT

THIS PROPERTY MANAGEMENT AGREEMENT (the "Agreement") made this 29th day of June, 2022, by and between BGR 13202 E. Adam Aircraft Circle Leaseco, LLC, a Delaware limited liability company ("Master Lessee") and Bluerock Property Management, LLC, a Michigan limited liability company ("Property Manager").

This Agreement covers the industrial project referred to as the "Project" in that certain Master Lease (the "Master Lease"), dated June 29, 2022, between BR 13202 E. Adam Aircraft Circle, DST, a Delaware statutory trust (the "Landlord") as landlord and Master Lessee as tenant (such industrial Project, for purposes of this Agreement, the "Property"). Capitalized terms used without definition herein will have the meanings set forth in the Master Lease.

Master Lessee desires to employ Property Manager in the management and operation of the Property by turning over to Property Manager the operation, direction, management, and supervision of the Property, subject to and in accordance with the terms and conditions set forth in this Agreement, and Property Manager desires to assume such duties upon the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Master Lessee and Property Manager agree as follows:

ARTICLE 1 APPOINTMENT

Master Lessee hereby grants to Property Manager, as an independent contractor, the sole and exclusive right to manage and operate the Property, subject to the terms and provisions of this Agreement. During the Term (as defined herein) of this Agreement, Master Lessee shall not participate in the day-to-day operation of the Property and shall at no time directly order or instruct any employees or other personnel engaged in the day-to-day management and operation of the Property. The foregoing shall not restrict the right of Master Lessee to direct any questions, orders, or instructions regarding operations of the Property to the Property Manager.

ARTICLE 2 TERM OF AGREEMENT

2.1 Term. Subject to Sections 2.2 and 2.3 hereof, the initial term of this Agreement shall be twelve (12) months, but it will be automatically renewed thereafter for successive one-year terms unless terminated by one of the parties in writing prior to the expiration of the then-pending term (the "Term").

2.2 Effect of Expiration or Termination. Any expiration or termination of this Agreement shall in no way affect or impair any rights or obligations which have accrued to either party pursuant to this Agreement prior to such expiration or termination, including, without limitation, the rights of Property Manager to receive payments provided for hereunder, without set-off, recoupment or similar withholding of payment by Master Lessee. In the event of any termination of this Agreement, Property Manager shall use commercially reasonable efforts to affect an orderly transition of the management and operation of the Property to Master Lessee or an agent designated by Master Lessee and to cooperate with Master Lessee or such agent.

Upon any termination or expiration of this Agreement, and provided all payments due Property Manager have been paid in full, including the Termination Fee (as defined herein) if applicable, Property Manager shall:

- 2.2.1 account for and deliver to Master Lessee all receipts, charges and income from the Property (including, without limitation, tenant security deposits) and other monies of Master Lessee in Property Manager's actual possession or control;

- 2.2.2 deliver to Master Lessee any monies due Master Lessee under this Agreement received after such termination;
- 2.2.3 deliver to Master Lessee, or to such other person as Master Lessee shall designate, all materials, supplies, equipment, keys, contracts, documents, books and records (including, without limitation, accounts payable, financial records and accounting records) pertaining to this Agreement and/or the Property;
- 2.2.4 assign any then-existing contracts and permits in the name of Property Manager, as agent for Master Lessee, relating to the Property to Master Lessee or to such party as Master Lessee shall designate;
- 2.2.5 within forty-five (45) days after the effective date of expiration or termination of this Agreement, cause to be furnished to Master Lessee a statement similar in form and content to its monthly statement covering the period from the date of the last such previous statement to the date of the termination of this Agreement; and
- 2.2.6 Within ninety (90) days following expiration or termination, Property Manager shall deliver to Master Lessee a final accounting, in writing, with respect to the operations of the Property. Subsections 2.2.5 and 2.2.6 shall survive the expiration or termination of this Agreement.

2.3 Assumption of Obligations. Upon the termination of this Agreement, Master Lessee shall assume the obligations of any contract executed, and the responsibility for payment of all unpaid bills incurred, by Property Manager in accordance with this Agreement for and on behalf of Master Lessee.

2.4 Termination Fee. In the event this Agreement is terminated other than through the expiration of the Term hereof, by the action of the Master Lessee or the Master Lessee's default hereunder, Master Lessee shall pay to Property Manager a termination fee in an amount equal to the Management Fee (as defined herein) that would accrue from and after the date upon which termination shall become effective, over the remainder of the stated Term of this Agreement (the "Termination Fee"). For this purpose, the monthly Management Fee for the remainder of the stated Term shall be presumed to be the same as that of the last month prior to termination. Property Manager acknowledges that its right to payment of a Termination Fee is personal to the Master Lessee and does not extend to any obligations Master Lessee may have to the Landlord under the Master Lease or to any Secured Party (as hereafter defined), and that such Termination Fee is subordinate to any obligations Master Lessee may have to such Secured Party or under the Security Documents (as hereafter defined).

ARTICLE 3 MANAGEMENT

3.1 General Management Duties. Subject to the availability of funds provided under the Budget (as defined in Section 3.3 hereof) and in the Operating Account (as defined in Section 5.1 hereof), Property Manager shall manage and operate the Property in a manner consistent with the management and operation of comparable properties in Englewood, Colorado, shall provide such services as are customarily provided by a manager of properties of comparable class and standing, and shall consult with Master Lessee and keep Master Lessee advised as to all material or extraordinary matters and decisions affecting the Property. Specifically, Property Manager shall perform, without limitation the following services and duties for Master Lessee in a faithful, diligent, and efficient manner:

- 3.1.1 Maintain businesslike relations with tenants of the Property whose service requests shall be received, considered, and recorded in systematic fashion in order to show the action taken with respect to each request. Complaints of a serious nature shall, after thorough investigation, be reported to Master Lessee with appropriate recommendations for addressing such complaints;
- 3.1.2 Use good faith efforts to collect all rents and other sums and charges due from tenant, sub-tenants, licensees, and concessionaires of the Property and all other receipts, if any, derived from the operation of the Property;

- 3.1.3 Prepare or cause to be prepared for execution and filing by Master Lessee all forms, reports, and returns, if any, required by all federal, state, or local laws in connection with unemployment insurance, workmen's compensation insurance, disability benefits, Social Security, and other similar taxes now in effect or hereafter imposed, and also any other requirements relating to the employment of personnel for the Property Manager; however, Property Manager shall not be obligated to prepare any of Master Lessee's local, state, or federal income tax returns;
- 3.1.4 Subject to the limitations of the approved Budget adopted pursuant to Section 3.3 hereof, pay prior to delinquency all real estate taxes, personal property taxes, and assessments levied against the Property, or any part thereof; and
- 3.1.5 Subject to the limitations of the approved Budget adopted pursuant to Section 3.3 hereof, perform such other acts as are reasonable, necessary, and proper in the discharge of its duties under this Agreement.

3.2 Leasing.

- 3.2.1 Exclusive Agency. Property Manager shall be the sole rental agent for the Property, and Master Lessee may not employ any outside rental agent or broker without the prior written consent of Property Manager. The Property Manager shall exercise commercially reasonable efforts to obtain and keep financially responsible tenants of the Property. All inquiries concerning any leases or renewals or agreements for the rental of any tenant space in the Property shall be referred to Property Manager. The Property Manager shall conduct and coordinate the negotiation and execution and delivery of leases and renewals, modifications, and cancellations thereof. All leases are to be prepared by Property Manager in accordance with the standard form lease established by Property Manager and approved by Master Lessee. Property Manager may execute tenant leases on behalf of Master Lessee in the ordinary course of business on the standard lease forms approved by Master Lessee for the Property. Leases and other agreements with tenants shall be executed and delivered by the Property Manager as agent of Master Lessee. All other leases shall be subject to the prior specific written approval of Master Lessee.
- 3.2.2 Advertising; Promotion. Master Lessee agrees that Property Manager may use the services of any third party rental or leasing agency in the area where the Property is located, and the fees payable for such services shall be expenses of Master Lessee, payable out of the Operating Account for the Property. The Property Manager may also prepare and use at Master Lessee's expense reasonable advertising plans and promotional material to further rentals. Property Manager shall not use Master Lessee's name in any advertising or promotional material without Master Lessee's prior written approval.

3.3 Budget.

- 3.3.1 Budget Approval Process. Property Manager shall submit for approval of Master Lessee not later than 30 days after the date of this Agreement a proposed detailed, written estimate or projection of all receipts and expenditures for the operation of the Property for first full or partial Fiscal Year (as hereinafter defined), including, without limitation, all estimated rentals and all estimated repairs, maintenance, and capital projects (the "Budget") for such Fiscal Year. In addition, Property Manager shall submit a Budget for the ensuing Fiscal Year for the approval of Master Lessee not later than thirty (30) days prior to the expiration of the Fiscal Year immediately preceding the Fiscal Year to which such Budget relates. A "Fiscal Year" is a calendar year, all or part of which falls within the Term of this Agreement. In the event Master Lessee, in Master Lessee's sole judgment, disapproves of any proposed Budget submitted by Property Manager, Master Lessee shall give Property Manager written notice of the line items that have been disapproved, in which event Property Manager and Master Lessee shall work in good faith to establish amounts for such line items not approved. Until Master Lessee has approved the revised Budget, Property Manager may (i) pay the Management Fee and all expenses relating to taxes, insurance, and utilities, (ii) operate pursuant to those portions of the Budget which have been approved, and (iii) with respect to line

items that have not been approved, continue to operate pursuant to the corresponding line items in the last approved Budget. In the absence of any written notice from Master Lessee of disapproval within thirty (30) days after delivery of the proposed Budget to Master Lessee, the proposed Budget shall be deemed to have been approved by Master Lessee.

3.3.2 Payment of Budgeted Expenses. Property Manager shall have the right to pay all expenses according to the approved Budget, including the Management Fee. Notwithstanding any other provision in this Agreement, without the prior written consent of Master Lessee, Property Manager shall not incur or permit to be incurred expenses under this Agreement (excluding only utility expenses, general real estate taxes, insurance premiums, financing costs and emergency expenses) that exceed ten percent (10%) of the applicable line item in the Budget. Property Manager shall promptly notify Master Lessee whenever Property Manager determines that the Budget or any line item in the Budget is insufficient to cover the expenses of operating the Property or the applicable expense category.

3.4 Reimbursable Costs. All costs incurred by Property Manager in the performance of its duties under this Agreement that are in accordance with the approved Budget, including, but not limited to, postage, copying, courier charges, bank charges, long distance telephone and other such costs as would normally be incurred in the operation of the Property at both the Property and corporate offices shall be reimbursed by Master Lessee, in addition to the Management Fee and other payments due hereunder.

3.5 Property Personnel. Property Manager may, at Master Lessee's expense and in accordance with the approved Budget, either itself or through an entity (hereinafter referred to as the "PM Entity") wholly owned by Property Manager, hire, employ, supervise, and discharge all employees required in connection with the operation and management of the Property. Property Manager or the PM Entity, as the case may be, shall provide and maintain, at Master Lessee's expense, so long as this Agreement is in force, workmen's compensation insurance in full compliance with all applicable state and federal laws and regulations.

Employees of the Property Manager or the PM Entity, as the case may be, may include the following:

3.5.1 Property Manager. A full-time person who is experienced in the administration and operation of apartment complexes of the size, character, and quality of the Property;

3.5.2 Others. Such other personnel to manage, operate and maintain the Property, including, but not limited to, an assistant property manager, leasing consultant, maintenance manager, administrative personnel, accounting personnel, grounds keepers, janitorial and custodial persons, and courtesy personnel, as Property Manager reasonably deems necessary or consistent with the level of service provided by other similar properties. All such personnel shall, except to the extent provided in the approved Budget, spend 100% of their work time on the operation and maintenance of the Property.

3.6 Contracts and Supplies. Property Manager shall, at Master Lessee's expense, at the lowest cost as in its judgment is consistent with good quality, workmanship and service standards, enter into contracts in its own name as agent for Master Lessee for the furnishing to the Property of required utility services, heating and air-conditioning services and other maintenance, pest control, and any other services and concessions which are reasonably required in connection with the maintenance and operation of the Property; provided, however, (i) that any contracts entered into by Property Manager, whenever practicable, shall be terminable at Property Manager's or Master Lessee's sole discretion within thirty (30) days by written notice unless Property Manager receives the prior written consent of Master Lessee to the contrary, (ii) if the amount payable monthly or for any given month pursuant to such contract exceeds \$10,000, Property Manager shall obtain Master Lessee's written approval thereof prior to entering into such contract (such approval shall be deemed granted if not disapproved in writing by Master Lessee within five (5) days of Property Manager's request for approval) and (iii) if the contract is with an affiliate the relationship must be disclosed to the Master Lessee and the terms must be as favorable as those that would be obtained if the transaction were at arm's length. Each of such contracts shall state that Property Manager is acting as a special limited agent of Master Lessee having only the express powers that are delegated and authorized pursuant to this Agreement. When taking bids, Property Manager shall use all reasonable efforts to secure for and credit to Master Lessee, any discounts, commissions, or rebates obtainable as a result of such purchases or services. Property Manager shall use all reasonable

efforts to make purchases and (where necessary or desirable) let bids for necessary labor and materials at the lowest possible cost as in its judgment is consistent with good quality, workmanship, and service standards. In addition, Property Manager shall use reasonable efforts to purchase goods and services through Property Manager's or, if so directed by Master Lessee, Master Lessee's national purchasing agreements, where applicable.

3.7 Right to Subcontract Property Management Functions. Notwithstanding any other provision hereof, Property Manager may subcontract all day-to-day, on-site management, leasing, and related functions for the Property to a third-party sub-manager (the "Property Sub-Manager"), which will be paid a market-rate monthly fee as specified in Section 4.1 hereof.

3.8 Alterations, Repairs and Maintenance.

3.8.1 Budgeted Repairs/Emergency Repairs. Property Manager shall, at Master Lessee's expense, perform or cause to be performed all necessary or desirable repairs, maintenance, cleaning, painting and decorating, alterations, replacements and improvements in and to the Property as are customarily made by property managers in the operation of properties of the kind, size and quality of the Property; provided, however, that no unbudgeted alterations, additions or improvements involving a fundamental change in the character of the Property or constituting a major new construction program shall be made without the prior written approval of Master Lessee. In addition, no unbudgeted expenditure in excess of \$25,000 per item or a total of \$75,000 in any Fiscal Year shall be made for such purposes without the prior written approval of Master Lessee. However, emergency repairs involving manifest danger to life or property, or immediately necessary for the preservation or the safety of the Property, or for the safety of the tenants of the Property or required to avoid the suspension of any necessary service to the Property or required by any judicial or governmental authority having jurisdiction, may be made by the Property Manager without prior approval and regardless of the cost limitations imposed by this Section 3.8.1. Property Manager shall as soon as practicable give written notice to Master Lessee of any such emergency repairs for which prior approval is not required.

3.8.2 Capital Improvements. In accordance with the terms of the approved Budget or upon written request and/or approval of Master Lessee, Property Manager shall, from time to time during the Term hereof, at Master Lessee's expense, supervise the performance of all required capital improvements, replacements or repairs to the Property but nothing herein shall be deemed to require Property Manager to serve as a construction manager or general contractor for such improvements or repairs or replacements nor shall Property Manager have any responsibility for any of the work performed in connection with such improvements or repairs or replacements. If Property Manager is required to perform extraordinary services in connection with such improvements, repairs or replacements, Property Manager shall be entitled to a capital improvement management fee to be negotiated in good faith by the parties hereto at such time.

3.8.3 Defects and Warranties. Property Manager shall give Master Lessee written notice of any material defect, casualty or a taking in or of the Property and all parts thereof known to Property Manager promptly after any of the foregoing comes to Property Manager's attention, including, without limitation, material defects in the roof, foundation, or walls of the Property or in the sewer, water, electrical, structural, plumbing, heating, ventilation, or air conditioning systems. Property Manager shall make periodic visual inspections of the Property consistent with its on-site employees' expertise.

3.9 Licenses and Permits. Property Manager shall, at Master Lessee's expense, obtain and maintain in the name of Master Lessee all licenses and permits required of Master Lessee or Property Manager in connection with the management and operation of the Property. Master Lessee agrees to execute and deliver any and all applications and other documents and to otherwise cooperate with Property Manager in applying for, obtaining and maintaining such licenses and permits.

3.10 Compliance with Laws. Property Manager shall comply with all applicable laws, regulations and requirements of any federal, state or municipal government having jurisdiction with respect to the maintenance or operation of the Property by Property Manager in accordance with its obligations under this Agreement.

3.11 Legal Proceedings. Property Manager may, to the extent permitted by law, terminate a lease, lock out a tenant, and institute proceedings for recovery of possession, in the ordinary course of business, without the prior written approval of Master Lessee. Property Manager may institute suit for rent or damages against a tenant without the prior written approval of Master Lessee. All such suits or proceedings shall, to the extent permitted by law, be brought in the name of Property Manager, as agent for Master Lessee, and shall be handled as determined by Property Manager. Master Lessee shall pay all expenses incurred by Property Manager, including, but not limited to, reasonable attorney's fees and any liability, fines, penalties or the like, in connection with any claim, proceeding, or suit involving an action against a tenant or an alleged violation by the Property Manager or Master Lessee, or both, of any law pertaining to fair employment, fair credit reporting, environmental protection, rent control, taxes, including, but not limited to, any law prohibiting or making illegal discrimination on the basis of race, sex, family status, creed, color, religion, national origin, or mental or physical handicap; provided, however, that Master Lessee shall not be responsible to Property Manager for any such expenses in the event Property Manager is finally adjudged to have violated any such law. Nothing contained in this Agreement shall obligate Property Manager to employ legal counsel to represent Master Lessee in any such proceeding or suit. Master Lessee shall pay reasonable expenses incurred by Property Manager in obtaining legal advice required in Property Manager's reasonable discretion.

3.12 Inventory. Property Manager shall maintain a current inventory of all equipment supplies, furnishings, furniture and all other items of personal property now or hereafter owned by Master Lessee and located upon or used, or useful for, or necessary or adapted for the operation of the Property.

3.13 Signs. Master Lessee agrees to allow Property Manager to place one or more signs on or about the Property stating that Property Manager is the management and leasing agent for the Property. All such signs and locations thereof shall be subject to Master Lessee's prior approval, not to be unreasonably withheld.

3.14 Intentionally Omitted.

3.15 Limitation of Liability. Property Manager assumes no liability whatsoever for any acts or omissions of Master Lessee, or any previous owners or Master Lessees of the Property, or any previous management or other agent of either (other than Property Manager and affiliates of Property Manager). Property Manager assumes no liability for any failure of, or default by, any tenant in the payment of any rent or other charges due Master Lessee or in the performance of any obligations owed by any tenant to Master Lessee pursuant to any lease or otherwise. Except to the extent resulting from the gross negligence or willful act or omission of Property Manager, Property Manager assumes no liability for any violations of environmental or other regulations which may occur during the period this Agreement is in effect. Any such regulatory violations or hazards discovered by Property Manager shall be brought to the attention of Master Lessee in writing.

ARTICLE 4 FEES

4.1 Management Fee. As consideration for the performance by Property Manager of its service under this Agreement, Master Lessee agrees to pay to Property Manager for each month during the Term of this Agreement a monthly property management fee based on the Gross Receipts (as defined herein) for such month (the "Management Fee"). The Management Fee shall equal five percent (5.0%) of the monthly Gross Receipts.

The term "Gross Receipts" shall mean the entire amount of all receipts, determined on a cash basis, from (a) tenant rentals, parking rent and other charges collected pursuant to tenant leases for each month during the Term hereof; provided, however, that there shall be excluded from tenant rentals any refundable tenant security deposits (except as provided below); (b) income from the operation of the Property, including but not limited to (to the extent of the excess over the amounts paid by Master Lessee or Landlord to the applicable provider of the associated service) utility reimbursements, cable television, telephone, internet access, security monitoring, laundry and vending machines; (c) cleaning, tenant security and damage deposits forfeited by tenants in such period; (d) proceeds from rental interruption insurance; and (e) any other sums and charges collected in connection with termination of the tenant

leases. Gross Receipts do not include the proceeds of (i) any sale, exchange, refinancing, condemnation, or other disposition of all or any part of the Property; (ii) any loans to the Master Lessee or Landlord whether or not secured by all or any part of the Property; (iii) any capital contributions to the Master Lessee or Landlord; (iv) any insurance (other than rental interruption insurance) maintained with regard to the Property; (v) proceeds of casualty insurance or damage claims as a result of damage or loss to the Property; (vi) condemnation awards received pursuant to a government taking of all or any portion of the Property; (vii) lump sum upfront and/or recurring payments paid by ancillary income providers (e.g. laundry, cable, antenna); and (viii) revenue generated from contracts negotiated by the Master Lessee or Landlord and managed by Property Manager or a third party. The Master Lessee hereby acknowledges that the Management Fee is fair and reasonable for the services to be performed by Property Manager under this Agreement.

4.2 Payment of Management Fee. Provided that Property Manager is not in default under this Agreement, Property Manager shall be entitled to pay itself the monthly Management Fee from the bank accounts referred to in Section 5.1 hereof.

4.3 Intentionally Omitted.

4.4 Additional Compensation. In addition to the compensation provided to the Property Manager in this Section 4, Property Manager shall be entitled to compensation for such specific additional services as may be agreed upon, including, without limitation, adjustment of fire claims, condemnation claims and construction services beyond the normal course of business.

ARTICLE 5 PROCEDURE FOR HANDLING RECEIPTS

5.1 Receipts and Disbursements. All monies received by Property Manager for or on behalf of Master Lessee in connection with the operation or management of the Property shall be promptly deposited by Property Manager in a bank account or accounts established by Property Manager (collectively, the "Operating Account"). Property Manager shall withdraw and pay from the Operating Account such amounts at such times as the same are required in connection with the management and operation of the Property in accordance with the provisions of this Agreement. All monies in the Operating Account are the property of Master Lessee, to be held by Property Manager in trust for Master Lessee in an account designated as "Agent for Master Lessee" and disbursed in accordance with this Agreement. A separate account for tenant security deposits shall be established if required by applicable law or Master Lessee.

5.2 Authorized Signatories. Designated officers and representatives of Property Manager shall be authorized signatories on the Operating Account and shall have authority to make withdrawals from the Operating Account, subject to the terms of this Agreement. Property Manager shall maintain insurance under a policy acceptable to Master Lessee for employee errors, omissions, and fidelity coverage (covering, without limitation, losses due to theft or embezzlement) for not less than \$1,000,000 per occurrence and crime coverage for not less than \$1,000,000 per occurrence. Any changes in such insurance must be approved by Master Lessee.

ARTICLE 6 ACCOUNTING

6.1 Books and Records. Property Manager shall maintain on a modified cash basis at the corporate office of Property Manager, a comprehensive system of office records, books and accounts pertaining to the Property. On forty-eight (48) hours' prior written notice to Property Manager, all books and records relating to the Property shall be available for examination and copying by Master Lessee and its agents, accountants, and attorneys during regular business hours. Property Manager shall preserve all records, books and accounts for the period required by applicable law and at the end of such period shall deliver or make available to Master Lessee such records. All such records (including, without limitation, rent rolls and other revenue reports, accounts payable, financial statements, and related accounting records) shall, at all times, be the property of Master Lessee.

6.2 Periodic Statements; Audits.

- 6.2.1 Monthly Statements. On or before the twenty-fifth (25th) day of each calendar month, Property Manager shall deliver or cause to be delivered to Master Lessee (i) reports for the prior calendar month and for the fiscal year-to-date, and (ii) such other reports as Master Lessee may reasonably request.
- 6.2.2 Audit. In the event that Master Lessee requires an audit, it will be at Master Lessee's expense. The Property Manager shall reasonably cooperate with the auditors.
- 6.2.3 Other Statements. Master Lessee may request, and Property Manager shall provide, such weekly, monthly, quarterly and/or annual leasing and management reports that relate to the operations of the Property as Master Lessee may reasonably request in writing.

**ARTICLE 7
INSURANCE**

7.1 Insurance and Indemnities.

- 7.1.1 Coverages. Property Manager shall, at its own expense, procure and keep in effect during the term of this Agreement, Property and Casualty Insurance and general liability insurance with limits as required by the Master Lease, which insurance shall be primary in all instances. Master Lessee shall be included as a party to be given copies of all notices under the liability insurance policies. Master Lessee will be covered as an additional insured in the general liability insurance policies maintained with respect to the Property.

Property Manager will provide the Master Lessee with certificates of insurance or other satisfactory documentation, which evidence that the insurance required under this Agreement is in full force and effect at all times. All policies required under this Agreement must be endorsed to provide that thirty (30) days' advance notice of cancellation (ten (10) days' advance notice for non-payment of premium) or material change will be given to Master Lessee. All insurance required hereunder shall: (i) be written with companies acceptable to Master Lessee, which companies shall be licensed to do business in the state in which the Property is located, and (ii) include a clause providing that the insurer waives all rights of subrogation against Master Lessee with respect to losses payable under such policies.

The Master Lessee shall furnish whatever information is reasonably requested by Property Manager for the purpose of establishing the placement of insurance coverages described herein and shall aid and cooperate in every reasonable way with respect to such insurance and any loss thereunder. Property Manager shall include in its hazard policy covering the Property, the personal property, fixtures, and equipment located thereon (whether owned by Property Manager or Master Lessee), appropriate clauses pursuant to which the insurance carriers shall waive the rights of subrogation with respect to losses payable under such policies.

- 7.1.2 Property Manager Indemnity. The Property Manager shall indemnify, defend (with counsel reasonably satisfactory to Master Lessee) and save Master Lessee and Landlord harmless from and against any and all claims arising from Property Manager's and its officers', directors', members', managers', shareholders', agents', contractors', representatives' (including Property Sub-Manager) or employees' intentional or willful acts or gross negligence in performing its responsibilities hereunder and from and against all costs, reasonable attorneys' fees, expenses and liabilities incurred in the defense of any claim or any action or proceeding brought as a result of any such claim.

7.1.3 Master Lessee Indemnity. Property Manager agrees:

- 7.1.3.1 to notify Master Lessee within five (5) business days after Property Manager receives notice of any loss, damage, or injury occurring on or about the Property;
- 7.1.3.2 take no action (such as admission of liability) which bars Master Lessee from obtaining any protection afforded by any policy Master Lessee may hold; and
- 7.1.3.3 that Master Lessee shall have the exclusive right to conduct the defense to any claim, demand, or suit within limits prescribed by the policy or policies of insurance.

Provided Property Manager complies with the provisions of this Section 7.1.3, Master Lessee shall indemnify, defend and save Property Manager harmless from all loss, damage, cost, expense (including attorneys' fees), liability, or claims for personal injury or property damage incurred or occurring in, on, or about the Property, except for any losses brought about by the intentional or willful acts or gross negligence on the part of the Property Manager, its officers, directors, members, managers, shareholders, agents, contractors, representatives or employees.

Master Lessee does hereby agree to the fullest extent permitted by law, to indemnify, defend, and save Property Manager harmless from and against any injuries to person (including, without limitation, death) occurring at any time, any loss, damage, and expense to property (including, without limitation, loss of use thereof), and any claim, cost, penalty, fine, order of injunctive relief, expense or liability of any nature (including, without limitation, actual attorneys' fees, fees of environmental consultants and laboratory fees, and any other costs incurred in the investigation, defense and settlement of claims, and natural resource damages) caused by, arising out of, resulting from or occurring in connection with, wholly or in part, and whether in time prior to, after or on the date of this Agreement, the alleged exposure to or alleged presence, disposal, release, or threatened release of any Regulated Substance (as hereinafter defined) from, at or about the Property or attributable, in whole or in part, to Master Lessee's action or inaction or the action or inaction of Master Lessee's employees, agents, contractors, lessees, or invitees or trespassers (other than the Property Manager); and any condition caused by or which may be attributable to any Regulated Substance, other than those caused by the gross negligence or willful act or omission of Property Manager, its officers, directors, members, managers, shareholders, agents, contractors, representatives or employees.

The term "Regulated Substance" as used herein means (a) any substance, material, or waste that is regulated under any federal, state, or local statute, regulation, ordinance, guidance, or order pertaining to environmental protection or the protection of the public health, safety and/or welfare, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9601 *et seq.* the Solid Waste Disposal Act, 42 U.S.C. §§ 6901 *et seq.*; the Clean Air Act, 42 U.S.C. §§ 7401 *et seq.* the Federal Water Pollution Control Act, 33 U.S.C. §§ 125 1-1387; the Emergence Planning and Community Right-to-Know Act, 42 U.S.C. §§ 1101 *et seq.* the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 *et seq.* the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §§ 136-136y; and the Toxic Substances Control Act, 15 U.S.C. §§ 2601-2692; and such statute, regulation, ordinance, or order as now amended or hereafter may be amended; and (b) any substance whatsoever that may pose, now or hereafter, a threat of risk of harm to human health, the environment, or the soils, geologic materials, air, surface water, or groundwater, including, without limitation, the presence or release of radon, noxious or nuisance gases or particles, asbestos or asbestos-containing material, equipment or material containing or consisting of poly- or mono-chlorinated biphenyls, fiberglass, formaldehyde, urea formaldehyde foam, lead, petroleum and petroleum products, or natural gas or natural gas products.

7.2 Survival. The provisions of this Article 7 shall survive any cancellation, termination or expiration of this Agreement and shall remain in full force and effect until such time as the applicable statute of limitations shall have expired for all demands, claims, actions, damages, losses, liabilities, or expenses which are the subject of the provisions of this Article 7.

**ARTICLE 8
DEFAULT; TERMINATION**

8.1 Default. Upon the occurrence of any default under this Agreement by a party (“Defaulting Party”), and after giving notice of default and opportunity to cure as provided below, the non-defaulting party shall be entitled to terminate this Agreement immediately in addition to any remedy such party may have at law or in equity. A Defaulting Party shall be entitled to cure a monetary default within five (5) days after receipt of written notice of such default, or, in the case of a non-monetary default, within fifteen (15) days after such notice provided that the Defaulting Party proceeds to diligently cure such default upon receipt of such notice.

8.2 Bankruptcy, Insolvency.

8.2.1 If either party shall file a petition in bankruptcy or for a reorganization or arrangement or other relief under the United States Bankruptcy Code or any similar statute, or if any such proceeding shall be filed against either party and is not dismissed or vacated within sixty (60) days after its filing, or if a court having jurisdiction shall issue an order or decree appointing a receiver, custodian or liquidator for a substantial part of the property of either party which decree or order remains in force undischarged and un-stayed for a period of sixty (60) days, or if either party shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts as they become due, the other party may terminate this Agreement upon five (5) days’ written notice.

8.2.2 Master Lessee and Property Manager have entered into this Agreement in reliance upon the unique knowledge, experience, and expertise of the other party and in reliance upon the duties of loyalty and confidentiality which each party hereby agrees to undertake. Except as otherwise expressly provided in this Agreement, neither party shall be required to accept performance under this Agreement from any person, including, without limitation, Master Lessee or Property Manager, as the case may be, should it become a debtor in possession under the United States Bankruptcy Code, or any trustee of either appointed under the United States Bankruptcy Code and any assignee of such party or trustee, other than the other party.

8.3 Disposition of the Property. Master Lessee may terminate this Agreement, immediately upon any disposition of the Property.

**ARTICLE 9
SUBORDINATION TO MORTGAGES**

9.1 Subordination. This Agreement and Property Manager’s interest and rights hereunder, are and shall be subject and subordinate at all times to the lien of any mortgage, whether now existing or hereafter created on or against the Property, and all amendments, restatements, renewals, modifications, consolidations, re-financings, assignments and extensions thereof (“Security Documents”) without the necessity of any further instrument or act on the part of the Property Manager. Property Manager agrees, at the election of the holder of any such Security Documents (the “Secured Party”), to attorn to the Secured Party. The term “mortgage” as used herein shall be deemed to include deeds of trust, security assignments and any other encumbrances, and any reference to the “holder” of a Security Document shall be deemed to include the beneficiary under a deed of trust. Notwithstanding the foregoing, nothing herein shall obligate the Property Manager to continue its performance under this Agreement unless it has been paid, and continues to be paid, in accordance with the terms of this Agreement.

9.2 Rights after Events of Default. Upon an Event of Default (as such term is defined in any Security Document), and provided that it continues to be paid in accordance with the terms of this Agreement, the Property Manager shall continue to perform its obligation under this Agreement until the earlier to occur of (a) the termination of this Agreement with respect to the Property or the termination of this Agreement in accordance with the terms hereof, or (b) the Secured Party’s (or its assignee’s or nominee’s) acquisition of title to the Property through foreclosure, a deed-in-lieu thereof, or otherwise. On and after an Event of Default, there shall be no material changes in the terms and conditions of this Agreement without the prior written consent of the Secured Party.

10.9 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

10.10 Confidentiality. Property Manager shall maintain the confidentiality of all matters pertaining to this Agreement and all operations and transactions relating to the Property.

10.11 Time. Time is of the essence in the performance of this Agreement.

10.12 Corporate Authority of Property Manager. Property Manager represents and warrants that (a) Property Manager is a limited liability company duly organized and validly existing and is in good standing under the laws of the State of Michigan; and (b) Property Manager has full power, authority, and legal right to execute, deliver and perform this Agreement and to perform all of its obligations hereunder.

10.13 Corporate Authority of Master Lessee. Master Lessee represents and warrants that (a) Master Lessee is a limited liability company, duly organized and validly existing and is in good standing under the laws of the State of Delaware and (b) Master Lessee has full power, authority, and legal right to execute, deliver and perform this Agreement and to perform all of its obligations hereunder.

10.14 Industrial Lease at the Property. The parties to this Agreement, recognize that the Property is subject to two leases with industrial tenant. The Property Manager's rights and obligations are subject to the terms of such leases and rights and obligations therein of such industrial tenants.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered as of the date first above written.

PROPERTY MANAGER:

BLUEROCK PROPERTY MANAGEMENT, LLC,
a Michigan limited liability company

By: ~~Bluerock Real Estate, L.L.C.,~~
a Delaware limited liability company,
its Manager

By: _____
Name: Jordan Ruddy
Title: Authorized Signatory

MASTER LESSEE:

BIGR 13202 E. ADAM AIRCRAFT CIRCLE LEASECO,
LLC, a Delaware limited liability company

By: ~~BIGR 13202 E. Adam Aircraft Circle Leaseco~~
~~Manager, LLC, a Delaware limited liability company,~~
its Manager

By: _____
Name: *Jordan Ruddy*
Title: Authorized Signatory

**FIRST AMENDMENT TO THE
PROPERTY MANAGEMENT AGREEMENT**

This **FIRST AMENDMENT TO THE PROPERTY MANAGEMENT AGREEMENT** (this “Amendment”) is made and entered into as of August 10, 2022 (the “Amendment Date”) by and between BGR 13202 E. ADAM AIRCRAFT LEASECO, LLC, a Delaware limited liability company (“Master Lessee”) and BLUEROCK PROPERTY MANAGEMENT, LLC, a Michigan Limited Liability Company (“Property Manager”).

BACKGROUND INFORMATION:

WHEREAS, the Master Tenant and Property Manager entered into that certain Property Management Agreement dated as of June 29, 2022 (the “Property Management Agreement”);

WHEREAS, pursuant to the Property Management Agreement, Master Lessee granted to Property Manager, as an independent contractor, the sole and exclusive right to manage and operate the industrial project referred to as the “Project” in that certain Master Lease (the “Master Lease”), dated June 29, 2022, between BR 13202 E. Adam Aircraft Circle, DST, a Delaware statutory trust (the “Landlord”) as landlord and Master Lessee as tenant (such industrial Project, for purposes of this Amendment, the “Property”); and

WHEREAS, the Master Tenant and Property Manager desire to amend the Property Management Agreement to incorporate the terms contained herein.

NOW, THEREFORE, the parties do hereby agree as follows:

1. Property Manager. Section 3.5.1 shall be deleted in its entirety and replaced with the following:

3.5.1 Property Manager. A full-time person who is experienced in the administration and operation of properties of the size, character, and quality of the Property;

2. Right to Subcontract Property Management Functions. Section 3.7 shall be deleted in its entirety and replaced with the following:

3.7 Right to Subcontract Property Management Functions. Notwithstanding any other provision hereof, Property Manager may subcontract all day-to-day, on-site management, leasing, and related functions for the Property to a third-party sub-manager (the “Property Sub-Manager”), which will be paid a market-rate monthly fee.

3. Property Management Fee. Section 4.1 shall be deleted in its entirety and replaced with the following:

4.1 Management Fee. To the extent the leases at the Property allow for a property management (or similar) fee, the Master Lessee agrees to pay to Property Manager for each month during the Term of this Agreement a monthly property management fee based on the

Gross Receipts (as defined herein) for such month (the "Management Fee"). The Management Fee shall be determined from time to time by the Property Manager in its sole discretion and shall be no more than five percent (5.0%) of the monthly Gross Receipts, provided that the Property Management fee shall be generally consistent with the property management fees charged for property management services between similarly situated unrelated parties.

The term "Gross Receipts" shall mean the entire amount of all receipts, determined on a cash basis, from (a) tenant rentals, parking rent and other charges collected pursuant to tenant leases for each month during the Term hereof; provided, however, that there shall be excluded from tenant rentals any refundable tenant security deposits (except as provided below); (b) income from the operation of the Property, including but not limited to (to the extent of the excess over the amounts paid by Master Lessee or Landlord to the applicable provider of the associated service) utility reimbursements, cable television, telephone, internet access, security monitoring, laundry and vending machines; (c) cleaning, tenant security and damage deposits forfeited by tenants in such period; (d) proceeds from rental interruption insurance; and (e) any other sums and charges collected in connection with termination of the tenant leases. Gross Receipts do not include the proceeds of (i) any sale, exchange, refinancing, condemnation, or other disposition of all or any part of the Property; (ii) any loans to the Master Lessee or Landlord whether or not secured by all or any part of the Property; (iii) any capital contributions to the Master Lessee or Landlord; (iv) any insurance (other than rental interruption insurance) maintained with regard to the Property; (v) proceeds of casualty insurance or damage claims as a result of damage or loss to the Property; (vi) condemnation awards received pursuant to a government taking of all or any portion of the Property; (vii) lump sum upfront and/or recurring payments paid by ancillary income providers (e.g. laundry, cable, antenna); and (viii) revenue generated from contracts negotiated by the Master Lessee or Landlord and managed by Property Manager or a third party. The Master Lessee hereby acknowledges that the Management Fee is fair and reasonable for the services to be performed by Property Manager under this Agreement.

4. Payment of Management Fee. Section 4.2 shall be deleted in its entirety and replaced with the following:

4.2 Payment of Management Fee. If applicable pursuant to Section 4.1, and provided that Property Manager is not in default under this Agreement, Property Manager shall be entitled to pay itself the monthly Management Fee from the bank accounts referred to in Section 5.1 hereof. Additionally, the Property Manager may elect to defer the Management Fee and be paid less than the full amount of the Management Fee to which it is entitled under this Agreement, in which event the Property Manager may also elect to accrue such amounts, without interest, to be paid at a later point in time. Any deferred and accrued Management Fees shall be due and payable in full upon a disposition of the Property from the proceeds of the sale thereof.

5. Miscellaneous.

(a) The parties may execute this Amendment in any number of multiple counterparts, each of which is to be deemed an original and all of which taken together constitute

a single agreement. The parties further agree that signatures transmitted by facsimile or electronic mail shall be taken as originals.

(b) All of the provisions of this Amendment and of the Property Management Agreement are in all respects (including, but not limited to, all matters of construction, interpretation, performance, breach, and the consequences of breach) to be governed by and construed in accordance with the internal, substantive laws, without regard to any rules or principles concerning any conflicts of laws, of the State of Delaware.

(c) The provisions of this Amendment supersede any and all other communications among the parties concerning the subject matter hereof, and constitutes the sole and entire agreement among the parties with respect to such subject matter.

(d) In the event of any inconsistency between the Property Management Agreement and this Amendment, the terms of this Amendment shall control. Except as otherwise modified herein, all terms and conditions in the Property Management Agreement shall remain in full force and effect.

(e) Capitalized terms used but not defined herein shall have the respective meanings assigned in the Property Management Agreement.

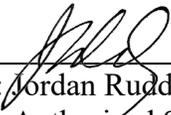
[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

PROPERTY MANAGER:

BLUEROCK PROPERTY MANAGEMENT, LLC,
a Michigan limited liability company

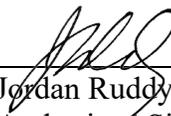
By: Bluerock Real Estate, L.L.C.,
a Delaware limited liability company,
its Manager

By:  _____
Name: Jordan Ruddy
Title: Authorized Signatory

MASTER LESSEE:

BIGR 13202 E. ADAM AIRCRAFT CIRCLE
LEASECO, LLC, a Delaware limited liability
company

By: Bigr 13202 E. Adam Aircraft Circle Leaseco
Manager, LLC, a Delaware limited liability
company,
its Manager

By:  _____
Name: Jordan Ruddy
Title: Authorized Signatory

[END OF SIGNATURES]

**EXHIBIT D
TAX OPINION**

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August 10, 2022

Asia PacificBangkok
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Ho Chi Minh City
Hong Kong
Jakarta
Kuala Lumpur*
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Tokyo
YangonBR Diversified Industrial Portfolio I, DST
c/o Bluerock Real Estate, L.L.C.
1345 Avenue of the Americas,
32nd Floor, Suite B
New York, NY 10105**Europe, Middle East
& Africa**Abu Dhabi
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Cairo
Casablanca
Doha
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Madrid
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Paris
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Riyadh*
Rome
St. Petersburg
Stockholm
Vienna
Warsaw
Zurich**RE: BR Diversified Industrial Portfolio I, DST**

Ladies and Gentlemen:

BR Diversified Industrial Portfolio I Investment Co, LLC, a Delaware limited liability company (the “Company”), BIGR Exchange TRS, LLC, a Delaware limited liability company and an affiliate of the Company (the “Sponsor”), and BR Diversified Industrial Portfolio I, DST (the “Parent Trust”) have retained Baker & McKenzie LLP as special tax counsel to address certain federal income tax consequences and render opinions on specific federal income tax issues in connection with the proposed transactions described in the Confidential Offering Memorandum for Interests in the Parent Trust (the “Memorandum”). Unless otherwise indicated, all capitalized terms used herein and not otherwise defined have the meanings set forth in the Memorandum.

In formulating our opinion, we have reviewed the following documents: (i) the Memorandum; (ii) the Amended and Restated Parent Trust Agreement and the Amended and Restated Operating Trust Agreements (collectively, the “Trust Agreements”); (iii) the form Limited Liability Company Agreements; (iv) the Master Leases (the “Leases”); (v) the form Investor Questionnaire & Purchase Agreement; (vi) the Loan Documents; and (vii) the documents related to the Bridge Financing (collectively, the “Transaction Documents”). We have also assumed that the representations set forth in the letter addressed to us and signed on behalf of the Company on August 9, 2022 (the “Representation Letter”), are true, complete and correct in all respects as of the date hereof.

Based on our review of the Transaction Documents and the Representation Letter, it is our opinion that (i) the Parent Trust and the Operating Trusts should be treated as investment trusts described in Treasury Regulations Section 301.7701-4(c)¹ that are classified as “trusts” under Treasury Regulations Section 301.7701-4(a), (ii) the Beneficial Owners should be treated as “grantors” of the Parent Trust and the Operating Trusts, (iii) as “grantors” of the Parent Trust and Operating Trusts, the Beneficial Owners should be treated as owning an undivided fractional interest in the Properties for federal income tax purposes, (iv) the Interests should not be treated as securities for purposes of Section 1031, (v) the Interests should not be treated as certificates of trust or beneficial interests for

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** In cooperation with
Trench, Rossi e Watanabe
Advogados

¹ All section references provided for herein refer to the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated thereunder.

purposes of Section 1031, (vi) the Leases should be treated as true leases and not financings for federal income tax purposes, (vii) the Leases should be treated as true leases and not deemed partnerships for federal income tax purposes, (viii) the discussions of the federal income tax consequences contained in the Memorandum are correct in all material respects, and (ix) certain judicially created doctrines should not apply to change the foregoing conclusions.

Our opinion does not address, and should not be viewed as expressing any opinion concerning, whether the acquisition of an Interest will, in light of the facts and circumstances applicable to a specific Purchaser, constitute the acquisition of like-kind replacement property by any Purchaser in a transaction that qualifies for nonrecognition of gain or loss under Section 1031.

DISCUSSION

Section 1031(a)(1) provides that “[n]o gain or loss shall be recognized on the exchange of real property held for productive use in a trade or business or for investment if such real property is exchanged solely for real property of like kind which is to be held either for productive use in a trade or business or for investment.” Nonrecognition treatment does not apply, however, if the interests in the property being exchanged are, *inter alia*, regarded as interests in a partnership, securities, or certificates of trust or beneficial interests.² Section 1031 does not expressly address the treatment of interests in a Delaware Statutory Trust (“DST”).

The Internal Revenue Service (the “IRS”) concluded in Revenue Ruling 2004-86³ that, under the limited circumstances set forth therein, beneficial owners of a DST that in turn owns real estate will be treated as owning a direct interest in such real estate for purposes of the nonrecognition provisions of Section 1031. In order to reach this conclusion, the IRS determined that (i) the DST described therein will be treated as an investment trust under Treasury Regulations Section 301.7701-4(c) that is classified as a “trust” under Treasury Regulations Section 301.7701-4(a), and (ii) the beneficial owners of the DST are “grantors” and, as such, are treated as owning direct interests in the DST’s property for federal income tax purposes. We believe that the tax treatment of the Parent Trust, and the Operating Trusts held by the Parent Trust, and the Beneficial Owners (and the Interests

² Code § 1031(a)(2)(C), (D), (E) (1984). On December 22, 2017, the Tax Cuts and Jobs Act (the “TCJA”) was signed into law and significantly modified Section 1031 by limiting it to exchanges of real property not held primarily for sale. For exchanges completed after December 31, 2017, exchanges of personal property and intangible property do not qualify for a Section 1031 Exchange. Additionally, the TCJA eliminated specific language providing that exchanges of certain types of property (stock in trade or other property held primarily for sale, stocks, bonds, or notes, other securities, or evidences of indebtedness or interest; interests in a partnership; certificates of trust or beneficial interest, or choses in action) are excluded from Section 1031. Although the specific language providing for the exclusion of interests in a partnership, securities, or certificates of trust or beneficial interests has been eliminated from the statute, an analysis of these terms remains relevant to the analysis and conclusion set forth herein that the Beneficial Owners should be treated as owning real property for federal income tax purposes.

³ 2004-2 C.B. 191.

that are the subject of the Offering) should be the same as the DST and its beneficial owners were treated in Revenue Ruling 2004-86 for federal income tax purposes.

I. The Parent Trust and the Operating Trusts should be treated as investment trusts described in Treasury Regulations Section 301.7701-4(c) that are classified as “trusts” under Treasury Regulations Section 301.7701-4(a).

The Parent Trust and the Operating Trusts should be classified as “trusts” under Treasury Regulations Section 301.7701-4(a) because each (i) should be recognized as an entity separate from the Beneficial Owners for federal income tax purposes, and (ii) should be treated as an investment trust described in Treasury Regulations Section 301.7701-4(c).

A. The Parent Trust and the Operating Trusts each should be recognized as an entity separate from the Beneficial Owners for federal income tax purposes.

Whether an organization is an entity separate from its owners for federal income tax purposes is a matter of federal tax law and does not depend on whether the organization is recognized as an entity under local law.⁴ Thus, an entity formed under local law is not always recognized as a separate entity for federal income tax purposes.⁵ When participants in a venture form a state-law entity and avail themselves of the benefits of that entity for a valid business purpose, however, the entity generally will be recognized for federal income tax purposes.⁶

An entity formed under state law that acts as a mere agent of its owners will not be treated as an entity separate from its owners for federal income tax purposes. In *Commissioner v. Bollinger*,⁷ a corporation was treated as an agent of its owners where the corporation functioned merely as the nominal debtor and record title holder to mortgaged property. The shareholders entered into an agreement providing that (i) the corporation would hold title to the property as the shareholders’ nominee and agent solely to secure financing, (ii) the shareholders had sole control and responsibility for the mortgaged property, and (iii) the shareholders were the principals and owners of the property during its financing, construction, and operation. The Supreme Court held that the shareholders, rather than the corporation, were the owners of the property because the relationship between the shareholders and the corporation was, in both form and substance, an agency with the shareholders as principals.

Similarly, the IRS concluded in Revenue Ruling 92-105⁸ that an Illinois land trust was not to be treated as an entity separate from its owner for federal income tax purposes. A single taxpayer created an Illinois land trust and named a domestic corporation as trustee. The

⁴ Treas. Reg. § 301.7701-1(a)(1).

⁵ Treas. Reg. § 301.7701-1(a)(3).

⁶ See *Moline Properties, Inc. v. Commissioner*, 319 U.S. 436 (1943).

⁷ 485 U.S. 340 (1988).

⁸ 1992-2 C.B. 204.

taxpayer transferred legal and equitable title to real property to the trust, subject to the provisions of an accompanying land trust agreement. Under the agreement, the taxpayer (i) retained exclusive control of the management, operation, rental, and sale of the real property, together with an exclusive right to the earnings and proceeds from the real property, and (ii) was required to file all tax returns, pay all taxes, and satisfy any other liabilities with respect to the real property. Under Illinois law, there is no limitation on liability of a beneficiary of an Illinois land trust. Because the trustee's only responsibility was to hold and transfer title to the property at the direction of the beneficiary, and because the beneficiary retained the direct obligation to pay liabilities and taxes related to the property, the right to manage and control the property, as well as any liability with respect to the property, the IRS concluded that the Illinois land trust could not rise to the level of an "entity" separate from the beneficial owner for federal income tax purposes.

In contrast, the IRS concluded in Revenue Ruling 2004-86⁹ that the DST described therein was an entity that should be recognized as separate from its owners for federal income tax purposes. The IRS did so by looking to the powers, limitations and benefits that Delaware law accords to a DST and its beneficial owners. Under Delaware law, creditors of a beneficial owner in a DST may not assert claims directly against the property held by a DST; they can seek payment only from the beneficial owner herself. The property of a DST is subject to attachment and execution with respect to liabilities of the DST as if the DST were a corporation. A DST may sue or be sued. The beneficial owners of a DST are entitled to the same limitation on personal liability stemming from actions of a DST that is extended to stockholders of a corporation organized under Delaware law. A DST may merge or consolidate with or into one or more statutory entities or other business entities. Lastly, a DST can be formed for investment purposes. These powers and privileges afforded to a DST and the beneficial owners thereof, as well as the purpose of a DST, led the IRS to conclude that a DST is an entity separate from its owners for federal income tax purposes.¹⁰

Based on the authorities discussed above, the Parent Trust and the Operating Trusts each should be recognized as an entity separate from the Beneficial Owners. The Parent Trust and the Operating Trusts should not be viewed merely as agents of the Beneficial Owners because, unlike the trusts in *Bollinger* and Revenue Ruling 92-105, the Beneficial Owners have no right or power to direct in any manner the Parent Trust, the Operating Trusts or the Manager in connection with the operation of the Trusts or the actions of the Trustee or the Manager.¹¹ Specifically, the Beneficial Owners have no right or power to (i) contribute additional assets to the Parent Trust or the Operating Trusts (other than the initial contribution of cash in exchange for Interests), (ii) be involved in any manner in the operation or management of the Parent Trust or the Operating Trusts or their respective assets, (iii) cause the Parent Trust or the Operating Trusts to negotiate or renegotiate leases or loans, or (iv) cause the Parent Trust or the Operating Trusts to sell their respective assets and reinvest the proceeds of such sale.¹²

⁹ 2004-2 C.B. 191.

¹⁰ *Id.* (citing to Del. Code Ann. Title 12, §§ 3801-3824).

¹¹ *See* the Trust Agreements at §6.13.

¹² *Id.*

These requirements and prohibitions evidence an intent that the Parent Trust and the Operating Trusts be engaged in activities on their own behalf rather than as an agent of the Beneficial Owners. Lastly, because each of the Parent Trust and the Operating Trusts are organized as DSTs, the Beneficial Owners may avail themselves only of the limited powers and privileges afforded to a beneficial owner under Delaware law. Thus, the Parent Trust and the Operating Trusts (as DSTs) and the Beneficial Owners have substantially all of the same powers, limitations, and benefits as the trust that the IRS found to constitute an entity separate from its owners for federal income tax purposes in Revenue Ruling 2004-86. Accordingly, each of the Parent Trust and the Operating Trusts should be recognized for federal income tax purposes as entities separate from the Beneficial Owners.

B. The Parent Trust and the Operating Trusts should be treated as investment trusts described in Treasury Regulations Section 301.7701-4(c).

A trust arrangement generally will be classified as a “trust” rather than another form of business entity for federal income tax purposes if it can be shown that the purpose of the arrangement is to vest in trustees responsibility for the protection and conservation of property for beneficiaries who cannot share in the discharge of this responsibility and, therefore, are not associates in a joint enterprise for the conduct of a business for profit.¹³ A trust with a single class of ownership interests that provides no power to vary the investments of the trust is classified as an investment trust that is treated as a “trust” for federal income tax purposes.¹⁴ A trust with multiple classes of ownership interests that otherwise meets the description of an investment trust also will be classified as a “trust” for federal income tax purposes if the existence of multiple classes of ownership interests is incidental to the purpose of facilitating the direct investment in the trust’s assets.¹⁵ As discussed in greater detail below, the Parent Trust and the Operating Trusts should be treated as investment trusts described in Treasury Regulations Section 301.7701-4(c).

1. No power exists under the Trust Agreements for the Trustee or Manager to vary the investments of the Parent Trust or the Operating Trusts.

The courts and the IRS have considered the extent to which the powers granted under a trust arrangement exceed those required simply to protect and conserve property for the benefit of the beneficiaries. Two opinions issued by the Second Circuit on the same day generally are viewed as the leading judicial guidance on the distinction between a trust arrangement that meets the description of an investment trust and a trust arrangement granting the power to vary the investments held therein. Additionally, the IRS has issued several revenue rulings, the most relevant being Revenue Ruling 2004-86, that distinguish the limited arrangements that would constitute an investment trust from a broader grant of powers that prohibits classification as a “trust.” In all material respects, we believe that the powers granted to the Trustee and Manager in the Trust Agreements are consistent with

¹³ Treas. Reg. § 301.7701-4(a).

¹⁴ Treas. Reg. § 301.7701-4(c)(1).

¹⁵ *Id.*

the limited scope of powers applicable to an investment trust described in Treasury Regulations Section 301.7701-4(c).

a. Authorities.

(i) Case Law.

In *Commissioner v. Chase National Bank*,¹⁶ the court addressed whether a state-law trust arrangement should be classified as a “trust” for federal income tax purposes. In that case, the depositor purchased shares of the common stock of several corporations and made up “units” consisting of a number of shares of the common stock of each corporation. The “units” were deposited in a trust, and then certificates in the trust were sold to investors. The trustee was vested with all of the rights of ownership of the shares except that the depositor controlled the voting rights of the shares and the trust instrument governed and restricted the disposal of the shares. Under the terms of the trust instrument, property deposited into the trust was held until some disposition of it was made consistent with the terms of the trust instrument. Further, distributions of currently available funds were required. No purchases were to be made by the trustee by way of reinvestment of funds or otherwise. The Second Circuit found that the trust instrument “prevented the trusts from being, or becoming, more than what are sometimes called strict investment trusts.” The court concluded that the trust required “that the trust property was to be held for investment and not to be used as capital in the transaction of business for profit like a corporation organized for such a purpose. This distinction is what makes the difference tax-wise.”¹⁷

In another opinion released on the same day as *Chase National Bank*, the Second Circuit reached a different result. In *Commissioner v. North American Bond Trust*,¹⁸ the court recognized that, although the trust arrangement in the instant case was similar to the trust in *Chase National Bank*, the trust instrument in the instant case was slightly different because it provided the depositor with the power “in effect to change the investment of certificate holders at his discretion.”¹⁹ In making up new units, the depositor was not confined to the same bonds he had selected for the previous units. Additionally, the bonds of all units constituted a single pool in which each certificate holder shared according to his proportion of all the certificates issued. As a result, the money from new investors could be used to purchase new bond issues that would in turn reduce the existing certificate holders’ interests in the old bond issues. The depositor thus could take advantage of market variations in a manner that could improve the investment of the original investors through dilution of the original investment. Based on these facts, the court held that the depositor “had power, though a limited power, to vary the existing investments of all certificate holders at will...” and, accordingly, that the trust was treated as taxable as an association rather than as a fixed investment trust.²⁰

¹⁶ 122 F. 2d 540 (2d Cir. 1941).

¹⁷ *Id.* at 543.

¹⁸ 122 F.2d 545 (2d Cir. 1941), *cert. denied*, 314 U.S. 701 (1942).

¹⁹ *Id.* at 546.

²⁰ *Id.*

(ii) Revenue Ruling 2004-86.

The analyses and conclusions of the IRS in Revenue Ruling 2004-86 are consistent with the Second Circuit's holdings in the cases discussed above. Revenue Ruling 2004-86 considered the situation in which an individual (John) borrowed money from an unrelated lender (Bank) and signed a 10-year, interest-bearing nonrecourse note. John then used the proceeds of the loan to purchase rental real property, Blackacre, which was the sole collateral for the loan from the Bank. Immediately thereafter, John "net" leased the property to Mary for a term of 10 years.²¹ Under the terms of the lease, Mary was required to pay all taxes, assessments, fees or other charges imposed on Blackacre by federal, state or local authorities. In addition, Mary was required to pay all insurance, maintenance, ordinary repairs and utilities relating to Blackacre. Mary was free to sublease Blackacre to anyone she chose.

The rent paid by Mary to John was a fixed amount that could be adjusted by a formula described in the lease agreement that was based upon a fixed rate or an objective index, such as an escalator clause based upon the Consumer Price Index, but adjustment to the rate or index was not within the control of any of the parties to the lease. The rent paid by Mary was not contingent upon Mary's ability to lease the property or on her gross sales or net profits derived from Blackacre.²²

On the same date that John acquired Blackacre and leased it to Mary, John also formed a trust under Delaware law to which he contributed fee title to Blackacre after entering into the loan with the Bank and the lease with Mary. Upon contribution, the trust assumed John's rights and obligations under the loan from the Bank as well as under the lease with Mary. In accordance with the nonrecourse nature of the note, neither the trust nor any of its beneficial owners were personally liable to the Bank for the loan, which continued to be secured by Blackacre. The trust agreement provided that interests in the trust were freely transferable; however, interests in the trust were not publicly traded on an established securities market. The trust would terminate on the earlier of 10 years from the date of its creation or the disposition of Blackacre, but would not terminate on the bankruptcy, death or incapacity of any owner, or the transfer of any right, title or interest of the beneficial owners, of the trust.

The trust agreement authorized the trustee to engage in only those activities central to the collection, investment, and distribution of income arising from Blackacre. The trust agreement authorized the trustee to use trust funds to establish a reasonable reserve to pay expenses incurred in connection with holding Blackacre. The trustee was required to

²¹ The ruling does not indicate whether John is related to Mary, but given that the ruling states that Mary is not related to persons described in the ruling other than John, it can be assumed that she is related to him.

²² Although the lease from John to Mary is described in Revenue Ruling 2004-86 as a "net" lease, it is not clear whether the lessor or the lessee would be required to make capital improvements or major repairs to the property. Thus, the lease might be "double net," in which the lessor remains liable for certain capital improvements and repairs (such as repairs to the roof) instead of a "triple net" lease in which the lessee is responsible for the property in all events.

distribute on a quarterly basis all available cash less such reserves to each beneficial owner in proportion to their respective interests in the trust. The trustee was required to invest cash received from Blackacre between each quarterly distribution and all cash reserves in short-term obligations, i.e., maturing prior to the next quarterly distribution date, of (or guaranteed by) the United States or any agency or instrumentality thereof, and in certificates of deposit of any bank or trust company having a minimum stated surplus and capital. The trustee was required to hold such obligations until maturity. In addition to the right to a quarterly distribution of cash, each beneficial owner had the right to an in-kind distribution of its proportionate share of the property of the trust.

The trust agreement prohibited the trustee from engaging in activities beyond the scope of the collection, investment, and distribution of income arising from Blackacre. The trustee could not exchange Blackacre for other property, purchase assets other than the short-term investments described above or accept additional contributions of assets (including money) for the trust from the beneficiaries. The trustee could not renegotiate the terms of the debt used to acquire Blackacre and could not renegotiate the lease with Mary or enter into leases with tenants other than Mary, except in the case of Mary's bankruptcy or insolvency.²³ In addition, the trustee could make only minor non-structural modifications to Blackacre, unless otherwise required by law. The trust agreement further provided that the trustee could engage in ministerial activities to the extent required to maintain and operate the trust under local law. In addition, the trustee could not enter into a written agreement with John or indicate to third parties that the trustee (or the trust) is his agent.

Immediately after John contributed his interest in Blackacre to the trust, he conveyed his entire interest in the trust to Dan and Michelle in exchange for interests in Whiteacre and Greenacre, respectively. Dan and Michelle were not related to the Bank or Mary (the lessee of Blackacre), and neither the trustee nor the trust was an agent of Dan or Michelle. Dan and Michelle desired to treat their acquired interests in the trust as replacement property pursuant to a Section 1031 like-kind exchange for their relinquished properties, Whiteacre and Greenacre, respectively.

Neither the trust, nor the trustee entered into a written agreement with John, Dan, or Michelle creating an agency relationship and in dealings with third parties, neither the trust nor the trustee represented itself as an agent of John, Dan, or Michelle.

To determine whether the trust arrangement qualified as an investment trust classified as a "trust" for federal income tax purposes, the IRS examined whether the trust agreement granted the power to vary the investment of the trust's beneficial interest holders. Because the duration of the trust was the same as the duration of the loan and the lease that were assumed by the trust at the time of its formation, the financing and leasing arrangements

²³ Revenue Ruling 2004-86, in its statement of facts, expressly provides that "[t]he trustee may not renegotiate the terms of the debt used to acquire [the property] and may not renegotiate the lease with [the master tenant] or enter into leases with tenants other than [the master tenant], except in the case of [the master tenant's] bankruptcy or insolvency." We believe the correct interpretation of this provision is that the exception applies to renegotiating the financing as well as new leases.

of the trust and its assets (Blackacre) were fixed for the entire life of the trust. Furthermore, the trustee was permitted to invest only in short-term obligations that mature prior to the next quarterly distribution date and was required to hold these obligations until maturity. Because the trust agreement required that (i) any cash from Blackacre, and any cash earned on short-term obligations held by the trust between distribution dates, be distributed quarterly, (ii) no cash could be contributed to the trust by the beneficiaries, (iii) the trust could not borrow any additional money, and (iv) the disposition of Blackacre would result in the termination of the trust, the IRS concluded that there was no possibility of the reinvestment of money under the trust agreement.

In the Revenue Ruling's analysis, the IRS emphasized that the trustee's activities were limited to the collection and distribution of income. The trustee could not exchange Blackacre for other property, purchase assets other than short-term investments, or accept any additional contributions of assets (including money) for the trust. The trustee could not renegotiate the terms of the debt used to acquire Blackacre and could not renegotiate the lease with Mary or enter into leases with tenants other than Mary, except in the case of her bankruptcy or insolvency. In addition, the trustee could make only minor non-structural modifications to its property except to the extent required by law. The IRS observed that the trustee had none of the powers that would indicate an intent to carry on a profit-making business. Accordingly, the IRS concluded that the trustee had no power to vary the investment of the beneficiaries of the trust, which is consistent with the description of an investment trust classified as a "trust" for federal income tax purposes.

The IRS expressly warned in Revenue Ruling 2004-86 that the trust arrangement would not have qualified as an investment trust, and therefore would not have been classified as a "trust," if the trustee had been given the power to do one or more of the following:

- dispose of Blackacre and acquire new property;
- renegotiate the lease with Mary;
- enter into leases with a tenant other than Mary (except in the case of Mary's bankruptcy or insolvency);
- renegotiate the obligation used to purchase Blackacre (except in the case of Mary's bankruptcy or insolvency);
- receive capital contributions from the investors;
- invest cash received to profit from market fluctuations; or
- make more than minor non-structural modifications to Blackacre that were not required by law.

Thus, it is not sufficient that the trustee never takes any of the actions described above – the trustee must lack the power to undertake those actions. This aspect of Revenue Ruling 2004-86 is consistent with the case law in which a trust is classified in accordance with the powers that the trustee has under the trust agreement without regard to what actions, if any, the trustee has performed other than to conserve and protect the property of the trust.

(iii) Other Revenue Rulings.

The IRS also addressed the classification of trust arrangements in several other revenue rulings. Revenue Ruling 75-192²⁴ involved a trust agreement that required the trustee to invest cash on hand between quarterly distribution dates only in specified short-term obligations maturing prior to the next distribution date and required to hold such obligations until maturity. The IRS concluded that, because the restrictions on the types of permitted investments limited the trustee to a fixed return similar to that earned on a bank account and eliminated any opportunity to profit from market fluctuations, the power to invest in such assets was not a power to vary the trust's investments.

Similarly, the IRS classified the trust arrangement described in Revenue Ruling 79-77,²⁵ which was formed to hold real property, as a "trust" for federal income tax purposes. The beneficiaries were required to approve all agreements entered into by the trustee and they were personally liable for the debts of the trust. The beneficiaries directed the trustee to enter into a 20-year lease that required the tenant to pay all taxes, assessments, fees, or other charges imposed on the property by federal, state, or local authorities. In addition, the tenant paid all insurance, maintenance, repairs, and utilities relating to the property. The trustee could determine whether to allow the tenant to make minor nonstructural alterations to the real estate, but only if the alterations would protect and conserve the property or were required by law. The trustee was empowered to institute legal or equitable actions to enforce any provisions of the lease.

The trust would terminate on the sale of substantially all of its assets or upon unanimous agreement of the beneficiaries. Based upon the above, the IRS classified the trust arrangement described in Revenue Ruling 79-77 as a "trust" for federal income tax purposes.

In contrast, the IRS concluded that the trust arrangement described in Revenue Ruling 78-371²⁶ was classified as a business entity rather than a "trust." Unlike the trust arrangement described in Revenue Ruling 79-77 that restricted the trustee to dealing with a single piece of property subject to a net lease, the trust arrangement in Revenue Ruling 78-371 expressly authorized the trustees to purchase and sell contiguous or adjacent real estate, to accept or reject certain contributions of contiguous or adjacent real estate, and to raze or erect any building or other structure or make any improvements to the land contributed to the trust. The trustees were also empowered to borrow money and to mortgage and lease the trust property. The IRS concluded in Revenue Ruling 78-371 that the trustee's power to engage in extensive real estate operations and to reinvest the sales proceeds in financial products indicated that the trust arrangement was not formed merely to protect and conserve the trust's property and, thus, ruled that the trust was taxable as a business entity treated as a corporation.

The existence of a power to sell trust assets does not always give rise to a power to vary

²⁴ 1975-1 C.B. 384.

²⁵ 1979-1 C.B. 448.

²⁶ 1978-2 C.B. 344.

the trust's investments.²⁷ The courts and the IRS have concluded that even though a trustee may possess the power to sell trust assets under certain limited circumstances, such a trust arrangement can still qualify as an investment trust classified for federal income tax purposes as a "trust."²⁸ These authorities have clarified that, instead of the mere power to sell trust assets, it is the ability of the trustee to substitute new investments in order to take advantage of variations in the market that prohibit a trust arrangement from being treated as an investment trust classified as a "trust" for federal income tax purposes.

b. The Parent Trust Agreement.

The powers and authority granted to the Trustee, Manager, Beneficial Owners, and the Parent Trust in the Parent Trust Agreement fall within the limited scope of the powers and authority that may be exercised by a trustee of an "investment trust." From and after the issuance of the Conversion Notice (as defined in the Parent Trust Agreement), the Parent Trust Agreement authorizes the Manager to (a) comply with the terms of the Loan Documents, (b) collect rent and make distributions thereof, (c) enter into any agreements for purposes of completing tax-free exchanges of real property with a qualified intermediary pursuant to Section 1031, (d) notify the relevant parties of any defaults under the Transaction Documents (as defined in the Trust Agreement), (e) take any action which in the reasoned opinion of tax counsel to the Parent Trust should not have an adverse effect on either the treatment of the Parent Trust as an "investment trust" within the meaning of Regulations Section 301.7701-4(c) or each Beneficial Owner as a "grantor" within the meaning of Section 671, and (f) solely to the extent necessitated by the bankruptcy or insolvency of a tenant, enter into a new lease with respect to the Properties, renegotiate or refinance any debt (including, without limitation, the Loan) secured by the Properties, or amend any existing leases at the Operating DSTs.²⁹

Additionally, the Parent Trust Agreement expressly denies the Manager any power or authority, from and after the issuance of the Conversion Notice, to take an action that would cause the Parent Trust to cease to be an investment trust described in Treasury Regulations Section 301.7701-4(c).³⁰ Moreover, the Parent Trust Agreement expressly denies the Trustee, the Manager, the Beneficial Owners and/or the Parent Trust any power and authority to take any other action which would cause the Parent Trust to be treated as a business entity for federal income tax purposes if the effect would be that such action or actions would constitute a power under the Parent Trust Agreement to "vary the investment of the certificate holders" under Regulations Section 301.7701-4(c)(1) and Revenue Ruling 2004-86.³¹ Furthermore, the Parent Trust Agreement provides that none of the Trustee, the

²⁷ *Id.*

²⁸ *See Comm'r v. North American Bond Trust*, 122 F.2d 545 (2d Cir. 1941), cert denied 314 U.S. 701 (1941); *Pennsylvania Co. for Insurances on Lives and Granting Annuities v. United States*, 146 F.2d 392 (3d Cir. 1944); *see also* Rev. Rul. 78-149, 1978-1 C.B. 448; Rev. Rul. 73-460, 1973-2 C.B. 425.

²⁹ *See* the Parent Trust Agreement at §5.3(b).

³⁰ *Id.*

³¹ *Id.* at §3.3(c)(7).

Manager, the Beneficial Owners, and the Parent Trust shall have any power or authority to undertake any actions that are not permitted to be undertaken by an entity that is treated as a “trust” within the meaning of Regulations Section 301.7701-4 and not treated as a “business entity” within the meaning of Regulations Section 301.7701-3.³² Finally, as noted above, the Beneficial Owners generally have no right or power to make decisions for or to operate or manage the Parent Trust.³³

We believe that the material provisions of the Parent Trust Agreement that are not included in the trust arrangement described in Revenue Ruling 2004-86 are consistent with treating the Parent Trust as an investment trust. These provisions include, but are not limited to: (i) the power to sell the Parent Trust’s corpus; (ii) the potential termination of the Parent Trust through any event that would cause a Transfer Distribution; and (iii) the potential transfer of the Interest to the Operating Partnership pursuant to the FMV Option.

The power granted under the Parent Trust Agreement to sell the Trust Estate should not be viewed as a power to vary the Parent Trust’s investments. Immediately after a sale of the Trust Estate, the sales proceeds must be distributed to the Beneficial Owners and the Parent Trust will terminate.³⁴ Neither the Trustee nor the Manager has the power to purchase replacement investments with the proceeds from the sale of the Trust Estate.³⁵

The sale of the Trust Estate under these circumstances is consistent with the objective of achieving an investment return on the assets comprising the initial trust estate when the Beneficial Owners acquired their interests therein. Because the sales proceeds cannot be reinvested by the Trustee or the Manager, the Parent Trust Agreement does not confer the power to “better” the investments in the Parent Trust by taking advantage of market variations. The assets that can be held by the Parent Trust are restricted to the Trust Estate, and the cash reserves that accumulate between monthly distributions.³⁶ All cash reserves will be invested only in the types of debt instruments expressly permitted under Revenue Ruling 2004-86.³⁷ Accordingly, providing the Manager with the discretion concerning the timing and amount of the sale of the Trust Estate should not prevent the Parent Trust from being treated as an investment trust that is classified as a “trust” for federal income tax purposes.

Although no direct authority exists regarding the use of a Transfer Distribution in connection with a fixed investment trust, we believe the Transfer Distribution as used in the Parent Trust Agreement is consistent with treating the Parent Trust as a fixed investment trust for federal income tax purposes. We believe that the events that would cause a Transfer Distribution are not in any way expected or viewed as likely to occur, which supports the passive and fixed nature of the Parent Trust. Moreover, the Parent Trust has represented that no Transfer Distribution is currently intended or anticipated and that

³² *Id.* at §3.3(c).

³³ *Id.* at §6.13.

³⁴ *Id.* at §§9.1 & 9.3.

³⁵ *Id.* at §§3.3(c)(2) & 9.1.

³⁶ *Id.* at §§ 3.3(c)(6) & 7.2.

³⁷ *Id.* at §7.2.

to the knowledge of the Depositor, Parent Trust and Manager an event which would cause a Transfer Distribution with respect to any of the assets of the Parent Trust is not expected and that it is the belief of the Depositor, Parent Trust and Manager that the occurrence of such an event would be unanticipated.

In addition, the FMV Option provided in the Parent Trust Agreement also should not be viewed as a power to vary the Parent Trust's investments. In the case of the FMV Option, a transfer of the Beneficial Owner's Interest to the Operating Partnership can only be effectuated pursuant to the Exchange FMV, which is determined by reference to the fair market value of the Properties.³⁸ Thus, the option's strike price is tied directly to the fair market value of the Properties as determined by an independent appraisal obtained at the relevant time. The option's strike price is thus not nominal in relation to such value or discounted in any way.³⁹ The FMV Option is also discussed in further detail in Part VI.E below.

Although distinctions exist between the Parent Trust Agreement and the trust arrangement described in Revenue Ruling 2004-86, we believe these distinctions are not material. These distinctions include, but are not limited to: (i) the ongoing role of the Company or its Affiliate as Manager; (ii) the Parent Trust's potential acceptance of multiple contributions over time, rather than through a single contribution; (iii) the conversion of the Parent Trust for tax purposes from a disregarded entity into an investment trust prior to the admission of purchasers; and (iv) the affiliate of the Sponsor and its principal have executed certain limited guaranties with respect to the Loan. We believe that, like the material provisions discussed above, these provisions are consistent with, rather than contrary to, the analysis in Revenue Ruling 2004-86 for the reasons set forth below.

First, the Company (or its Affiliate's) ongoing role as Manager should not be viewed as inconsistent with the analysis in Revenue Ruling 2004-86 or the case law because the Manager's powers are limited to those permitted to be exercised by a trustee of a fixed investment trust.

Second, the Parent Trust's acceptance of multiple contributions over time should not be viewed as raising additional capital (which is prohibited under Revenue Ruling 2004-86) because the capital of the Parent Trust is not increasing. Both the term and the amount of the Offering were established at the time the Parent Trust Agreement was made. Additionally, the proceeds of the additional closings must be distributed to the Company. Further, the fact that 100% of the Interests may be sold in multiple closings rather than in a single closing is driven by practical considerations, and does not provide a basis for distinguishing a trust from a partnership. In addition, because the terms of the Offering are fixed, the additional contributions do not enable the Parent Trust to benefit from market fluctuations over time.

Third, prior to conversion, the Parent Trust is not recognized as an entity separate from the

³⁸ See the Trust Agreement at §§10.1, 10.2 & 10.4.

³⁹ See the Trust Agreement at §10.4.

Company (or its Affiliate) for federal income tax purposes.⁴⁰ Accordingly, the conversion feature of the Parent Trust from a disregarded entity to a fixed investment trust should be viewed on its own as a mere formation of the Parent Trust as a fixed investment trust in a manner that is not inconsistent with the analysis under Revenue Ruling 2004-86.

Fourth, we have considered the fact that an affiliate of the Sponsor and its principal have executed certain limited guaranties with respect to the Loan. Under the limited guaranty, they will be responsible for liabilities, costs, expenses, claims, losses or damages incurred by the Lender as a result of certain customary non-recourse carveout events and springing recourse liabilities with respect to the Loan. The occurrence or non-occurrence of these events will largely be solely within their (and their affiliates') control. Since these limited guaranties otherwise generally impose liability only for actions which are within the control of the owners of the guarantors, it should not constitute and impermissible guaranty of the Loan for these purposes. Nor should these guaranties be viewed as an obligation of the Sponsor, the Company or the guarantors to contribute additional capital to the Parent Trust. Accordingly, we do not view the existence of such limited guaranty as inconsistent with Revenue Ruling 2004-86.

Because none of these provisions permit the Trustee or Manager to vary the investments of the Parent Trust in a manner that results in the Beneficial Owners improving their investment results based on variations in the market, we believe they are consistent with treating the Parent Trust as a fixed investment trust.

c. The Operating Trust Agreements.

The powers and authority granted to the Trustee, Manager, Beneficial Owners, and the Operating Trusts in the Operating Trust Agreements fall within the limited scope of the powers and authority that may be exercised by a trustee of an "investment trust." From and after the issuance of the Conversion Notice (as defined in the Operating Trust Agreements), the Operating Trust Agreements authorize the Manager to (a) comply with the terms of the Loan Documents, (b) collect rent and make distributions thereof, (c) enter into any agreements for purposes of completing tax-free exchanges of real property with a qualified intermediary pursuant to Section 1031, (d) notify the relevant parties of any defaults under the Transaction Documents (as defined in the Operating Trust Agreements), (e) take any action which in the reasoned opinion of tax counsel to the Operating Trusts should not have an adverse effect on either the treatment of the Operating Trusts as "investment trusts" within the meaning of Regulations Section 301.7701-4(c) or each Beneficial Owner as a "grantor" within the meaning of Section 671, and (f) solely to the extent necessitated by the bankruptcy or insolvency of a tenant, enter into a new lease with respect to the Properties, or renegotiate or refinance any debt (including, without limitation, the Loan) secured by the Properties.⁴¹

Additionally, the Operating Trust Agreements expressly deny the Manager any power or

⁴⁰ See the Parent Trust Agreement at §3.3(a).

⁴¹ See the Operating Trust Agreements at §5.3(b).

authority, from and after the issuance of the Conversion Notice, to take an action that would cause the Operating Trusts to cease to be an investment trust described in Treasury Regulations Section 301.7701-4(c).⁴² Moreover, the Operating Trusts agreement expressly denies the Trustee, the Manager, the Beneficial Owner and/or the Operating Trusts any power and authority to take any other action which would cause the Operating Trusts to be treated as a business entity for federal income tax purposes if the effect would be that such action or actions would constitute a power under the Operating Trust Agreements to “vary the investment of the certificate holders” under Regulations Section 301.7701-4(c)(1) and Revenue Ruling 2004-86.⁴³ Furthermore, the Operating Trust Agreements provides that none of the Trustee, the Manager, the Beneficial Owner, and the Operating Trusts shall have any power or authority to undertake any actions that are not permitted to be undertaken by an entity that is treated as a “trust” within the meaning of Regulations Section 301.7701-4 and not treated as a “business entity” within the meaning of Regulations Section 301.7701-3.⁴⁴ Finally, as noted above, the Beneficial Owner generally has no right or power to make decisions for or to operate or manage the Operating Trusts.⁴⁵

We believe that the material provisions of the Operating Trust Agreements that are not included in the trust arrangement described in Revenue Ruling 2004-86 are consistent with treating the Operating Trusts as investment trusts. These provisions include, but are not limited to: (i) the power to sell the Operating Trusts’ corpus; (ii) the potential termination of the Operating Trusts through any event that would cause a Transfer Distribution; and (iii) the potential transfer of an interest in the Operating Trusts to the Operating Partnership pursuant to the FMV Option.

The power granted under the Operating Trust Agreements to sell the Properties should not be viewed as a power to vary the Operating Trusts’ investments. Immediately after a sale of the Properties, the sales proceeds must be distributed to the Beneficial Owners and the Operating Trusts will terminate.⁴⁶ Neither the Trustee nor the Manager has the power to purchase replacement investments with the proceeds from the sale of the Properties.⁴⁷

The sale of the Properties under these circumstances is consistent with the objective of achieving an investment return on the assets comprising the initial trust estate when the Beneficial Owner acquired its interests therein. Because the sales proceeds cannot be reinvested by the Trustees or the Manager, the Operating Trust Agreements do not confer the power to “better” the investments in the Operating Trusts by taking advantage of market variations. The assets that can be held by the Operating Trusts are restricted to the Properties, and the cash reserves that accumulate between monthly distributions.⁴⁸ All cash reserves will be invested only in the types of debt instruments expressly permitted under Revenue Ruling 2004-86.⁴⁹ Accordingly, providing the Manager with the discretion

⁴² *Id.*

⁴³ *Id.* at §3.3(c)(7).

⁴⁴ *Id.* at §3.3(c).

⁴⁵ *Id.* at §6.13.

⁴⁶ *Id.* at §§9.1 & 9.3.

⁴⁷ *Id.* at §§3.3(c)(2) & 9.1.

⁴⁸ *Id.* at §§3.3(c)(6) & 7.2.

⁴⁹ *Id.* at §7.2.

concerning the timing and amount of the sale of the Properties should not prevent the Operating Trusts from being treated as investment trusts that are classified as “trusts” for federal income tax purposes.

Although no direct authority exists regarding the use of a Transfer Distribution in connection with a fixed investment trust, we believe the Transfer Distribution as used in the Operating Trust Agreements are consistent with treating the Operating Trusts as fixed investment trusts for federal income tax purposes. We believe that the events that would cause a Transfer Distribution are not in any way expected or viewed as likely to occur, which supports the passive and fixed nature of the Operating Trusts. Moreover, the Operating Trusts have represented that no Transfer Distribution is currently intended or anticipated and that to the knowledge of the Depositor, Operating Trusts and Manager an event which would cause a Transfer Distribution with respect to any of the assets of the Operating Trusts is not expected and that it is the belief of the Depositor, Operating Trusts and Manager that the occurrence of such an event would be unanticipated.

In addition, the FMV Option provided in the Operating Trust Agreements also should not be viewed as a power to vary the Operating Trusts’ investments. In the case of the FMV Option, a transfer of the Operating Trusts’ assets to the Operating Partnership can only be effectuated pursuant to the Exchange FMV, which is determined by reference to the fair market value of the Properties.⁵⁰ Thus, the option’s strike price is tied directly to the fair market value of the Properties as determined by an independent appraisal obtained at the relevant time. The option’s strike price is thus not nominal in relation to such value or discounted in any way.⁵¹ The FMV Option is also discussed in further detail in Part VI.E below.

Although distinctions exist between the Operating Trust Agreements and the trust arrangement described in Revenue Ruling 2004-86, we believe these distinctions are not material. These distinctions include, but are not limited to: (i) the ongoing role of the Company or its Affiliates as Manager; (ii) the Operating Trusts’ potential acceptance of multiple contributions over time, rather than through a single contribution; (iii) the conversion of the Operating Trusts for tax purposes from a disregarded entity into an investment trust prior to the admission of purchasers; and (iv) the affiliate of the Sponsor and its principal have executed certain limited guaranties with respect to the Loan. We believe that, like the material provisions discussed above, these provisions are consistent with, rather than contrary to, the analysis in Revenue Ruling 2004-86 for the reasons set forth below.

First, the Company (or its Affiliate’s) ongoing role as Manager should not be viewed as inconsistent with the analysis in Revenue Ruling 2004-86 or the case law because the Manager’s powers are limited to those permitted to be exercised by a trustee of a fixed investment trust.

Second, the Operating Trusts’ acceptance of multiple contributions over time should not

⁵⁰ See the Operating Trust Agreements at §§10.1, 10.2 & 10.4.

⁵¹ See the Operating Trust Agreements at §10.4.

be viewed as raising additional capital (which is prohibited under Revenue Ruling 2004-86) because the capital of the Operating Trusts are not increasing. Both the term and the amount of the Offering were established at the time the Operating Trust Agreements were made. Additionally, the proceeds of the additional closings must be distributed to the Company.

Third, prior to conversion, the Operating Trusts are not recognized as an entity separate from the Company (or its Affiliate) for federal income tax purposes.⁵² Accordingly, the conversion feature of the Operating Trusts from a disregarded entity to a fixed investment trust should be viewed on its own as a mere formation of the Operating Trusts as fixed investment trusts in a manner that is not inconsistent with the analysis under Revenue Ruling 2004-86.

Fourth, we have considered the fact that an affiliate of the Sponsor has executed certain limited guaranties with respect to the Loan. Under the limited guaranty, the affiliate will be responsible for liabilities, costs, expenses, claims, losses or damages incurred by the Lender as a result of certain customary non-recourse carveout events and springing recourse liabilities with respect to the Loan. The occurrence or non-occurrence of these events will largely be solely within the affiliate's control. Since these limited guaranties otherwise generally impose liability only for actions which are within the control of the guarantor, it should not constitute an impermissible guaranty of the Loan for these purposes. Nor should these guaranties be viewed as an obligation of the Sponsor, the Company or the guarantor to contribute additional capital to the Operating Trusts. Accordingly, we do not view the existence of such limited guaranty as inconsistent with Revenue Ruling 2004-86.

Because none of these provisions permit the Trustee or Manager to vary the investments of the Operating Trusts in a manner that results in the Beneficial Owners improving their investment results based on variations in the market, we believe they are consistent with treating the Trust as a fixed investment trust.

d. The Leases

Under the terms of the Leases, each of the Master Tenants have the right, at such Master Tenant's cost and expense, to make structural and non-structural alterations to the respective Property, provided that the Master Tenants shall provide the respective Operating Trust 30 days' advance written notice of any such alteration or addition that constitutes more than minor non-structural modifications to its respective Property.⁵³ However, unlike the Master Tenants, at any time that any of the Operating Trusts is a DST, such Operating Trust shall not have the right, power or ability to make more than minor non-structural modifications to the applicable Property.⁵⁴ Under Revenue Ruling 2004-86, the trustee is prohibited from making more than minor non-structural modifications to the property. We believe, however, that the alteration rights provided to the Master Tenants

⁵² See the Operating Trust Agreements at §3.3(a).

⁵³ See the Leases at §§11.1 & 11.3.

⁵⁴ *Id.* at §11.3.

under the Leases should not be attributed to the Trustees or Manager and, therefore, are not inconsistent with treating the Operating Trusts as investment trusts for federal income tax purposes. The terms of the Leases do not provide the Trustees or Manager with the unfettered power to make structural modifications to the applicable Property; such alteration rights are held solely by the Master Tenants. Moreover, the cost of any such alterations or additions will be born solely by the Master Tenants, not the Operating Trusts. Although not free from doubt, we believe that the alteration rights provided to the Master Tenants under the Leases should not violate the intent and purpose of Revenue Ruling 2004-86 or the underlying cases and rulings governing whether the Trustees or Manager possesses an impermissible right to vary the investments of the Parent Trust or the Operating Trusts.

2. Although the Parent Trust and the Operating Trusts have more than one class of ownership interests, the Parent Trust and the Operating Trusts nonetheless should be described as investment trusts classified as “trusts” because the Parent Trust and the Operating Trusts were formed to facilitate direct investment in the Properties and the repurchase of the Class 2 Beneficial Interest is incidental to that purpose.

The often-cited principle that the economic substance of a transaction, and not its mere form, governs the tax treatment of a given transaction is a well-established doctrine of federal tax law.⁵⁵ The Treasury Regulations describing an investment trust applies this principle by providing that a trust arrangement that otherwise would be treated as an investment trust absent multiple classes of ownership interests nonetheless will be so treated if the multiple classes of ownership interests are incidental to the investment purpose of the trust.⁵⁶ The Treasury Regulations illustrates by example the types of different ownership rights that would be merely incidental to a trust’s investment purpose.

The first example illustrates a circumstance whereby the existence of two classes of ownership interests in a trust is incidental to the trust’s purpose of facilitating direct investment in a portfolio of residential mortgages.⁵⁷ The originator of the mortgage portfolio transferred the mortgages to a bank under a trust agreement, retained the class D beneficial ownership interest in the trust and sold to investors the class C beneficial

⁵⁵ See, e.g., *Gregory v. Helvering*, 293 U.S. 465, 467, 470 (1935) (holding that “the reorganization attempted was without substance and must be disregarded”); *Commissioner v. Court Holding Co.*, 324 U.S. 331, 334 (1945) (stating that “the incidence of taxation depends on the substance of a transaction. The tax consequences which arise from gains from a sale of property are not finally to be determined solely by the means employed to transfer legal title.”); *Weiss v. Stearn*, 265 U.S. 242, 254 (1924) (stating that the court “must regard matters of substance and not mere form”); *Higgins v. Smith*, 308 U.S. 473, 477 (1940) (holding that the Government may look at “actualities” and disregard the form of a transaction if it is “unreal” or a “sham”).

⁵⁶ Treas. Reg. § 301.7701-4(c).

⁵⁷ See Treas. Reg. § 301.7701-4(c)(2), Example 2.

ownership interests in the trust. The two classes are identical except that, in the event of a default on the underlying mortgages, the payment rights of the class D interests are subordinate to the rights of the class C certificate holders. The example observes that the interests of the beneficial holders in the aggregate, however, is substantially equivalent to an undivided ownership interest in the mortgage pool, coupled with a limited recourse guarantee running from the originator to the class C beneficial holders. Thus, the difference in rights between the class D and class C beneficial ownership interests is present simply to facilitate the investment by the class C beneficial owners in the trust's assets.

Likewise, the second example illustrates a circumstance where multiple classes of ownership interests in a trust merely facilitate direct investment in the assets held by the trust.⁵⁸ Purchasers purchased trust certificates evidencing the right to receive a particular payment with respect to a specific bond that is included in a bond portfolio held by the trust. Because the purchase of stripped interests in bonds and coupons are treated as separate bonds for federal income tax purposes, the example states that the multiple classes simply provide each certificate holder with a direct interest in what would be treated as a separate bond. Because the certificate holders acquired an interest in the trust's assets that was similar to what the certificate holder could acquire by direct investment, the multiple classes of ownership interest will not prevent the trust arrangement from being treated as a trust rather than a business entity for federal income tax purposes.

It is possible that the IRS may assert that the redemption of the Company's Class 2 Beneficial Interests⁵⁹ gives rise to multiple classes of ownership interests even though the rights of a Parent Class 2 Beneficial Owner otherwise will be identical to the rights of the Parent Class 1 Beneficial Owners immediately upon a Purchaser investing in the Parent Trust.⁶⁰ Consistent with the facts in the examples discussed above, however, we believe that the redemption right of the Company (or its Affiliate) also should be treated as existing simply to facilitate the Purchasers' investment in the Parent Class 1 Beneficial Interests in the Parent Trust. The redemption simply replaces the Company's pro rata ownership interest in the Parent Trust and its underlying assets with that of the Purchasers. This same result could be accomplished by either the Depositor selling directly to the Purchasers its Class 2 beneficial interest or the Company (or its Affiliate) selling the Purchasers a direct interest in each Property followed by the Purchasers' contribution of same to the Parent Trust. Because under either scenario the result is the same, and in neither situation is there any variation in the underlying assets owned by the Parent Trust, we believe that the formal mechanism by which the Company's interest in each Property is transferred to the Parent Class 1 Beneficial Owners should not affect the tax consequences of the underlying transaction.

This analysis is consistent with the IRS statement in Revenue Ruling 2004-86 that its conclusions would have been the same regardless of whether the trust property (Blackacre) had been sold directly to Dan and Michelle and then contributed to the trust or, as in the

⁵⁸ See Treas. Reg. § 301.7701-4(c)(2), Example 4.

⁵⁹ See the Parent Trust Agreement at §6.1.

⁶⁰ *Id.* at §§ 6.12 and 6.13.

facts in the ruling, contributed to the trust followed by a sale of an interest in the trust to Dan and Michelle. The rights of the Company with respect to the underlying assets in the Parent Trust, i.e., the Properties, are no different vis-à-vis a Parent Class 1 Beneficial Owner for as long as the Company retains any Parent Class 2 Beneficial Interests. The result is the economic equivalent of the Purchasers purchasing a direct interest in each Property from the Company and then contributing the purchased interests in each Property to the Parent Trust. Under these circumstances no multiple classes of ownership interests in the Parent Trust should exist.

Based on the foregoing discussion, the Parent Trust and the Operating Trusts (i) should be recognized as entities separate from the Beneficial Owners for federal income tax purposes, and (ii) should be treated as investment trusts described in Treasury Regulations Section 301.7701-4(c). As a result, the Parent Trust and the Operating Trusts should be classified as “trusts” under Treasury Regulations Section 301.7701-4(a).

II. The Beneficial Owners should be treated as “grantors” of the Parent Trust and the Operating Trusts.

A “grantor” of a trust includes any person that either creates a trust or directly or indirectly makes a gratuitous transfer of property, including cash, to a trust.⁶¹ A gratuitous transfer to a trust includes a transfer of cash to the trust in exchange solely for an interest in the trust.⁶² The term “grantor” also includes any person who acquires an interest in a trust from a “grantor” of the trust if the interest acquired is an interest in an investment trust described in Treasury Regulations Section 301.7701-4(c).⁶³

The Beneficial Owners will transfer cash (and, with respect to the Parent Class 2 Beneficial Owner, the Purchase Contracts) to the Parent Trust in exchange solely for an interest therein. Because receiving an interest in the Parent Trust is not treated as the receipt of property, the Beneficial Owners should be treated as making a gratuitous transfer to the Parent Trust. Thus, the Beneficial Owners should be treated as “grantors” of the Parent Trust. Likewise, in light of the Operating Trusts’ status as fixed investment trusts for federal income tax purposes, the Beneficial Owners should be treated as indirectly making gratuitous transfers to the Operating Trusts.

III. As “grantors” of the Parent Trust and Operating Trusts, the Beneficial Owners should be treated as owning an undivided fractional interest in the Properties for federal income tax purposes.

A “grantor” that is treated as the owner of an undivided fractional interest of the assets in a trust under the provisions of subchapter J of the Code also is treated as owning an undivided fractional interest of such assets for all federal income tax purposes.⁶⁴ Sections

⁶¹ Treas. Reg. § 1.671-2(e)(1).

⁶² Treas. Reg. § 1.671-2(e)(2).

⁶³ Treas. Reg. § 1.671-2(e)(3).

⁶⁴ See Rev. Rul. 88-103, 1988-2 C.B. 304; Rev. Rul. 85-45, 1985-1 C.B. 183; and Rev. Rul. 85-

673 through 677 set forth rules for determining when the grantor or another person is treated as the owner of any portion of a trust.⁶⁵ Under Section 673, a grantor is treated as owning any portion of a trust in which the grantor has a reversionary interest in either the trust assets or the income therefrom if, as of the inception of that portion of the trust, the value of such interest exceeds 5% of the value of such portion. Under Section 677, a grantor is treated as the owner of any portion of a trust whose income, without the approval or consent of any adverse party is, or in the discretion of the grantor or a non-adverse party or both, may be distributed to the grantor or held or accumulated for future distribution to the grantor.⁶⁶

Revenue Ruling 2004-86 also considered whether the purchase of interests in the trust arrangement by Dan and Michelle would be treated as an acquisition of interests in the real property (Blackacre) owned by the trust (in exchange for their interests in Whiteacre and Greenacre that were conveyed to John). The IRS concluded that Dan and Michelle should be treated as grantors of the trust when they acquire their interests in the trust from John, who had formed the trust. The IRS also concluded that, because Dan and Michelle have the right to distributions of all the income of the trust attributable to their undivided fractional interests, they should be treated under Section 677 as the owners of an aliquot portion of the trust, and all income, deductions and credits attributable to that portion are includible by Dan and Michelle in computing their taxable income. Because the owner of an undivided fractional interest of a trust is considered to own the trust assets attributable to that interest for federal income tax purposes, the IRS treated Dan and Michelle as each owning an undivided fractional interest in Blackacre for federal income tax purposes.

The IRS treatment of Dan and Michelle as the owners of the trust's property for purposes of Section 1031 is consistent with the treatment by the IRS of grantors of a trust for Section 1033 purposes. Section 1033 is similar to Section 1031 in that it confers nonrecognition treatment on the involuntary conversion of property into similar or related-use property.⁶⁷ In several rulings, the IRS concluded that, because the owner of a grantor trust is treated as the owner of the trust's property for federal income tax purposes, whether replacement property was purchased by a grantor or the grantor's trust is of no consequence for Section 1033 purposes.⁶⁸

Several of the rights accorded, directly and indirectly, under the Trust Agreements to the Beneficial Owners as "grantors" should result in the Beneficial Owners being treated as owning direct interests in the Properties for federal income tax purposes. Generally, the Beneficial Owners have the right to the distribution of all income received by the Parent Trust from the Operating Trusts without the approval, consent or exercise of discretion by any person.⁶⁹ Additionally, the Beneficial Owners have a total reversionary interest in the

13, 1985-1 C.B. 184; *see also* Treas. Reg. § 1.1001-2(c), Example 5.

⁶⁵ Treas. Reg. § 1.671-2(a).

⁶⁶ Code § 677(a). For purposes of this provision, a trustee who lacks an economic interest in the assets of a trust is not an adverse party. *See* Treas. Reg. § 1.672(a)-1(a).

⁶⁷ *See* Code § 1033(a).

⁶⁸ *See* Rev. Rul. 88-103, 1988-2 C.B. 304; Rev. Rul. 70-376, 1970-2 C.B. 164.

⁶⁹ *See* the Parent Trust Agreement at §7.2.

assets of the Parent Trust. These rights of the Beneficial Owners as grantors should result in the Beneficial Owners being treated as owning direct interests in the Parent Trust's assets (i.e., the Operating Trusts and their underlying interests in the Properties), under Sections 673 and 677 and therefore also for all federal income tax purposes, including Section 1031.

IV. The Interests should not be treated as securities for purposes of Section 1031.

If the Interests were determined to be “securities” for purposes of Section 1031, an investor would recognize gain, if any, on the exchange of property for an Interest to the extent the fair market value of the Interest received in the exchange exceeded the adjusted tax basis of the relinquished property.⁷⁰ For the reasons discussed below, the Interests should not constitute “securities” for purposes of Section 1031.⁷¹

A. Legislative History of Section 1031.

The exclusion of securities from Section 1031 was added to the predecessor to Section 1031 in 1923.⁷² The legislation amended the predecessor to Section 1031 to include the following italicized language:

When any such property held for *investment or for* productive use in trade or business (not including stock-in-trade or other property held primarily for sale, *and in the case of property held for investment not including stock, bonds, notes, choses in action, certificates of trust or beneficial interest, or other securities or evidences of indebtedness or interest*), is exchanged for property of a like kind or use.

The reason for the addition of the language above was to prevent taxpayers from using the predecessor to Section 1031 to exchange investment securities, such as stocks and bonds, on a tax free basis. A letter from the Secretary of Treasury dated January 13, 1923, provided as follows:

The revenue act of 1921 provides, in section 202, for the exchange of property held for investment for other property held for investment for other property of a like kind without the realization of taxable income. Under this section, a taxpayer who purchases a bond of \$1,000 which appreciates in value may exchange that bond for another bond of the value of \$1,000, together with \$100 in cash (the \$100 in cash representing the increase in the value of the bond while held by the

⁷⁰ Code § 1001.

⁷¹ Although the Interests may be “securities” for purposes of the Securities Act of 1933 or the Securities Exchange Act of 1934, it should be noted that this is not the relevant test for determining whether the Interests are securities for federal income tax purposes but, rather, only the starting point for the analysis.

⁷² See, e.g., H.R. 13774, Public No. 545, 67th Cong., 4th Sess., ch. 294.

taxpayer), without the realization of taxable income. This provision of the act is being widely abused. Many brokers, investment houses and bond houses have established exchange departments and are advertising that they will exchange securities for their customers in such a manner as to result in no taxable gain. Under this section, therefore, taxpayers owning securities which have appreciated in value are exchanging them for other securities and at the same time receiving a cash consideration without the realization of taxable income, but if the securities have fallen in value since acquisition will sell them and in computing net income deduct the amount of the loss on sale. This result is manifestly unfair and destructive of the revenues. The Treasury accordingly urges that the law be amended so as to limit the cases in which securities may be exchanged for other securities without the realization of taxable income to those cases where the exchange is in connection with the reorganization, consolidation or merger of one or more corporations.⁷³

In response to the concern expressed in the letter above, Congress amended the predecessor to Section 1031 to exclude securities.⁷⁴

B. Use of the term “securities” in the Code.

The term “securities” is not defined in either Section 1031 or the Treasury Regulations promulgated thereunder. The term “securities” is narrowly defined in other Sections of the Code, including the following:

- Section 165(g) (defining the term “security” as “(A) a share of stock in a corporation; (B) a right to subscribe for, or to receive, a share of stock in a corporation; or (C) a bond, debenture, note, or certificate, or other evidence of indebtedness, issued by a corporation or by a government or political subdivision thereof, with interest coupons or in registered form...”);
- Section 402(e)(4)(E)(i) (providing that “[t]he term ‘securities’ means only shares of stock and bonds or debentures issued by a corporation with interest coupons or in registered form”);
- Section 1083(f) (stating that “the term ‘stock or securities’ means shares of stock in any corporation, certificates of stock or interest in any corporation, notes, bonds, debentures and evidences of indebtedness (including any evidence of an interest in or right to subscribe to or purchase any of the foregoing);⁷⁵ and
- Section 1236(c) (providing that “the term ‘security’ means any share of stock in

⁷³ *Id.*

⁷⁴ *Id.*

⁷⁵ Code § 1083 was repealed by the Gulf Opportunity Zone Act of 2005. *See* Pub. L. No. 109-135, § 402(a)(1), 119 Stat. 2610 (2005).

any corporation, certificate of stock or interest in any corporation, note, bond, debenture, or evidence of indebtedness, or any evidence of an interest in or right to subscribe to or purchase any of the foregoing”).

The Interests clearly would not be considered “securities” under any of the above Sections which, although not expressly applicable for purposes of Section 1031, the IRS has indicated are relevant to the issue of how broad or restrictive the scope of “securities” may be for purposes of Section 1031.

In addition, there are instances in the Code where a term is defined by specific reference to federal securities law, such as the following examples:

- Section 67(c)(2)(B)(i)(I) (“continuously offered pursuant to a public offering (within the meaning of Section 4 of the Securities Act of 1933, as amended)”);
- Section 83(c)(3) (“so long as the sale of property at a profit could subject a person to suit under Section 16(b) of the Securities Exchange Act of 1934”);
- Section 162(m)(2) (“the term ‘publicly held corporation’ means any corporation issuing any class of common equity securities required to be registered under Section 12 of the Securities Exchange Act of 1934”);
- Section 277(b)(3) (“which for each day of any taxable year is a national securities exchange subject to regulation under the Securities Exchange Act of 1934 or a contract market subject to regulation under the Commodity Exchange Act”); and
- Section 409(e)(4)(A) (“a class of securities required to be registered under Section 12 of the Securities Exchange Act of 1934”).

In *Plow Realty Co. of Texas v. Commissioner*,⁷⁶ the Tax Court addressed whether two mineral deeds, each conveying an undivided one-eighth interest in oil, gas, sulphur and other minerals, were “securities” for purposes of determining whether the gains from such conveyances constituted “personal holding company income” under Section 502(b) of the Internal Revenue Code of 1939. If such gains were “securities,” and hence, “personal holding company income” as defined under the 1939 revenue code, the gains would be subject to a 25% surtax.

The taxpayer contended that the mineral deeds were conveyances of an interest in real estate and not a sale of “securities.” The Tax Court agreed:

Under securities and exchange acts mineral deeds and assignments of mineral rights have been held to be “securities.” But here we have a revenue statute and not a question of the exercise of police power by a state or the National Government for the protection of the public. The respondent’s regulations define “stock or securities” in broad and

⁷⁶ 4 T.C. 600 (1945).

comprehensive language, but even so, we do not think the instruments herein can be classified as securities under the revenue act. What we have here is two deeds of conveyance evidencing two private sales of undivided interests in realty, under which title passed to and became vested in the grantees. Such sales do not, in our opinion, under the circumstances here constitute a sale of securities under respondent's regulations.⁷⁷

Based on this reasoning, the Tax Court held that the gains realized by the taxpayer upon the conveyance of the mineral deeds were not "personal holding company income" because the mineral deeds did not convey "securities."

In General Counsel Memorandum 35,242,⁷⁸ the IRS stated that "[a]lthough [the definitions under Sections 165(g), 402(a)(3), 1083(f) and 1236(c)] do not control for purposes of Code §1031, we believe it persuasive that Congress has consistently defined the term 'securities' in a limited sense." Accordingly, the IRS determined that an exchange of whisky receipts for other whisky receipts qualified for nonrecognition treatment under Section 1031(a).

Equally important, General Counsel Memorandum 35,242 determined that the whisky receipts were not "securities" for purposes of Section 1031 even though the Securities and Exchange Commission believed such receipts constituted securities under the Securities Act of 1933 and the Securities Exchange Act of 1934. This is consistent with the Tax Court's position that property which constitutes a security under applicable securities laws is not necessarily a "security" for purposes of a specific provision of the Code.⁷⁹ The IRS further noted, in the proposed revenue ruling attached to the general counsel memorandum, that the "securities" exception to nonrecognition treatment was added to "preclude brokers, investment houses, and bond houses from arranging the tax free exchanges of appreciated securities for their clients."⁸⁰

Based on the narrow scope of the definition of "securities" for various Code provisions, the IRS endorsement of this narrow definition in the Section 1031 context, and the Tax Court's conclusion that the definition of a "security" under applicable securities laws is irrelevant, we believe that the Interests should not be treated as securities for purposes of Section 1031.

V. The Interests should not be treated as certificates of trust or beneficial interests for purposes of Section 1031.

⁷⁷ *Id.* at 608 (internal citation omitted).

⁷⁸ I.R.S. Gen. Couns. Mem. 35,242 (Feb. 16, 1973).

⁷⁹ *Plow Realty Co.*, 4 T.C. 600 (1945) (concluding that mineral deeds were not securities for purposes of the predecessor to Section 543 (personal holding company income) despite the fact that they were securities under securities and exchange acts).

⁸⁰ I.R.S. Gen. Couns. Mem. 35,242 (Feb. 16, 1973) (*citing* S. Rept. 1113, 67th Cong. (1927), 1939-1 (Part 2) C.B. 845-46).

The non-recognition rules of Section 1031 do not apply to an exchange of certificates of trust or beneficial interests.⁸¹ However, as concluded above, the Parent Trust and the Operating Trusts should be treated as fixed investment trusts within the meaning of Treasury Regulations Section 301-7701-4(c). Therefore, each of the Parent Trust and the Operating Trusts is considered to be a disregarded entity and the Beneficial Owners should be viewed as owning an underlying fractional interest in the Properties (as opposed to an interest in the Parent Trust and/or the Operating Trusts for federal income tax purposes) because, for federal income tax purposes, the Parent Trust and Operating Trusts are disregarded and viewed as if they do not exist. Thus, the Interests should not be viewed as prohibited certificates of trust or beneficial interests for purposes of Section 1031.

VI. The Leases should be treated as true leases and not financings for federal income tax purposes.

A. Generally.

We believe that each of the Leases has the hallmarks of a bona fide, true lease and, therefore, should be treated as such for federal income tax purposes. The economic substance of a leasing transaction is analyzed in light of all of the facts and circumstances.⁸² Transactions structured as leases may be recharacterized for federal income tax purposes to reflect their economic substance.⁸³ For example, in appropriate circumstances a purported lease may be recharacterized as a conditional sales contract. Recharacterization of the Leases as financings or other arrangements for federal income tax purposes would have significant adverse tax consequences. For example, if the Leases were recharacterized as financings, the Master Tenants would be treated as the owners of the respective Properties for federal income tax purposes. As a result, a Purchaser attempting to participate in a Section 1031 Exchange would not be treated as having received qualified replacement property when the Purchaser acquired his or her Interest because the Purchaser would be treated as having made a loan to the Master Tenants. As the owner of the Properties for federal income tax purposes, the Master Tenants, rather than the Purchasers, would be entitled to claim any depreciation deductions. To the extent that payments of “rent” were recharacterized as payments of interest and principal, the payment of principal would not be treated as the receipt of taxable income by the Purchasers and would not be deductible by the Master Tenants. All of these, and other, consequences could have a

⁸¹ Code § 1031(a)(2)(E) (1984). As noted above, although the specific language providing for the exclusion of interests in a partnership, securities, or certificates of trust or beneficial interests has been eliminated from the statute, an analysis of these terms remains relevant to the analysis and conclusion set forth herein that the Beneficial Owners should be treated as owning real property for federal income tax purposes.

⁸² Joint Committee on Taxation, Technical Explanation of the Revenue Provisions of the “Reconciliation Act of 2010,” as Amended, in Combination with the “Patient Protection and Affordable Care Act,” 153 & n. 350 (2010).

⁸³ See, e.g., *Frank Lyon Co. v. United States*, 435 U.S. 561 (1978), rev’g 536 F.2d 746 (8th Cir. 1976); *Rice’s Toyota World*, 752 F.2d 89 (4th Cir. 1985); *Helvering v. F. & R. Lazarus & Co.*, 308 U.S. 252 (1939); *Emershaw v. Commissioner*, T.C. Memo 1990-246.

significant impact on the tax consequences of an investment in the Properties.

B. Revenue Procedure 2001-28.

It is possible that the Leases could be treated as financings rather than true leases for federal income tax purposes. There is, however, no bright-line test for making this determination. This issue will be analyzed in the context of Revenue Procedure 2001-28,⁸⁴ which sets forth guidelines for obtaining an advance ruling that a lease constitutes a true lease (and not a financing) for federal income tax purposes, as well as the federal income tax case law governing this area.

In recent cases, courts have conducted a two-part analysis to determine whether the purported lease should be respected for federal income tax purposes, including an analysis of whether (i) the purported lease should be disregarded as a “sham” transaction and, if not, (ii) whether the lessor retained a sufficient amount of the traditional benefits and burdens of ownership of the property. A leasing transaction will be deemed a sham, and thus disregarded, if it was entered into for the sole purpose of obtaining tax benefits and the transaction is devoid of any reasonable opportunity for economic profit (exclusive of tax benefits). A transaction is not a sham if there is either a business purpose or economic substance to the transaction.⁸⁵ The business purpose test has been described as a subjective analysis examining the motivations for entering into a transaction,⁸⁶ while the economic substance analysis is described as an objective analysis focusing on whether the transaction has a reasonable opportunity of producing a profit (exclusive of tax benefits).⁸⁷ If a transaction is shown not to be a sham, the lessor must additionally retain sufficient benefits and burdens of ownership to be regarded as the owner for federal income tax purposes.⁸⁸ The essence of the courts’ benefits and burdens analysis is an examination of whether the purported lessor is subject to the risks of ownership (i.e., downside) and will enjoy the profits of the property (i.e., upside).

Revenue Procedure 2001-28⁸⁹ sets forth advance ruling guidelines for “true lease” status.

⁸⁴ 2001-1 C.B. 1156.

⁸⁵ See *Rice’s Toyota World, Inc.*, 752 F.2d 89; *Van Roekel v. Commissioner*, T.C. Memo 1989-74, *app. dismissed* 905 F.2d 80 (5th Cir. 1990); *Offermann v. Commissioner*, T.C. Memo 1988-236; *L.W. Hardy Co., Inc. v. Commissioner*, T.C. Memo 1987-63; *Greenbaum v. Commissioner*, T.C. Memo 1987-222; *Torres v. Commissioner*, 88 T.C. 702 (1987); *Mukerji v. Commissioner*, 87 T.C. 926 (1986).

⁸⁶ *Levy v. Commissioner*, 91 T.C. 838, 854 (1988).

⁸⁷ *Id.* at 838; *Rubin v. Commissioner*, T.C. Memo 1989-484; *Moser v. Commissioner*, T.C. Memo 1989-142, *aff’d* 914 F.2d 1040 (8th Cir. 1990); *Van Roekel v. Commissioner*, T.C. Memo 1989-74; *Offermann v. Commissioner*, T.C. Memo 1988-236; *Larsen v. Commissioner*, 89 T.C. 1229 (1987), *aff’d & rev’d sub nom Casebeer v. Commissioner.*, 909 F.2d 1360 (9th Cir. 1990).

⁸⁸ See *Emershaw v. Commissioner*, T.C. Memo 1990-246, *aff’d* 949 F.2d 841 (6th Cir. 1991); *Rubin v. Commissioner*, T.C. Memo 1989-484; *Pearlstein v. Commissioner*, T.C. Memo 1989-621; *Moser v. Commissioner*, T.C. Memo 1989-142, *aff’d* 914 F.2d 1040 (8th Cir. 1990); *Van Roekel v. Commissioner*, T.C. Memo 1989-74; *Levy*, 91 T.C. 838.

⁸⁹ 2001-1 C.B. 1156. The guidelines were designed with equipment, rather than real estate,

The Parent Trust has not sought, and does not expect to request, a ruling from the IRS under Revenue Procedure 2001-28. These ruling guidelines provide certain criteria that the IRS will require to be satisfied in order to issue a private letter ruling that a lease is a true lease for federal income tax purposes. In the event of an examination by the IRS, the IRS and, ultimately, the courts of applicable jurisdiction, would consider these ruling guidelines, together with existing cases and other rulings, in determining whether the Leases qualify as true leases for federal income tax purposes. However, we do not believe that strict compliance with Revenue Procedure 2001-28 is required to conclude that the Leases should be characterized as true leases for federal income tax purposes.

Rather, we believe that satisfying most of the material ruling guidelines should be sufficient for this purpose. Accordingly, the following discussion reviews the factors considered relevant by the IRS under Revenue Procedure 2001-28 guidelines, as well as the relevant case law.⁹⁰

C. Minimum Unconditional At-Risk Investment.

Under the Revenue Procedure, the lessor must make a minimum unconditional “at risk” investment in the property (the “Minimum Investment”) when the lease begins, must maintain such Minimum Investment throughout the entire lease term, and such Minimum Investment must remain at the end of the lease term. The Minimum Investment must be an equity investment (the “Equity Investment”) that includes only consideration paid, and personal liability incurred, by the lessor to purchase the property. The net worth of the lessor must be sufficient to satisfy any such personal liability.⁹¹ We believe that satisfying the required Minimum Investment pursuant to the guidelines is also indicative of a lessor’s retention of downside risk as required under the framework established by the case law.⁹²

1. Initial Minimum Investment.

When the property is first placed in service or use by the lessee, the Minimum Investment must be equal to at least 20% of the cost of the property. The Minimum Investment must be unconditional: that is, the lessor must not be entitled to a return of any portion of the Minimum Investment through any arrangement, directly or indirectly, with the lessee, a shareholder of the lessee, or any party related to the lessee (within the meaning of Section 318 of the Code) (the “Lessee Group”).⁹³ Each of the Purchasers will acquire his or her Interest in the Properties (through the Parent Trust and the Operating Trusts) for an

leveraged leases as a primary concern.

⁹⁰ The factors enumerated in the case law are relevant to the guidelines as set forth in Revenue Procedure 2001-28; thus, for purposes of this analysis we refer to the case law factors within the framework of the guidelines.

⁹¹ Rev. Proc. 2001-28, 2001-1 C.B. 1156 § 4.01.

⁹² For example, courts have treated a lessor as the owner of property when the lessor has made cash investments substantially smaller than the 20% required by the Revenue Procedure 2001-28 guidelines. *See e.g., Emershaw v. Commissioner*, T.C. Memo 1990-246 (6% investment); *Greenbaum v. Commissioner*, T.C. Memo 1987-222 (7% investment); *Hardy, L. W. Hardy Co. Inc. v. Commissioner*, T.C. Memo 1987-63 (17% investment).

⁹³ Rev. Proc. 2001-28, 2001-1 C.B. 1156 § 4.01(1).

unconditional equity investment equal to approximately 56.66% of the cost of his or her Interest in the Properties. None of the Purchasers will be entitled to demand the return of his or her Equity Investment from the Parent Trust, or any tenant, or any party related to such parties, either through a put option, a guaranty of residual value, or other arrangement with such persons.

2. Maintenance of Minimum Investment.

The Minimum Investment must remain equal to at least 20% of the cost of the property at all times throughout the entire lease term. That is, the excess of the cumulative payments required to have been paid by the lessee to or for the lessor over the cumulative disbursements required to have been paid by or for the lessor in connection with the ownership of the property must never exceed the sum of (i) any excess of the lessor's initial Equity Investment over 20% of the cost of the property plus (ii) the cumulative pro rata portion of the projected profit from the transaction (exclusive of tax benefits).⁹⁴ The Parent Trust and the Manager have represented to us that they anticipate that the equity invested in each Property by the Purchasers will equal at least 20% of the cost of each Property to the Parent Trust at all times throughout the terms of the Leases (disregarding fluctuations in value) and that, to their knowledge, no plans or intention exists to reduce such equity through distributions or refinancing of each Property or otherwise. It is impossible, however, to determine at this time whether the economic performance of each Property will comply with the above stated requirement of Revenue Procedure 2001-28. Accordingly, this estimation alone neither weighs in support nor against characterization of the Leases as true leases for federal income tax purposes.

3. Residual Investment.

Under Revenue Procedure 2001-28, the fair market value of the property at the end of the lease term must be estimated to be an amount equal to at least 20% of the original cost of the property. For this purpose, fair market value must be determined (i) without including in such value any increase or decrease for inflation or deflation during the lease term, and (ii) after subtracting from such value any cost to the lessor for removal and delivery of possession of the property to the lessor at the end of the lease term. In addition, under Revenue Procedure 2001-28, a reasonable estimate of the remaining useful life of the property at the end of the lease term must equal the longer of one year or 20% of the originally estimated useful life of the property.⁹⁵ The Parent Trust and the Manager have represented that each Property is expected to have a value at the end of the applicable Lease term or the anticipated time of sale that is at least 20% of the original cost of such Property and that the financial projections of the value of each Property at the end of the applicable Lease term or the anticipated time of sale are not based on increases or decreases in inflation or deflation during the lease term and reflect the anticipated costs of sale. In addition, the Parent Trust and the Manager have represented that a reasonable estimate of the remaining useful life of each Property at the end of its initial lease term should equal

⁹⁴ *Id.* at § 4.01(2).

⁹⁵ *Id.* at § 4.01(3).

the longer of one year or 20% of the originally estimated useful life of such Property.

D. Lease Term and Renewal Options.

For purposes of determining whether the various requirements imposed by Revenue Procedure 2001-28 are satisfied, the lease term must include all renewal or extension periods except renewals or extensions at the option of the lessee at fair rental value at the time of such renewal or extension.⁹⁶ Because both the Equity Investment of the Purchasers and the Leases will terminate at the time of the anticipated sale, the anticipated time of sale might be used as the measuring period for purposes of determining the terms of the Leases. One could also argue that the entire terms of the Leases should be used as the applicable measuring period in determining whether the various requirements of Revenue Procedure 2001-28 have been met. We have considered each of these alternatives in reaching our conclusions herein concerning the application of Revenue Procedure 2001-28.

E. Purchase and Sale Rights.

Under Revenue Procedure 2001-28, no member of the Lessee Group may have a contractual right to purchase the property from the lessor at a price less than its fair market value at the time the right is exercised.⁹⁷ When the property is first placed in service or use by the lessee, the lessor may not have a contractual right to cause any party to purchase the property.⁹⁸ The lessor must also not have any present intention to acquire such a contractual right. A provision that permits the lessor to abandon the property to any party will be treated as a contractual right of the lessor to cause such party to purchase the property.⁹⁹ Despite this prohibition, both the IRS and the courts have recognized leases utilizing fixed-price purchase options as leases for federal income tax purposes. A number of courts have concluded that a true lease existed even when the lessee had the right to purchase the leased property at a fixed price so long as the purchase price represented an estimate of the fair market value of the leased property as of the option date, or was not nominal in relation to such value.¹⁰⁰ The Leases and other Transaction Documents do not provide the Parent Trust with a put option or the right to abandon the Properties to any

⁹⁶ *Id.* at § 4.02.

⁹⁷ *Id.* at § 4.03.

⁹⁸ *Id.* at § 4.03.

⁹⁹ *Id.* at § 4.03.

¹⁰⁰ *See L. W. Hardy Co. Inc. v. Commissioner*, T.C. Memo 1987-63; *Transamerica Corp. v. U.S.*, 15 Cl. Ct. 420 (1988), *aff'd* 902 F.2d 1540 (Fed. Cir. 1990); *Cooper v. Commissioner*, 88 T.C. 84 (1987); *Belz Inv. Co. v. Commissioner*, 72 T.C. 1209 (1979), *aff'd* 661 F.2d 76 (6th Cir. 1981), *acq.* 1980-2 C.B. 1; *Northwest Acceptance Corp. v. Commissioner*, 58 T.C. 836 (1972), *aff'd* 500 F.2d 1222 (9th Cir. 1974); *Lockhart Leasing Co. v. Commissioner*, 54 T.C. 301 (1970), *aff'd* 446 F.2d 269 (10th Cir. 1971); *see also* Staff of the Joint Committee on Taxation, General Explanation of the Tax Reform Act of 1984 (1984) (“Where [a] purchase option was more than nominal but relatively small in comparison with fair market value, the lessor was viewed as having transferred full ownership because of the likelihood that the lessee would exercise the option.”).

party.

In the present case, the FMV Option provided to the Operating Partnership under the Trust Agreements is only exercisable for a price that is determined by reference to the fair market value of the relevant Property/ies.¹⁰¹ Although not free from doubt, in light of the case law and rulings discussed above, the FMV Option provided under the Trust Agreements should not cause the Leases to fail to be true leases for federal income tax purposes because the strike price of the relevant FMV Option is determined by reference to the fair market value of the relevant Property/ies and is not nominal in relation to such value.

F. Investment by Lessees.

No part of the cost of the property or the cost of improvements, modifications, or additions to the property (“Improvements”) may be furnished by any member of the Lessee Group. If the lease requires the lessee to maintain and keep the property in good repair during the term of the lease, ordinary maintenance and repairs performed by a member of the Lessee Group will not constitute an Improvement.¹⁰²

While the Master Tenants may incur some obligations to construct improvements under one or more subleases, this should not affect the characterization of the Leases for federal income tax purposes. Under the Leases, the Master Tenants may be required to pay for certain tenant improvements associated with the Properties. For example, the Master Tenants must throughout the terms of the Leases take good care of the Properties, put, keep and maintain the Properties and every part thereof in a condition substantially the same as the condition of the Properties as of the commencement of the Leases, and make all necessary repairs of whatsoever kind or nature.¹⁰³ We believe that any such improvements required to be constructed by the Master Tenants under the Leases are in the nature of maintenance and repairs consistent with ordinary commercial practice and, therefore, should not prevent the Leases from qualifying as true leases for federal income tax purposes.¹⁰⁴

G. No Lessee Loans or Guarantees.

No member of the Lessee Group may lend to the lessor any of the funds necessary to acquire the property, or guarantee any indebtedness created in connection with the acquisition of the property by the lessor.¹⁰⁵ A guarantee by any member of the Lessee

¹⁰¹ See the Trust Agreements at §§10.1 & 10.4.

¹⁰² Rev. Proc. 2001-28, 2001-1 C.B. 1156 at § 4.04.

¹⁰³ See the Leases at §6.1.

¹⁰⁴ In addition, in its private ruling practice under Revenue Procedure 75-21 (the predecessor to Revenue Procedure 2001-28, which included a similar requirement), the IRS has generally concluded that the making of an improvement by a tenant not permitted under this guideline will not affect the true lease analysis. See I.R.S. Priv. Ltr. Rul. 8712025 (Dec. 18, 1986); see also I.R.S. Gen. Couns. Mem. 36,727 (May 13, 1976) (“We too have found no statutory or judicial law reclassifying a lease transaction as a purchase because of lessee improvements”).

¹⁰⁵ Rev. Proc. 2001-28, 2001-1 C.B. 1156 § 4.05.

Group of the lessee's obligation to pay rent, properly maintain the property, or pay insurance premiums or other similar conventional obligations of a net lease does not constitute a guarantee of the indebtedness of the lessor.¹⁰⁶ There are no guarantees under the Leases or other Transaction Documents that violate this requirement.¹⁰⁷

H. Profit Requirement.

The lessor must expect to receive a profit from the transaction apart from the value of or benefits obtained from the tax deductions, allowances, credits and other tax attributes arising from such transaction. Under the Revenue Procedure 2001-28 guidelines, this requirement is met if: (a) the aggregate amount required to be paid by the lessee to or for the lessor over the lease term plus the value of the residual investment exceed an amount equal to the sum of the aggregate disbursements required to be paid by or for the lessor in connection with the ownership of the property and the lessor's Equity Investment in the property, including any direct costs to finance the Equity Investment; and (b) the aggregate amount required to be paid to or for the lessor over the lease term exceeds by a reasonable amount the aggregate disbursements required to be paid by or for the lessor in connection with the ownership of the property.¹⁰⁸ Similarly, the return of a profit to the lessor is arguably indicative of a true upside, sufficient to satisfy the sham transaction and benefits and burdens framework established by the case law.¹⁰⁹ The Parent Trust and the Manager have represented to us that this requirement is expected to be satisfied.

¹⁰⁶ *Id.* at § 4.05.

¹⁰⁷ An affiliate of the Sponsor will provide the Lender with a limited, non-recourse carveout guarantee under which the affiliate guarantees the payment and performance of certain obligations caused by the Operating Trusts' action or inaction in connection with the Manager's management of the Property. The limited guarantee should not be viewed as an amount of capital at risk in connection with ownership of the Properties because the potential liability only arises due to events within the control of the Trusts. Because the liability triggers will be within the control of the Trusts, such a limited guarantee is distinguishable from a full guarantee of the Operating Trusts' entire indebtedness. In addition, with respect to the Bridge Financing, an Affiliate of the Sponsor will provide the bridge lender with a repayment guaranty of the obligations of Bluerock Real Estate Holdings, LLC. As the Bridge Financing will be an obligation of the Bluerock Real Estate Holdings, LLC (and not any of the Trusts), such guarantee should not constitute a guarantee of indebtedness created in connection with the acquisition of the Properties by the Master Tenants as lessors.

¹⁰⁸ Rev. Proc. 2001-28, 2001-1 C.B. 1156 at § 4.06.

¹⁰⁹ While the "Projected Uncontrollable Costs" feature of the Leases could potentially be viewed as giving rise to a relationship similar to a cash flow lease (e.g., if the pool of items included in the formulation of Projected Uncontrollable Costs was so expansive as to include the totality of operating expenses, or a significant portion thereof, thereby changing the nature of the Leases), we believe that the limited categories included therein (i.e., real estate taxes and similar impositions, insurance and utilities) are sufficiently tied to historic and anticipated costs and discrete in nature such that the Leases should still be properly viewed as a true lease and not an agency or financing arrangement. As such, the Projected Uncontrollable Costs adjustment mechanism in the Leases should not be viewed as a sharing of profits or losses.

I. Conclusion.

In light of the above factors, the Leases satisfy most of the pertinent material conditions set forth in Revenue Procedure 2001-28 that we believe are necessary for characterization as a true lease. Likewise, under the framework established in the case law, the Leases bear the hallmarks of a bona fide lease. Accordingly, we believe that the Leases should be treated as true leases rather than as financings for federal income tax purposes.

VII. The Leases should be treated as true leases and not deemed partnerships for federal income tax purposes.

It also is necessary to consider whether the Leases could be re-characterized as partnerships for federal income tax purposes because if the Parent Trust, the Operating Trusts or the Beneficial Owners are treated as partners with the Master Tenants with respect to the ownership of the Properties, the Beneficial Owners would not be treated as directly holding interests in the Properties for income tax purposes.¹¹⁰ Case law provides that certain factors are indicative that a purported lease may in fact be a partnership for federal income tax purposes.¹¹¹

A. Applicable Standards.

¹¹⁰ Because the Property Manager and sub-property manager, if any, will not be in privity of contract with the Trusts, there should be little doubt that there is no partnership between the Property Manager, sub-property manager, and the Trusts.

¹¹¹ See *Haley v. Commissioner*, 203 F.2d 815 (5th Cir. 1953), *rev'g and rem'g* 16 T.C. 1509 (1951) (citing *Culbertson* and stating that a transaction will be treated as a partnership rather than a lease “if the agreements and the conduct of the parties . . . plainly show the existence of such [a partnership] relationship, and the intent to enter into it”); *Luna v. Commissioner*, 42 T.C. 1067 (1964) (outlining factors that will aid in the determination of whether a partnership exists for federal tax purposes “[T]he following factors, none of which are conclusive, bear on this issue: The agreement of the parties and their conduct in executing its terms; the contributions if any, which each party has made to the venture; the parties’ control over income and capital and the right of each to make withdrawals; whether each party was a principal and coproprietor, sharing a mutual proprietary interest in the net profits and having an obligation to share losses, or whether one party was the employee of the other; whether business was conducted in the joint name of the parties; whether the parties filed Federal partnership returns or otherwise represented that they were joint venturers; whether separate books of account were maintained for the venture; and whether the parties exercised mutual control over and assumed mutual responsibilities for the enterprise.”); *Bussing v. Commissioner*, 88 T.C. 449 (“A partnership for federal income tax purposes is formed when the parties to a venture join together capital or services with the intent of conducting a business or enterprise and of sharing the profits and/or losses of the venture”). In *Bussing*, the parties entered into a multiparty sale lease-back transaction intended to qualify under *Frank Lyon*. Rent payments generally offset amounts due under the debt incurred to purchase the asset, giving the purchaser-lessor an interest in the rent. Because of a remarketing agreement that enabled the seller-lessee to share along with the purchaser lessor in the residual value of the leased property. The purchaser-lessee took the property subject to already existing debt and therefore bore a risk of loss if this debt was not repaid.

The courts have focused on the following factors when analyzing this issue:

1. Intent.

The test set forth in *Culbertson* is applicable in determining whether an agreement is treated as a partnership or as a lease.¹¹² The Leases specifically state that the parties do not intend to form a financing arrangement, joint venture or management arrangement with the Master Tenants.¹¹³ Likewise, each Lease recites that it is intended to be characterized as a true lease and that the parties shall reflect the Leases as such in all applicable books, records and reports, including income tax filings.¹¹⁴

2. Joint Contribution of Capital or Services.

Where persons combine their capital and services together in an enterprise such that they are required to deal with each other to realize the economic benefits from the property, the arrangement generally will be characterized as a partnership.¹¹⁵ The Operating Trusts and the Master Tenants do not intend to pool either their capital or services. The Operating Trusts will make the Properties available to the Master Tenants and will not participate in, or provide services to, the Master Tenants' business (except to the extent necessary to protect its investment in the applicable Property). Similarly, the Master Tenants will not provide capital to enable the Operating Trusts to acquire or improve the Properties and will not provide services to the Operating Trusts (except to the extent necessary to comply with its obligations under the applicable Lease).

3. Joint Capital and Ownership of Capital and Earnings.

Another factor is whether the participants will have joint control over the capital and earnings of the venture.¹¹⁶ The Master Tenants will have control over cash from the Properties. However, the Master Tenants should not be deemed to have an ownership interest in the funds to which the Trust is entitled and it does not have the power to spend such funds except pursuant to the specific terms provided under the Lease. The Trust and the Master Tenants will each earn a separate profit. The Master Tenants will recognize income or loss based on the difference between the rent it receives on its subleases and the expenses of leasing and operating the Properties. The Trust will receive rent from the Master Tenant through a fixed rental payment payable monthly.¹¹⁷ The Leases do not provide for any rental payments based on net operating income or net cash flow from the operation of the Properties. Thus, none of these parties will jointly share in profits or losses; rather, each will bear its own separate risk that a profit will be realized.

¹¹² *Commissioner v. Culbertson*, 337 U.S. 733 (1949).

¹¹³ See the Leases at §3.5.

¹¹⁴ *Id.*

¹¹⁵ *Bussing*, 88 T.C. 449; *Alhouse v. Commissioner*, T.C. Memo 1991-652.

¹¹⁶ Code § 704(e)(1).

¹¹⁷ See the Leases at §4.1.

4. Sharing of Profits as Co-proprietors.

Partners generally share profits as co-proprietors. A sharing of profits, however, is not alone sufficient to make partners or joint venturers out of participants in a business enterprise if the requisite element of co-ownership is not established.¹¹⁸ A profit share in a lease can be received by a lessor as rent without the lessor becoming a partner in the enterprise. A share of net receipts, as opposed to gross receipts, is stronger evidence that a partnership relationship exists, but without more, should not cause a lease to be recharacterized as a partnership. Under the Leases, the Master Tenants receive rent from the sublease of the Properties whereas the Operating Trusts receive rent from the Master Tenants. Under the Treasury Regulations, the sharing of gross rents, without more, is very unlikely to create a partnership arrangement.¹¹⁹ The only sharing involved in the present case is the fact that the Operating Trusts might share in certain gross percentage rent, as landlords and not as partners, only to the extent such rent exceeds a set base.¹²⁰ Thus, the Operating Trusts and the Master Tenants should not be viewed as sharing in the net profits

¹¹⁸ See Treas. Reg. § 301.7701-1(a)(2) (if an individual owner of farm property leases it to a farmer for a cash rental or a share of the crops, they do not necessarily create a separate entity for federal tax purposes); *Grandview Mines v. Commissioner*, 282 F.2d 700 (9th Cir. 1960), *aff'g* 32 T.C. 759 (1959) (46.5% of lessee's net profits from leased property; not recharacterized as partnership); *Freesen v. Commissioner*, 84 T.C. 920 (1985) ("The fact that the consideration paid for the use of property is a function of net profits, does not require a finding that a joint venture exists"); see also *U.S. v. Myra Foundation*, 382 F.2d 107 (8th Cir. 1967) (sharecropping arrangement not partnership even though landowner furnished seed, paid half of certain expenses, and participated in farming operations through a farm manager); *White's Iowa Manual Labor Inst. v. Commissioner*, T.C. Memo 1993-364 (same result); *Harlan E. Moore Charitable Trust v. U.S.*, 9 F.3d 623 (7th Cir. 1993) (same result); *Oblinger Trust v. Commissioner*, 100 T.C. 114 (1993); cf. *Bank of El Paso v. U.S.*, 509 F.2d 832 (5th Cir. 1975) (holding characterization as lease or partnership was a question for the jury and distinguishing *Myra Foundation*); Rev. Rul. 57-7, 1957-1 C.B. 435 (arrangements in which coin-operated entertainments were placed on premises and under which the owner of the premises received a percentage of the gross receipts were leases); *Manchester Music Co., Inc. v. U.S.*, 733 F. Supp. 473 (D.N.H. 1990) (reaching opposite conclusion from Rev. Rul. 57-7); *In re Acme Music Co., Inc.*, 196 B.R. 925 (W.D. Pa. 1996) (no partnership between owner of premises of operator of coin-operated entertainments where owner and operator shared only gross profits, not net profits); Rev. Rul. 92-49, 1992-1 C.B. 433 (allowing taxpayers to elect how to report arrangements described in Rev. Rul. 57-7); see also *Duley v. Commissioner*, T.C. Memo 1981-246 (no partnership even though profit sharing because no intent to form partnership, no sharing of losses and no material interest in capital); *Koss v. Commissioner*, T.C. Memo 1989-330 (no partnership when joint sharing of profits because no obligation to contribute capital or share losses and no proprietary interest in profits); I.R.S. Priv. Ltr. Rul. 8003027 (Oct. 23, 1979); I.R.S. Gen. Couns. Mem. 36,113 (Dec. 19, 1974); Rev. Rul. 75-43, 1975-1 C.B. 383.

¹¹⁹ Treas. Reg. § 1.761-1(a); Treas. Reg. § 301.7701-1(a)(2).

¹²⁰ As noted above, we believe that the limited categories of expenses included in Uncontrollable Costs (i.e., real estate taxes and similar impositions, insurance and utilities) are sufficiently tied to historic and anticipated costs and discrete in nature such that the Leases should still be properly viewed as true leases and not as deemed partnerships. As such, the Uncontrollable Costs adjustment mechanism in the Leases should not be viewed as a sharing of profits or losses and, therefore, is not indicative of deemed partnerships.

from the Properties.

5. Sharing of Losses.

Although the sharing of losses is not required to obtain partner status, this has often been a significant factor in cases distinguishing leases from partnerships. A mere profit-sharing agreement would not be taxed as a partnership absent an intent to form a partnership, especially when there was no agreement to share losses. In this case, the Master Tenants will not share in losses generated from an ownership interest in the Properties. Further, in the case of the Leases, the Operating Trusts will lease the Properties to the Master Tenants, and will not share in losses, if any, sustained by the Master Tenants with respect to operating and subletting of the Properties.

6. Control Over the Business.

An arrangement whereby two or more persons share the profits of a common undertaking does not constitute a joint venture in the absence of the power to control.¹²¹ Typically, a lessor does not jointly manage the leased property with the lessee. The right of a lessor to participate in the management of the property, therefore, is an important factor distinguishing leases from partnerships.¹²² Under the terms of the Leases, the Operating Trusts will have limited rights to participate in the management of the Properties. The Master Tenants will have the right to manage the day-to-day operation of the Properties. Any sublease by the Master Tenants does not require the consent of the Operating Trusts, so long as the term of such sublease terminates prior to the terms of the Leases.¹²³ While any decision to sell or refinance the Properties will be made by the Manager on behalf of the Operating Trust, this right is typical for a lessor to possess as the owner of a property and, therefore, does not support partnership characterization.

7. Parties' Agreement and Conduct in Executing its Terms.

As stated above, the Leases specifically state that the parties do not intend to create a financing arrangement, joint venture or management arrangement.¹²⁴ Additionally, we believe the terms of the Leases are not indicative of a financing arrangement, joint venture or management arrangement. Accordingly, the parties' agreement and, to our knowledge, their conduct in executing its terms should not be indicative of a partnership for federal income tax purposes.¹²⁵

¹²¹ *Joe Balestrieri and Co. v. Commissioner*, 177 F.2d 867 (9th Cir. 1949); *O'Connor v. Commissioner*, T.C. Memo 1960-70 (broker split profits but compensated for losses).

¹²² *See, e.g., Grandview Mines*, 282 F.2d 700; *Haley*, 203 F.2d 815.

¹²³ *See* the Leases at §19.4.

¹²⁴ *See* the Leases at § 3.5.

¹²⁵ *Sun Capital Partners III, LP v. New England Teamsters & Trucking Industry Pension Fund*, 943 F.3d 49 (1st Cir. 2019) (in deciding whether two private equity funds (the "Funds") had created a deemed partnership: "The fact that the Funds expressly disclaimed any sort of

8. Maintenance of Separate Books.

The Master Tenants will not keep books or records on behalf of the Operating Trusts, as such tasks will be performed by the Manager on behalf of the Operating Trusts.¹²⁶ Under the Leases, the Master Tenants will keep records as required to report rental payments to the Operating Trusts so that each of the Operating Trusts will separately report its separate rental income.¹²⁷

9. Filing of Tax Returns or Other Partnership Action.

Pursuant to the Leases, no partnership returns will be filed and the parties are prohibited from otherwise acting or holding themselves out as partners in a partnership.¹²⁸ Each party is specifically required to reflect the transactions represented by the Leases in all applicable books, records and reports (including, without limitation, income tax filings) in a manner consistent with true lease treatment (i.e., in a manner reflecting a relationship between a landlord and tenant).¹²⁹

10. Lessee Shares in Residual Proceeds.

Although a number of cases have upheld transactions as leases even though the lessee was engaged to provide the lessor with remarketing services in exchange for a share of the sales proceeds,¹³⁰ this factor is not present here. In addition, any compensation of the Manager, if any, upon a sale of the Properties is a matter of contract between the Operating Trusts and the Manager and should not give rise to a partnership between the Master Tenants and the Operating Trusts for federal income tax purposes.

B. Conclusion.

Based on these factors, the arrangement between and among the Operating Trusts and the Master Tenants should not give rise to deemed partnerships for federal income tax purposes.

VIII. The discussion of the federal income tax consequences contained in the Memorandum are correct in all material respects.

We have reviewed the discussion of federal income tax consequences contained in the

partnership between the Funds counts against a partnership finding as to several of the *Luna* factors.”).

¹²⁶ *Id.* (applying the *Luna* factors “The Funds...kept separate books...a fact which tends to rebut partnership formation.”).

¹²⁷ See the Leases at §§3.5 & 23.21.

¹²⁸ See the Leases at §23.16; *Sun Capital*, 943 F.3d 49 (1st Cir. 2019) (applying the *Luna* factors “The Funds also filed separate tax returns...a fact which tends to rebut partnership formation.”).

¹²⁹ See the Leases at §3.5.

¹³⁰ See, e.g., *Levy*, 91 T.C. 838; *Casebeer*, 909 F.2d 1360.

Memorandum, and we believe that it is correct in all material respects. Our opinion, however, does not address whether the exchange entered into by a Purchaser satisfies all of the requirements of Section 1031.

IX. Certain judicially created doctrines should not apply to change the foregoing conclusions.

There are a number of judicially created substance-over-form doctrines that may conceivably apply to the Parent Trust's and the Operating Trusts' contractual arrangements, including the economic substance/business purpose, the sham transaction, and step transaction doctrines. For reasons discussed more fully below, none of the foregoing doctrines should apply in the instant case.

A. Economic Substance and Business Purpose.

1. Applicable Rules.

Taxpayers generally are free to structure their business transactions as they please, even if motivated by tax avoidance considerations.¹³¹ While a transaction with no purpose other than to reduce taxes will not be recognized for federal income tax purposes, a transaction that has a meaningful business purpose and economic substance should be respected, regardless of whether the taxpayer also intended to reduce taxes.¹³²

In *Frank Lyon Co. v. United States*,¹³³ the Supreme Court stated:

Where . . . there is a genuine multiple-party transaction with economic substance which is compelled or encouraged by business or regulatory

¹³¹ See *Gregory*, 293 U.S. 465; *Rice's Toyota World v. Commissioner*, 81 T.C. 184, 196 (1983), *aff'd in part, rev'd in part and rem'd*, 752 F.2d 89 (4th Cir. 1985).

¹³² *Gregory*, 293 U.S. at 469; see also *Superior Oil Co. v. Mississippi*, 280 U.S. 390, 395-96 (1930) ("The only purpose of the [taxpayer] was to escape taxation. . . The fact that it desired to evade the law, as it is called, is immaterial, because the very meaning of a line in the law is that you intentionally may go as close to it as you can if you do not pass it."); *Knetsch v. United States*, 364 U.S. 361, 365 (1960) (citing *Gregory* regarding the legal right of a taxpayer to decrease or altogether avoid taxes); *ACM Partnership*, 157 F.3d at 248 n.31 ("[I]t is also well established that where a transaction objectively affects the taxpayer's net economic position, legal relations, or non-tax business interests, it will not be disregarded merely because it was motivated by tax considerations. In analyzing both the objective and subjective aspects of ACM's transaction in this case where the objective attributes of an economically substantive transaction were lacking, we do not intend to suggest that a transaction which has actual, objective effects on a taxpayer's non-tax affairs must be disregarded merely because it was motivated by tax considerations."); *Yosha v. Commissioner*, 861 F.2d 494, 499 (7th Cir. 1988) (a transaction has economic substance when ". . . it is the kind of transaction that some people enter into without a tax motive, even though the people fighting to defend the tax advantages of the transaction might not or would not have undertaken it but for the prospect of such advantages — may indeed have had no other interest in the transaction.").

¹³³ 435 U.S. 561 (1978).

realities, is imbued with tax independent considerations, and is not shaped solely by tax-avoidance features that have meaningless labels attached, the Government should honor the allocation of rights and duties effectuated by the parties.¹³⁴

As a result of *Frank Lyon*, a two-pronged test was developed to determine whether the form of a transaction should be respected or disregarded as a sham. In *Rice's Toyota World, Inc.*,¹³⁵ the Fourth Circuit articulated this test by stating that “[t]o treat a transaction as a sham, the court must find that the taxpayer was motivated by no business purposes other than obtaining tax benefits in entering the transaction, and that the transaction has no economic substance because no reasonable possibility of a profit exists.”¹³⁶ This test therefore analyzes both the objective and subjective aspects of a transaction, i.e., the economic substance and the subjective business motivation behind the transaction, respectively.¹³⁷ These objective and subjective aspects are not “discrete prongs of a ‘rigid two-step analysis,’” but rather are related factors in the analysis of whether a transaction has sufficient substance, apart from its tax consequences, to be respected.¹³⁸

With respect to determining profit potential, the courts have not traditionally established a threshold amount of profit to determine whether a transaction should be respected for federal income tax purposes. The Tax Court has in some cases required more than a de minimis amount of profit, especially where transactions involving financial instruments are

¹³⁴ *Id.* at 583-84; *see also Cottage Savings Ass'n v. Commissioner*, 499 U.S. 554 (1991) (a savings and loan association that swapped mortgage portfolios in order to recognize a tax loss was allowed such loss; the Supreme Court focused not on the tax-motivated purpose, but on whether the portfolios were materially different by tax as opposed to economic standards).

¹³⁵ 81 T.C. 184 (1983), *aff'd in part, rev'd in part and rem'd*, 752 F.2d 89 (4th Cir. 1985).

¹³⁶ *Rice's Toyota World*, 752 F.2d at 91; *see also Horn v. Commissioner*, 968 F.2d 1229, 1237 (D.C. Cir. 1992) (before declaring a transaction an economic sham, the court should consider whether the transaction presented a reasonable prospect for economic gain).

¹³⁷ *Casebeer*, 909 F.2d at 1363; *accord Lerman v. Commissioner*, 939 F.2d 44, 53-54 (3d Cir. 1991) (noting that a sham transaction is defined as a transaction that “has no business purpose or economic effect other than the creation of tax deductions” and holding that the taxpayer was not entitled “to claim “losses” when none in fact were sustained”).

¹³⁸ *Id.* at 1363; *see also Jacobson v. Commissioner*, 915 F.2d 832, 837 (2d Cir. 1990) (the determination of economic substance looks to whether the transaction has any “practical economic effects other than the creation of income tax losses”); *Weller v. Commissioner*, 270 F.2d 294, 297 (3d Cir. 1959) (transactions that do not change the flow of economic benefits are disregarded if they do not change the taxpayer’s financial position); *Northern Ind. Pub. Serv. Co. v. Commissioner*, 115 F.3d 506 (7th Cir. 1997), *aff'g*, 105 T.C. 341 (1995) (the IRS could not set aside transactions which resulted “in actual, non-tax related changes in economic position.”); *Larsen*, 89 T.C. 1229; *cf. Kirchman v. Commissioner*, 862 F.2d 1486 (11th Cir. 1989) (existence of a nontax business purpose does not mandate the recognition of a transaction that otherwise lacks economic substance); *Goldstein v. Commissioner*, 364 F.2d 734 (2d Cir. 1966) (the court denied the taxpayer a prepaid interest deduction on debt incurred by the taxpayer solely to generate a deduction because the taxpayer could not reasonably have had any purpose in entering the transactions other than to reduce taxes).

concerned.¹³⁹ Other courts, however, have been reluctant to propose a threshold amount.¹⁴⁰

In *United Parcel Service of America, Inc. v. Commissioner*,¹⁴¹ the Eleventh Circuit reversed the Tax Court¹⁴² on the issue of economic substance in finding that the restructuring by United Parcel Service (“UPS”) of its excess-value business had both real economic effects and a business purpose. The Court reasoned that setting up a transaction (that otherwise has economic substance) with tax planning in mind is permissible as long as it figures in a bona fide, profit-seeking business purpose. In its finding that UPS’ transaction had a valid business purpose, the Court noted that “a “business purpose” does not mean a reason for a transaction that is free of tax considerations. Rather, a transaction has a “business purpose” . . . as long as it figures in a bona fide, profit-seeking business.”¹⁴³

The economic substance doctrine was developed under an extensive body of case law prior to being codified as Section 7701(o) as part of the Reconciliation Act of 2010.¹⁴⁴ Before the economic substance doctrine under Section 7701(o) can be applied to a transaction, it is important to ask whether the economic substance doctrine is relevant to such transaction. Section 7701(o)(5)(C) provides that “[t]he determination of whether the economic substance doctrine is relevant to a transaction shall be made in the same manner as if this subsection has never been enacted.”¹⁴⁵ For example, the Joint Committee Report specifically provides that “[l]easing transactions, like all other types of transactions, will continue to be analyzed in light of all the facts and circumstances.”¹⁴⁶ This suggests that the economic substance doctrine as codified will be applied as it historically has been applied under the case law. However, taxpayers should anticipate that the courts and the IRS could apply the specific language of the statute.

The Joint Committee Report provides for two types of transactions that are not considered relevant for purposes of the economic substance doctrine: (i) transactions giving rise to the realization of tax benefits consistent with the intent of Congress; and (ii) certain basic business transactions that are respected “under longstanding judicial and administrative

¹³⁹ See *Hilton v. Commissioner*, 74 T.C. 305, 353 (1980); *aff’d per curiam*, 671 F.2d 316 (9th Cir. 1982) (a 6% rate of return was required for purposes of the economic substance determination); *Krumhorn v. Commissioner*, 103 T.C. 29 (1994).

¹⁴⁰ See *Estate of Thomas v. Commissioner*, 84 T.C. 412, 440 n. 52 (1985) (the court abstained, absent legislative guidance, from proposing a particular return for purposes of the determination of profit potential).

¹⁴¹ 254 F.3d 1014 (11th Cir. 2001), *rev’g*, T.C. Memo 1999-268.

¹⁴² T.C. Memo 1999-268.

¹⁴³ *United Parcel Service of America, Inc.*, 254 F.3d at 1019.

¹⁴⁴ As codified, the economic substance doctrine is the “common law doctrine under which tax benefits under subtitle A with respect to a transaction are not allowable if the transaction does not have economic substance or lacks a business purpose.” Code § 7701(o)(5)(A).

¹⁴⁵ See also Joint Committee on Taxation, Technical Explanation of the Revenue Provisions of the “Reconciliation Act of 2010,” as amended, in combination with the “Patient Protection and Affordable Care Act” (JCX-18-10) (Mar. 21, 2010) [hereinafter Joint Committee Report], at 152 (“[T]he provision does not change present law standards in determining when to utilize the economic substance analysis.”).

¹⁴⁶ *Id.*

practice.”¹⁴⁷ Regarding the first category of transactions to which the economic substance doctrine is not relevant, the Joint Committee Report states that “[if] the realization of the tax benefits of a transaction is consistent with the Congressional purpose or plan that the tax benefits were designed by Congress to effectuate, it is not intended that such tax benefits be disallowed.”¹⁴⁸ Regarding the second category of transactions to which the economic substance doctrine is not relevant, the Joint Committee Report states that Section 7701(o) “is not intended to alter the tax treatment of certain basic business transactions that, under longstanding judicial and administrative practice are respected, merely because the choice between meaningful economic alternatives is largely or entirely based on comparative tax advantages.”¹⁴⁹ The Joint Committee Report further provides that the economic substance doctrine does not apply to the following four basic business transactions: (i) the choice between capitalizing a business enterprise with debt or equity; (ii) A U.S. person’s choice between utilizing a foreign corporation or a domestic corporation to make a foreign investment; (iii) the choice to enter a transaction or series of transactions that constitute a corporate organization or reorganization under subchapter C of the Code; and (iv) the choice to use a related-party entity in a transaction, provided that the arm’s-length standard of Section 482 and other applicable concepts are satisfied.¹⁵⁰

The legislative history to Section 7701(o) provides limited guidance as to whether the economic substance doctrine applies in the first instance. Specifically, the House Report states that it does not intend for the provision to alter the tax treatment of “certain basic business transactions that, under longstanding judicial and administrative practice are respected, merely because the choice between meaningful economic alternatives is largely or entirely based on comparative tax advantages.”¹⁵¹ The House Report goes on to note that, “as under present law, whether a particular transaction meets the requirements for specific treatment under any of these provisions is a question of facts and circumstances.”¹⁵²

In addition, the Large Business and International Division of the IRS issued guidance to assist examiners and their managers with determining whether it is appropriate to raise the economic substance doctrine with respect to a transaction under review (the “LB&I Directive”).¹⁵³ The LB&I Directive lists factors tending to show that it likely would be inappropriate to apply the economic substance doctrine, such as if (i) the transaction was not highly structured, (ii) the transaction was based on arms’ length terms negotiated by unrelated third parties, (iii) the transaction did not involve unnecessary steps, (iv) the transaction was not promoted by a tax department or outside counsel, or (v) the transaction generates targeted tax incentives that are, in form and substance, consistent with

¹⁴⁷ *Id.* at 152-153.

¹⁴⁸ *Id.* at 152 n. 344.

¹⁴⁹ *Id.* at 152.

¹⁵⁰ *Id.* at 152-153.

¹⁵¹ H.R. Rep. 111-443 at 296.

¹⁵² *Id.*

¹⁵³ LB&I Directive, Guidance for Examiners and Managers on the Codified Economic Substance Doctrine and Related Penalties, Control No: LB&I-4-0711-015 (July 15, 2011).

Congressional intent in providing the incentives.¹⁵⁴

If a transaction is relevant and thus subject to the economic substance doctrine, Section 7701(o) codifies the position, already taken by many courts, that the economic substance doctrine entails application of a conjunctive test.¹⁵⁵ Specifically, Section 7701(o)(1) provides that a transaction (or series of transactions) to which the economic substance doctrine applies is treated as having economic substance only if: (1) it changes in a meaningful way (apart from any federal income tax effects) the taxpayer's economic position; and (2) the taxpayer has a substantial purpose (apart from federal income tax effects) for entering into such transaction. Before enacting Section 7701(o), some circuit courts of appeal would only require a change in economic circumstances or a business purpose. By enacting Section 7701(o), Congress eliminated any distinction between the different federal circuit courts of appeal as to whether the foregoing test should be applied conjunctively or disjunctively.

2. Analysis.

The Parent Trust's and the Operating Trusts' contractual arrangements should be recognized for federal income tax purposes according to their form. As discussed above, the economic substance doctrine does not apply to certain basic business transactions, including a U.S. person's choice between utilizing a foreign corporation or a domestic corporation to make a foreign investment. Although the use of Delaware statutory trusts to invest in real properties is not a transaction that is specifically included in the list of basic business transactions in the Joint Committee Report that are not subject to the economic substance doctrine, the transaction pertaining to "a U.S. person's choice between utilizing a foreign corporation or a domestic corporation to make a foreign investment" speaks to the general issue of how a taxpayer structures investments, such that the type of entity used by a taxpayer to structure an investment (i.e., corporation, partnership, trust) should arguably be considered a basic business transaction that is not relevant and to which the economic substance doctrine is not applicable. Accordingly, the holding by the Beneficial Owners of the Properties through the Parent Trust and the Operating Trusts should be treated as a transaction that is not relevant for purposes of Section 7701(o), such that the economic substance doctrine should not apply.

Even if for the sake of argument, however, the holding by the Beneficial Owners of the Properties through the Parent Trust and the Operating Trusts were treated as a transaction that is relevant for purposes of Section 7701(o), such transaction should be respected because (i) the Beneficial Owners' economic positions are meaningfully changed as a result of entering into the transactions herein; and (ii) there is a substantial purpose (apart from federal income tax effects) for the Beneficial Owners for entering into the transactions. Such substantial purpose is to enable each Beneficial Owner to be treated as a direct owner of a portion of the Properties for federal income tax purposes. Furthermore,

¹⁵⁴ *Id.*

¹⁵⁵ See, e.g., *Klamath Strategic Investment Fund v. United States*, 568 F.3d 537, (5th Cir. 2009); *Coltec v. United States*, 454 F.3d 1340 (Fed. Cir. 2006); *United Parcel Service of America, Inc.*, 254 F.3d at 1014.

each Beneficial Owner's economic position changes in a meaningful way as it will be given an opportunity to own an interest in the Properties in a manner that it might not otherwise be able to do on its own accord due to its respective individual financial limitations. In addition, each Beneficial Owner will have a right to its pro rata share of all income and loss generated by the bona fide, profit-seeking business of operating the Properties, and the allocation of all economic benefits and burdens associated with the Properties will correspond to the respective Interest owned by each Beneficial Owner. For the foregoing reasons, the transactions and contractual arrangements herein should be respected under the economic substance doctrine.

B. Sham Transaction Doctrine.

1. Applicable Rules.

Under the sham transaction doctrine, a transaction may be disregarded if it constitutes a factual sham or an economic sham. A factual sham is a purported transaction that is not executed as a factual matter.¹⁵⁶ In contrast, an economic sham is a transaction that has occurred, but is devoid of economic substance.¹⁵⁷ In general, the economic sham doctrine will not be applied if the taxpayer can prove that there is either a business purpose for, or economic substance to, the given transaction.¹⁵⁸

The application of any substance-over-form doctrine is extremely fact specific, which has led courts to render somewhat inconsistent rulings in this area. For example, the Third Circuit in *ACM Partnership v. Commissioner* disregarded the capital loss that arose from a complex, multi-step partnership transaction.¹⁵⁹ The court ultimately concluded that the steps involved in the transaction lacked a non-tax economic effect and did not possess a significant non-tax business purpose.¹⁶⁰ The Third Circuit nevertheless recognized that "it is well established that where a transaction objectively affects the taxpayer's net economic

¹⁵⁶ *Brown v. Commissioner*, 85 T.C. 968, 1000 (1985), *aff'd sub nom, Sochin v. Commissioner*, 843 F.2d 351 (9th Cir. 1988); Brion D. Graber, *Can the Battle be Won? Compaq, the Sham Transaction Doctrine, and a Critique of Proposals to Combat the Corporate Tax Shelter Dragon*, 149 U. Pa. L. Rev. 355, 362-63 (Nov. 2000).

¹⁵⁷ *Gregory*, 293 U.S. 465; *Knetsch*, 364 U.S. at 366 ("There may well be single-premium annuity payments with non-tax substance which create an 'indebtedness' for the purposes of Section 23(b) of the 1939 Code and Section 163(a) of the 1954 Code. But this one is a sham."); *Goldstein*, 364 F.2d at 742 ("[T]ransactions that lack all substance, utility, purpose, and which can only be explained on the ground the taxpayer sought an interest deduction in order to reduce his taxes, will also be so transparently arranged that they can candidly be labeled 'shams.'"), *cert. denied*, 385 U.S. 1005 (1967); *Alessandra v. Commissioner*, T.C. Memo 1995-238.

¹⁵⁸ *Rice's Toyota World*, 81 T.C. at 203 ("Our analysis does not end here. Mr. Rice's failure to focus on the business or non-tax aspects of the transaction is not necessarily fatal to petitioner's claim. If an objective analysis of the investment indicates a realistic opportunity for economic profit which would justify the form of the transaction, it will not be classified as a sham."); *see also Frank Lyon Co.*, 435 U.S. 561.

¹⁵⁹ 157 F.3d 231, 263 (3d Cir. 1998).

¹⁶⁰ *Id.* at 247.

position, legal relations, or non-tax business interests, [a transaction] would not be disregarded merely because it was motivated by tax considerations.”¹⁶¹ The transaction at issue in *Boca Investering Partnership v. United States*¹⁶² was similar to the *ACM* transaction, but the District Court for the District of Columbia respected the partnership transactions at issue in that case. The *Boca* court concluded that the partnership had been formed as a valid investment partnership. It had the potential to make a profit or loss from its activities, and the partners were not sheltered from economic risk or guaranteed a specific return on their respective partnership investments.

The Fifth and Eighth Circuits have held that certain foreign tax credit planning strategies implemented to achieve tax benefits must be recognized under the sham transaction doctrine because the transactions were sufficiently imbued with both economic substance and business purpose. The Fifth Circuit in *Compaq Computer Corporation v. Commissioner*¹⁶³ reversed a decision of the Tax Court, and held that a purchase and immediate resale of American depository receipts (“ADRs”) of a foreign publicly traded corporation possessed economic substance. Specifically, the court concluded that the transaction had objective economic substance because tax was Compaq’s principal, but not sole, purpose in entering into the transaction.¹⁶⁴ As a result, Compaq could credit the foreign taxes associated with the dividend.¹⁶⁵ The Eighth Circuit came to a similar conclusion in *IES Industries, Inc. v. United States*,¹⁶⁶ which reversed a district court decision that a purchase and sale of ADRs were sham transactions.

There are a number of cases in this area that are difficult to reconcile. Nevertheless, the main point that appears to underlie all of the cases is the principle enunciated by Judge Learned Hand in *Gregory v. Helvering* - i.e., that tax motivated transactions are not per se invalid, provided there is some non-tax business purpose for the transaction.¹⁶⁷

2. Analysis.

The sham transaction doctrine should not apply to the Parent Trust’s and the Operating Trusts’ contractual arrangements because all of the component steps necessary to implement the proposed contractual arrangements will actually occur. Moreover, the economic sham concept should not apply to the instant case because the parties have a

¹⁶¹ *Id.* at 248, fn. 31.

¹⁶² 167 F. Supp. 2d 298 (D.D.C. 2001).

¹⁶³ 277 F.3d 778 (5th Cir. 2001), *rev’g*, 113 T.C. 214 (1999).

¹⁶⁴ *Id.* at 786-87.

¹⁶⁵ *Id.* at 788.

¹⁶⁶ *IES Industries, Inc. v. United States*, 253 F.3d 350 (8th Cir. 2001), *rehearing denied sub nom.*, *Alliant Energy Corp. v. United States*, 2001 U.S. App. LEXIS 24929 (8th Cir. 2001) (the facts of *Compaq Computer* and of *IES Industries* are in large part identical because the strategy upon which the transactions were based was developed and marketed by the same securities broker).

¹⁶⁷ 69 F.2d 809, 810 (2d Cir. 1934) (“Anyone may so arrange his affairs that his taxes shall be as low as possible; he is not bound to choose that pattern which will best pay the Treasury; there is not even a patriotic duty to increase one’s taxes.”) *aff’d*. 293 U.S. 465 (1935).

business purpose in undertaking the investment in the Interests, and, as discussed above, the transactions will have economic substance. Thus, the sham transaction doctrine should not be applied to recharacterize the contractual arrangements and transactions at issue.

C. The Substance-Over-Form and Step Transaction Doctrines.

1. Applicable Rules.

It is an oft-cited principle that taxpayers generally are free to structure their business transactions as they please, even if motivated by tax avoidance considerations.¹⁶⁸ However, as a general rule, the incidence of taxation depends on the substance rather than the form of a transaction. Under the substance-over-form doctrine, a court should respect the form of a transaction where it accurately reflects the underlying substance. “If, however, the substance and form of a transaction do not comport, then the substance of the transaction controls for purposes of U.S. federal tax law.”¹⁶⁹

In determining whether the form of a transaction reflects the substance of the transaction, a taxpayer’s motivations are “largely irrelevant – what instead is important is, in the words of *Gregory*, ‘what was done.’”¹⁷⁰ “To determine the substance of the transactions, we consider all of their aspects that shed any light upon their true character.”¹⁷¹

Courts may recharacterize transactions using the substance-over-form doctrine in cases where mere formalities were designed to make a transaction appear to be other than what it was.¹⁷² For example, in *Court Holding*, a corporation entered into an oral agreement to sell its sole asset; however, before the sale was consummated, the corporation’s tax attorney advised that the sale would result in the imposition of a large income tax on the corporation. To avoid this tax liability, and upon advice of its tax attorney, the corporation changed the transaction by having the corporation declare a liquidating dividend to its shareholders, and having the shareholders enter into a written agreement with the same purchaser on substantially the same terms and conditions previously agreed upon by the corporation. The Supreme Court affirmed the Tax Court’s holding that the sale by the shareholders was in substance a sale by the corporation.

The application of any substance-over-form doctrine is extremely fact specific, which has led courts to render somewhat inconsistent rulings in this area.¹⁷³ There are a number of cases in this area that are difficult to reconcile. Nevertheless, as enunciated by Judge Learned Hand in *Gregory v. Helvering*: “Any one may so arrange his affairs that his taxes shall be as low as possible; he is not bound to choose that pattern which will best pay the

¹⁶⁸ See *Gregory*, 293 U.S. 465 (1935); *Rice’s Toyota World*, 81 T.C. at 196.

¹⁶⁹ *AWG Leasing Trust v. U.S.*, 592 F. Supp. 2d 953 (N.D. Ohio 2008).

¹⁷⁰ *Principal Life Ins. Co. & Subs. v. U.S.*, 70 Fed. Cl. 144 (2006).

¹⁷¹ *Communications Satellite Corp. v. U.S.*, 625 F.2d 997, 1000 (1980).

¹⁷² *Court Holding Co.*, 324 U.S. 331.

¹⁷³ See, e.g., *ACM Partnership*, 157 F.3d at 263 (3rd Cir. 1998); *Boca Investorings Partnership*, 167 F. Supp. 2d 298.

Treasury; there is not even a patriotic duty to increase one's taxes."¹⁷⁴

A subset or derivation of the substance-over-form doctrine is the step transaction doctrine. Courts have applied three separate versions of the so-called "step transaction doctrine" to determine whether purportedly separate steps should be combined as components of a single transaction: (i) the "end result" test, (ii) the "mutual interdependence" test, and (iii) the "binding commitment" test.¹⁷⁵ Nevertheless, the IRS cannot use the step transaction doctrine to invent steps that did not occur or recast a transaction into another transaction with the same number of steps.¹⁷⁶

The Tax Court applied both the end result and mutual interdependence tests in *Andantech*. In *Andantech*, a U.S. partnership was formed with two non-U.S. partners to cause the foreign partners to recognize a significant portion of the income attributable to a sale-leaseback transaction that the partnership entered into with Comdisco.¹⁷⁷ Almost all of the partnership interests were then contributed to a U.S. indirect subsidiary of a U.S. bank, so that the bank could enjoy the benefits of the losses (attributable to interest and depreciation) generated by the partnership's lease arrangement with Comdisco.¹⁷⁸ The Tax Court, applying both the end result and mutual interdependence tests, concluded that a more direct characterization of the transaction was a direct sale-leaseback arrangement between Comdisco and the bank's subsidiary.¹⁷⁹ The court analyzed a number of facts in reaching this conclusion, but the salient fact was that all of the parties intended the ultimate result (i.e., that bank's subsidiary would participate in the lease) and the intermediate steps were meaningless apart from tax considerations.

The Second Circuit rejected a somewhat similar argument by the IRS in *Grove v. Commissioner*.¹⁸⁰ The IRS in *Grove* attempted to reorder a donation of stock followed by a redemption as a redemption of the stock followed by a gift of cash.¹⁸¹ The Tax Court refused to permit the IRS to recast the transaction, reasoning that there was no reason to recast the form of the transaction chosen by the taxpayer, even though the form was tax-motivated.¹⁸² The only effect of the IRS's recast would be to create a tax liability in a

¹⁷⁴ 69 F.2d 809, 810 (2d Cir. 1934) *aff'd*, 293 U.S. 465 (1935).

¹⁷⁵ Stephen S. Bowen, *The End Result Test*, 72 TAXES 722 (December 1994).

¹⁷⁶ *Esmark, Inc. v. Commissioner*, 90 T.C. 171, 196 (1988) ("Respondent proposes to recharacterize the tender offer/redemption as a sale of the Vickers shares followed by a self-tender. This characterization does not simply combine steps; it invents new ones. Courts have refused to apply step-transaction in this manner"), *aff'd without published opinion*, 886 F.2d 1318 (7th Cir. 1989).

¹⁷⁷ T.C. Memo 2002-97.

¹⁷⁸ *Id.*

¹⁷⁹ *Id.*

¹⁸⁰ 490 F.2d 241, 247 (2d Cir. 1973).

¹⁸¹ *Id.* at 245.

¹⁸² *Id.* at 247 ("We are not so naive as to believe that tax considerations played no role in Grove's planning. But foresight and planning do not transform a non-taxable event into one that is taxable. Were we to adopt the Commissioner's view, we would be required to recast two actual transactions — a gift by Grove to RPI and a redemption from RPI by the Corporation — into two completely fictional transactions — a redemption from Grove by the Corporation

transaction form that was no more direct than the form chosen by the taxpayer. Thus, the mere fact that a taxpayer considers the federal income tax effects of a transaction in its planning should not transform a non-taxable event into a taxable event.

2. Analysis.

The contractual arrangements and the transactions at issue should be respected according to their form because their form is consistent with their underlying substance, the acquisition by the Beneficial Owners of an undivided fractional interest in the Properties, and there is a substantial business purpose for such form. Moreover, the allocation of all economic benefits and burdens associated with the Properties correspond to the respective Interest in the Parent Trust owned by each Beneficial Owner such that the substance of the economic arrangement among the parties is consistent with the form.

The step transaction doctrine should not be applicable to the Parent Trust's and the Operating Trusts' contractual arrangements. In this case, the Purchasers constitute a separate, diverse and unrelated group desiring to acquire a portion of the Properties as offered by the Parent Trust under a private placement of the Interests. Thus, the ultimate result of the contractual arrangements (i.e., collective ownership of the Properties by an unrelated group of Purchasers) can only be achieved if the intermediate steps of (i) the Operating Trusts acquiring the Properties, and (ii) offering the Interests for sale to the Purchasers is first undertaken. Thus, the step transaction doctrine should not be applied to recharacterize the transaction steps utilized to implement the proposed contractual arrangement. Moreover, even if the IRS were to collapse the transaction steps together, the resulting transaction (a direct purchase of the Properties by the Purchasers) should not significantly change the resulting federal income tax effect of the Parent Trust's and the Operating Trusts' contractual arrangements.

A number of issues discussed in this opinion have not been definitively resolved by statutes, regulations, rulings or judicial opinions. Accordingly, no assurances can be given that the conclusions expressed herein will be accepted by the IRS, or, if contested, would be sustained by a court, or that legislative changes or administrative pronouncements or court decisions may not be forthcoming that would significantly alter or modify the conclusions expressed herein. Each prospective Purchaser must consult its own tax counsel about the tax consequences of an investment in an Interest, including the tax consequences applicable to such prospective Purchaser under the TCJA.

This opinion is solely for your information and assistance with respect to the sale of Interests in the Properties. Each prospective Purchaser is encouraged to consult with his or her tax advisor in determining whether to purchase an Interest. Other than as set forth herein, this opinion may not be relied upon by any other person or for any other purposes,

and a gift by Grove to RPI. Based upon the facts as found by the Tax Court we can discover no basis for elevating the Commissioner's 'form' over that employed by the taxpayer in good faith.").

nor may it be quoted from or referred to or copies delivered to any other person without prior written consent. This opinion is not applicable as to any individual tax consequences of a Purchaser or the individual application of the Section 1031 rules to such Purchaser. Our willingness to render the opinion set forth herein neither implies, nor should be viewed as implying, any approval or recommendation of an investment in the Properties.

In rendering our opinion, we have considered the applicable provisions of the Code, final, temporary and proposed regulations thereunder, pertinent judicial authorities, interpretive rulings and revenue procedures issued by the IRS and such other authorities as we have considered relevant as of the date of this opinion. It should be noted that statutes, regulations, judicial decisions and administrative interpretations are subject to change at any time and, in some cases, with retroactive effect. This opinion is not binding upon the IRS or courts of applicable jurisdiction, which may disagree with all or any portion of the opinion expressed herein. We undertake no obligation to update the opinions expressed herein after the date of this letter. Furthermore, our opinion is conditioned upon the accuracy and completeness of the representations set forth in the Representation Letter. This opinion does not address any other tax consequences of the acquisition of an Interest.

This opinion is written to support the promotion and marketing of the proposed transaction, and each prospective Purchaser should seek advice based on the Purchaser's particular circumstances from an independent tax advisor.

We are furnishing this opinion solely in connection with the sale of the Interests described herein. Accordingly, the Parent Trust may only circulate this opinion in connection with the sale of the Interests to potential Purchasers. This opinion may be relied upon by Purchasers in connection with their purchase of Interests, but may not be relied upon, circulated, quoted or otherwise referred to by other persons in connection with any other transaction or arrangement.

Very truly yours,

Baker & McKenzie LLP

Baker & McKenzie LLP

EXHIBIT E
INVESTOR QUESTIONNAIRE
AND
PURCHASE AGREEMENT

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Investor Questionnaire & Purchase Agreement for DST Interests in BR Diversified Industrial Portfolio I, DST

Dear Prospective Purchaser:

Thank you for your interest in the offering of Class 1 beneficial interests in BR Diversified Industrial Portfolio I, DST, a Delaware statutory trust (“Interests”), sponsored by BGR Exchange TRS, LLC. We would like to provide you every opportunity to review the accompanying offering materials before deciding to invest.

In order to complete the closing of this transaction, please provide the following information regarding your desired investment:

Name of Prospective Purchaser: _____

[Please note that if this is a Section 1031 or Section 1033 tax deferred exchange, the replacement property must be held in exactly the same name as the relinquished property. List the name(s) exactly as they appeared on the title of the relinquished property.]

Type of Investment: (check all that apply)

- Section 1031 tax-deferred exchange. (If selected, please complete Section V).
- Section 1033 tax-deferred exchange. (If selected, please complete Section V).
- Cash investment.

Amount of Equity Investment: \$ _____

Funds to Close: Please indicate how you will be purchasing your interest.

- Funds will be wired by my qualified intermediary (the holder of the exchange proceeds from my relinquished property).
- Funds will be wired by me.
- I have enclosed a **check made payable to BR Diversified Industrial Portfolio I, DST**.

In addition, in order to complete the closing of your investment, the following information is required:

- Investor Questionnaire** (attached): please complete, sign and date.
- Purchase Agreement** (attached): please complete, sign and date.
- Entity Documentation** (i.e., trust certificate and trust agreement, as amended; corporate bylaws; partnership agreement; operating agreement; resolution, as applicable). Please note that the documentation submitted **must include documents authorizing signing authority** and should include any and all amendments.

Fillable PDFs are available upon request at 1031@bluerockre.com. Please complete and return all documentation to: BGR Exchange TRS, LLC (Attn: Investor Relations), 27777 Franklin Road, Suite 900 Southfield, Michigan 48034 or via e-mail to 1031@bluerockre.com.

For questions or assistance, please contact (888) 558-1031 or 1031@bluerockre.com

BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST APPROVAL PAGE

Name of Prospective
Purchaser: _____

Broker Dealer Principal or RIA Principal APPROVAL
(A Principal of the Broker Dealer or Registered Investment Advisor
must approve and sign below)

The investment provided for herein is APPROVED.

Signature: _____ Date: _____
Printed Name: _____
B/D or RIA Name: _____
Address: _____
City / State / Zip: _____
Phone No.: _____
E-mail Address: _____

Financial Advisor APPROVAL AND CERTIFICATION
(Financial Advisor must approve, certify and sign below)

The investment provided for herein is APPROVED.

The undersigned Financial Advisor hereby represents and warrants that he or she will comply with the applicable requirements of the Securities Act of 1933, as amended, and the published rules and regulations of the Securities and Exchange Commission thereunder, and applicable blue sky or other state securities laws, as well as the rules and regulations of FINRA or any other applicable regulatory authority. The undersigned further represents and warrants that he or she is not subject to any of the "Bad Actor" disqualifications described in Rule 506(d) under the Securities Act of 1933, as amended, except for such event: (1) contemplated by Rule 506(d)(2) of the Securities Act of 1933, as amended, and (2) a reasonably detailed description of which has been furnished to **BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST** in writing.

Signature: _____ Date: _____
Printed Name: _____
Address: _____
City / State / Zip: _____
Phone No.: _____
E-mail Address: _____
B/D or RIA Name: _____

BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST

Instructions to Investor Questionnaire & Purchase Agreement

IMPORTANT NOTE: PLEASE MAKE SURE THAT ANY CHECKS ARE MADE PAYABLE TO BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST. CHECKS MADE PAYABLE TO BIGR EXCHANGE TRS, LLC WILL NOT BE ACCEPTED.

Please read carefully the Private Placement Memorandum for the beneficial ownership interests (“**Interests**”) in **BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST**, a Delaware statutory trust, (the “**Seller**”), dated August 10, 2022 (as amended and supplemented from time to time, the “**Memorandum**”), and all exhibits thereto, before deciding to purchase the Interests.

This private offering of Interests is limited to a purchaser who certifies that he, she or it is an “accredited investor,” as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended, and meets all of the qualifications set forth in the Memorandum. If you meet these qualifications and desire to purchase an Interest, then please follow the instructions below to complete your purchase.

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

INSTRUCTIONS TO PROSPECTIVE PURCHASERS FOR PURCHASING INTERESTS:

1. This Investor Questionnaire & Purchase Agreement is comprised of two parts – the Investor Questionnaire and the Purchase Agreement, each of which is accompanied by specific instructions. You must complete, sign and date both parts of the Investor Questionnaire & Purchase Agreement according to the instructions provided. Deliver the completed and signed Investor Questionnaire & Purchase Agreement to your financial advisor.
2. Your financial advisor will forward the documents to his/her Broker Dealer or Registered Investment Advisor. The Broker Dealer or Registered Investment Advisor will then forward the documents to **BIGR Exchange TRS, LLC (Attn: Investor Relations), 27777 Franklin Road, Suite 900 Southfield, Michigan 48034** or via e-mail to 1031@bluerockre.com.
3. If your investment is part of an Internal Revenue Code section 1031 (“Section 1031”) tax-deferred exchange: The Seller and the qualified intermediary (the holder of the exchange proceeds from your relinquished property) will coordinate the payment for the purchase of the Interests. Upon receiving the Purchase Agreement, and the necessary escrow instructions from the Seller, the qualified intermediary will either wire the funds from the qualified escrow account to the Seller or deliver to BIGR Exchange TRS, LLC, in person or by mail, a check made payable to **BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST**.
4. If your investment is a direct investment: Payment for the purchase of Interests may be made by either wiring the funds directly to the Seller (the preferred method), or by delivering to BIGR Exchange TRS, LLC, in person or by mail, a check made payable to **BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST**. If you choose to wire the funds directly, please contact Investor Services at BIGR Exchange TRS (888) 558-1031 for the necessary escrow instructions.
5. Note: Submission of your Investor Questionnaire & Purchase Agreement does not guarantee a reservation or acceptance by Bluerock. Such acknowledgement can only be provided to you by a representative of Bluerock in writing to you on or before a transaction closing.

Please note that investments will not be accepted from, or on behalf of tax-exempt entities, including but not limited to qualified employee pension and profit sharing trusts, individual retirement accounts, Simple 401(k) plans, annuities and charitable remainder trusts.

INVESTOR QUESTIONNAIRE

SECTION I – OWNERSHIP AND INVESTMENT INFORMATION

A. IF THE INVESTOR IS AN INDIVIDUAL(S), PLEASE COMPLETE THE FOLLOWING:

Name of Investor: _____

Name of Joint Investor (if applicable): _____

Primary State of residency: _____

Type of ownership: Individual Ownership Joint Tenants Tenants in Common Community Property

Each investor must initial the statement or statements below that truthfully describe him or her:

_____ I am a natural person whose individual net worth or joint net worth with my spouse (or spousal equivalent¹), exceeds \$1,000,000 at the time of purchasing the Interests; *provided*, that for purposes of calculating such net worth: (1) my primary residence shall not be included as an asset; (2) indebtedness that is secured by my primary residence, up to the estimated fair market value of the primary residence at the time of the closing of my acquisition of the Interests, shall not be included as a liability; *provided, however*, that if the amount of such indebtedness outstanding at the time of the closing of my acquisition of the Interests exceeds the amount of indebtedness outstanding 60 days before such time, other than as a result of the acquisition of the primary residence (such as, for example, if I take out a home equity loan that is not used to acquire a primary residence during such 60-day time frame), the amount of such new indebtedness shall be included as a liability; and (3) indebtedness that is secured by my primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability.

_____ I am a natural person who had an individual income in excess of \$200,000 in each of the two most recent preceding full calendar years or joint income with my spouse (or spousal equivalent) in excess of \$300,000 in each of those years, and I have (individually or with my spouse or spousal equivalent) a reasonable expectation of reaching the same income level in the current year.

_____ I am a natural person holding a Series 7, 65 or 82 license issued by the Financial Industry Regulatory Authority (“FINRA”); and whose license remains in good standing.²

After completing this page, you may proceed to page 7.

[Remainder of the Page Intentionally Left Blank]

¹ The term “spouse” includes a “spousal equivalent” which is defined as a cohabitant occupying a relationship generally equivalent to that of a spouse.

² Investors making this election must enclose with their completed Investor Questionnaire a detailed report from FINRA’s BrokerCheck website (<https://brokercheck.finra.org/>) (i) verifying that the Investor passed a Series 7, Series 65 or Series 82 exam, and (ii) confirming that his or her license remains in good standing

B. IF THE INVESTOR IS A TRUST, PLEASE COMPLETE THE FOLLOWING:

Name of Trust: _____

Trust Taxpayer Identification Number: _____

Names of Trustees: 1. _____

2. _____

3. _____

4. _____

Please complete a Trust Certificate (Appendix A) and submit a copy of the Trust Agreement and any amendments.

Please note: If a prospective purchaser is purchasing Interests through a trust that is a taxing entity, then all trustees must complete and execute the Investor Questionnaire on behalf of the trust and all questions concerning income, assets, and accreditation will pertain to the trust. If, on the other hand, the trust is not the taxing entity with respect to this investment (e.g., a grantor trust), then the person paying the tax on the trust’s income (the “taxpayer”) must complete and execute the Investor Questionnaire and all questions concerning income, and assets will pertain to the taxpayer.

Please select the appropriate type of trust below and initial accordingly.

Revocable Trusts: Please initial the statement or statements below that truthfully describe the grantor of the trust:

_____ Purchaser is a revocable trust: (1) not formed for the specific purpose of acquiring the Interests; (2) with total assets in excess of \$5,000,000; and (3) whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in an Interest.

_____ Purchaser is a revocable trust in which the trustee, or co-trustee, of the trust is a bank, insurance company, registered investment company, business development company, or small investment company.

- _____ Purchaser is a trust in which each grantor is either:
- (a) a natural person whose individual net worth or joint net worth with that person’s spouse (or spousal equivalent), exceeds \$1,000,000 at the time of purchasing the Interests; *provided*, that for purposes of calculating such net worth: (1) the person’s primary residence shall not be included as an asset; (2) indebtedness that is secured by the person’s primary residence, up to the estimated fair market value of the primary residence at the time of the closing of the person’s acquisition of the Interests, shall not be included as a liability; *provided, however*, that if the amount of such indebtedness outstanding at the time of the closing of the person’s acquisition of the Interests exceeds the amount of indebtedness outstanding 60 days before such time, other than as a result of the acquisition of the primary residence (such as, for example, if the person takes out a home equity loan that is not used to acquire a primary residence during such 60-day time frame), the amount of such new indebtedness shall be included as a liability; and (3) indebtedness that is secured by the person’s primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability; OR
 - (b) a natural person who had individual income in excess of \$200,000 in each of the two most recent preceding full calendar years or joint income with their spouse (or spousal equivalent) in excess of \$300,000 in each of those years, and who has (individually or with their spouse or spousal equivalent) a reasonable expectation of reaching the same income level in the current year.

Irrevocable Trusts: Please initial the statement below that truthfully describes the prospective purchaser:

_____ Purchaser is an irrevocable trust: (1) not formed for the specific purpose of acquiring the Interests; (2) with total assets in excess of \$5,000,000; and (3) whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in an Interest.

_____ Purchaser is a trust in which the trustee, or co-trustee, of the trust is a bank, insurance company, registered investment company, business development company, or small investment company.

After completing this page, you may proceed to Section II.

C. IF THE PROSPECTIVE PURCHASER IS AN ENTITY (CORPORATION, PARTNERSHIP, LLC), PLEASE COMPLETE THE FOLLOWING:

Name of Entity: _____

Entity Address: _____

City / State / Zip: _____

Entity Taxpayer Identification Number: _____

Names of Equity Owners/Signatories: _____ Ownership Percentage (must total 100%):

1. _____

2. _____

3. _____

4. _____

Type of ownership: Corporation Partnership Limited Liability Company Other: _____

Corporation - If purchasing as a **corporation**, the prospective purchaser must submit the following: (1) a copy of the corporation's bylaws, with any and all amendments; (2) a completed Incumbency Certificate ([Appendix B](#)); and (3) a completed Corporate Resolution or Officer's Certificate ([Appendix C](#) or [Appendix D](#)).

Partnerships - If purchasing as a **partnership**, the prospective purchaser must submit the following: (1) a copy of the Partnership Agreement, with any and all amendments; and (2) a completed Partnership Resolution ([Appendix E](#)).

Limited Liability Company - If purchasing as a **limited liability company**, the prospective purchaser must submit the following: (1) a copy of the Operating Agreement, with any and all amendments; and (2) a completed LLC Resolution ([Appendix F](#)).

Please initial ALL statements below that truthfully describe the prospective purchaser (continued on next page):

_____ Prospective purchaser is not subject to any of the "Bad Actor" disqualifications described in Rule 506(d) under the Securities Act of 1933, as amended, except for such event: (1) contemplated by Rule 506(d)(2) of the Securities Act of 1933, as amended.

_____ The entity **IS NOT** purchasing the Interests with funds that constitute, directly or indirectly, the assets of a "Benefit Plan Investor" (defined below).

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

Please initial ALL statements below that truthfully describe the prospective purchaser:

_____ Prospective purchaser is an entity in which all the equity owners are either:

- (c) natural persons whose individual net worth or joint net worth with that person's spouse (or spousal equivalent), exceeds \$1,000,000 at the time of purchasing the Interests; *provided*, that for purposes of calculating such net worth: (1) the person's primary residence shall not be included as an asset; (2) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the closing of the person's acquisition of the Interests, shall not be included as a liability; *provided, however*, that if the amount of such indebtedness outstanding at the time of the closing of the person's acquisition of the Interests exceeds the amount of indebtedness outstanding 60 days before such time, other than as a result of the acquisition of the primary residence (such as, for example, if the person takes out a home equity loan that is not used to acquire a primary residence during such 60-day time frame), the amount of such new indebtedness shall be included as a liability; and (3) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability; OR
- (d) natural persons who had individual income in excess of \$200,000 in each of the two most recent preceding full calendar years or joint income with their spouse (or spousal equivalent) in excess of \$300,000 in each of those years, and who have (individually or with their spouse or spousal equivalent) a reasonable expectation of reaching the same income level in the current year.

_____ Prospective purchaser is a corporation, a business, a partnership or limited liability company: (1) not formed for the specific purpose of acquiring the securities offered; (2) with total assets in excess of \$5,000,000; and (3) with the power and authority to execute and comply with the terms of this Investor Questionnaire and Purchase Agreement.

_____ Prospective purchaser is any of the following: (1) a bank or savings and loan association or other institution acting in its individual or fiduciary capacity; (2) a broker or dealer; (3) an insurance company; (4) an investment company or a business development company under the Investment Company Act of 1940; (5) a private business development company under the Investment Advisers Act of 1940; (6) a Small Business Investment Company licensed by the U.S. Small Business Administration; (7) either (i) registered with the United States Securities and Exchange Commission as an investment adviser or an exempt reporting adviser under Section 203 of the Advisers Act; or (ii) registered as an investment adviser or equivalent under the laws of any state of the United States of America; (8) a "rural business investment company" as defined in Section 384A of the Consolidated Farm and Rural Development Act, as amended; or (9) a "family office" or "family client" (each as defined in Rule 202(a)(11)(G)-1 of the Advisers Act) that (i) has at least \$5,000,000 in assets under management; (ii) was not formed for the specific purpose of acquiring the securities offered; and (iii) is directed by a person who has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of acquiring Interests.

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SECTION II – PROSPECTIVE PURCHASER INFORMATION

PROSPECTIVE PURCHASER #1 (SPOUSE #1, TRUSTEE #1, EQUITY OWNER #1, ETC.)

Salutation: ___ Mr. ___ Ms. ___ Mrs.

Name: _____

Date of Birth: _____

Social Security No.: _____

Home Address: _____

City / State / Zip: _____

Mailing Address: _____

City / State / Zip: _____

Phone No.: _____

E-mail Address: _____

Country of
Residence: _____

PROSPECTIVE PURCHASER #2 (SPOUSE #2, TRUSTEE #2, EQUITY OWNER #2, ETC.)

Salutation: ___ Mr. ___ Ms. ___ Mrs.

Name: _____

Date of Birth: _____

Social Sec. No.: _____

Home Address: _____

City / State / Zip: _____

Phone No.: _____

E-mail Address: _____

Country of
Residence: _____

Please provide additional pages as necessary to complete this Section II for all equity owners.

SECTION III – PROSPECTIVE PURCHASER DISTRIBUTION OPTIONS

Please direct distributions: (Select one.)

- VIA MAIL TO: MAILING ADDRESS OF RECORD
- VIA MAIL TO BANK OR BROKERAGE ACCOUNT: (Complete #1, #2, #3 and #5 in below box.)
- VIA ELECTRONIC DEPOSIT (ACH) TO: (Complete #1 through #5 and attach a voided check.)

1.	_____
	Name of Bank, Brokerage Firm or Individual
2.	_____
	Mailing Address
3.	_____
	City, State, Zip Code
4.	_____
	Bank ABA Number
5.	_____
	Account Number
	<input type="checkbox"/> Checking <input type="checkbox"/> Savings

Electronic Deposit (ACH) Authorization - I (we) authorize the Seller’s manager and signatory trustee (the “Manager”), to deposit distributions from my (our) interest in the Seller to my (our) account indicated above at the depository financial institution (hereinafter, the “Depository”) indicated above. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law. I (we) further authorize the Manager to debit my (our) account noted below in the event that the Manager erroneously deposits additional funds to which I (we) am (are) not entitled, provided that such debit shall not exceed the original amount of the erroneous deposit. In the event that I (we) withdraw funds erroneously deposited into my (our) account before the Manager reverses such deposit, I (we) agree that the Manager has the right to retain any future distributions to which I (we) am (are) entitled until the erroneously deposited amounts are recovered by the Manager. This authorization is to remain in full force and effect until the Manager has received written notification from me (or either of us) of its termination in such time and in such manner as to afford the Manager and the Depository a reasonable opportunity to act on it, or until the Manager has sent me written notice of termination of this authorization.

The signature(s) of all Prospective Purchasers of record are required.

Signature of Prospective Purchaser

Signature of Co-Prospective Purchaser (if applicable)

SECTION IV – SUBSTITUTE W-9

TO BE COMPLETED BY INDIVIDUAL/ENTITY FOR WHICH INFORMATION WILL BE REPORTED TO THE IRS.

THE UNDERSIGNED CERTIFIES, under penalties of perjury that: (1) the taxpayer identification number shown below is true, correct and complete; (2) I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or distributions, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding; (3) I am a U.S. person (including Resident Alien); and (4) I am exempt from Foreign Account Tax Compliance Act (“FATCA”) reporting.

Taxpayer Identification No.: _____

Signature of Prospective Purchaser: _____

Date: _____

SECTION V – SECTION 1031/1033 INVESTORS ONLY

I (we) hereby provide the following information pertaining to my (our) Qualified Intermediary for this acquisition. I (we) request and authorize my (our) Qualified intermediary to furnish the Seller any information requested regarding my (our) Section 1031 exchange.

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

Company Name: _____
Contact Person: _____
Address: _____
City / State / Zip Code: _____
Telephone No.: _____
Facsimile No.: _____
E-mail Address: _____

Is escrow closed (please check one): ____ Yes ____ No

Closing date of relinquished property: _____

I (we) instruct my (our) Qualified Intermediary to wire (check only one box):

All funds held by the Qualified Intermediary in the qualified escrow account, which is \$_____, excluding any accumulated interest and expenses that cause the amount to be less than a whole dollar (rounding up or down), with the understanding that these costs will be treated as boot.

Only \$_____ held by the Qualified Intermediary in the qualified escrow account.

**SIGNATURE PAGE TO INVESTOR QUESTIONNAIRE – ALL PROSPECTIVE
PURCHASERS MUST SIGN.**

I (we) acknowledge and agree to all of the representations and warranties contained in this Investor Questionnaire.

Executed this _____ day of _____, 20 _____

(Date must be completed.)

If a natural person:

Signature: _____

Name: _____

(If Joint Ownership: to be signed by joint owner.)

Signature: _____

Name: _____

If not a natural person:

Name of Trust/Entity: _____

Signature: _____

Name: _____

Signature: _____

Name: _____

Signature: _____

Name: _____

Signature: _____

Name: _____

****ALL PROSPECTIVE PURCHASERS MUST SIGN THIS PAGE****

SIGNATURE PAGE TO THE TRUST AGREEMENT OF BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST

The undersigned has received and reviewed, with assistance from such legal, tax, investment, and other advisors and skilled persons as the undersigned has deemed appropriate, the Trust Agreement of **BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST**, dated August 10, 2022 (the “**Trust Agreement**”), as may be further amended or supplemented from time to time, and hereby covenants and agrees to be bound by the Trust Agreement.

ON BEHALF OF OR BY INDIVIDUAL PROSPECTIVE PURCHASER(S):

Signature Prospective Purchaser #1

Signature Prospective Purchaser #2

Please Print Name

Please Print Name

Signature Prospective Purchaser #3

Signature Prospective Purchaser #4

Please Print Name

Please Print Name

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

NAME OF TRUST/ENTITY: _____

Signature of Trustee/Equity Owner

Signature of Trustee/Equity Owner

Please Print Name / Title

Please Print Name / Title

Signature of Trustee/Equity Owner

Signature of Trustee/Equity Owner

Please Print Name / Title

Please Print Name / Title

APPENDIX A – TRUST CERTIFICATE

Note: To be completed only by those Prospective Purchasers investing through a trust.

1. The title of the Trust to which this Certificate applies is: _____

2. The date of the Trust Agreement is: _____
3. The date of the last amendment to the Trust Agreement (if any) is: _____
4. The grantor(s) or testator(s) of the Trust is/are: _____
5. The Seller has the authority to accept orders and other instructions relative to the Trust account from designated trustees, who are:

Trustee Name (please print)	Date of Birth	Trustee Name (please print)	Date of Birth
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Trustee Name (please print)	Date of Birth	Trustee Name (please print)	Date of Birth
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6. **Please select one of the following three options:**
 - The trustee(s) listed above may act independently as provided in the Trust Agreement, and the execution by any one trustee can bind the Trust.
 - The trustees listed above may act as a majority as provided in the Trust Agreement.
 - The trustee(s) listed above must act unanimously as provided in the Trust Agreement, and the execution or authorization of all of the trustees is required to bind the Trust.
7. The undersigned, constituting all of the trustee(s) of the Trust, hereby certify as follows:
 - a) A true and correct copy of the Trust Agreement is attached hereto and that, as of the date hereof, the Trust Agreement has not been amended (except as to any attached amendments) or revoked and is still in full force and effect.
 - b) As the trustee(s) of the Trust, we have determined that the investment in, and purchase of Interests in **BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST** is authorized by the terms of the Trust Agreement and is of benefit to the Trust, and we have determined to make such investment on behalf of the Trust.
 - c) We, the trustees, jointly and severally, indemnify **BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST** and hold **BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST** harmless from and against any liability relating to effecting any orders, transactions, instructions or directions given by any individuals listed in this Certificate.

All trustees must sign and date below.

Trustee Signature	Date	Trustee Signature	Date
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Trustee Signature	Date	Trustee Signature	Date
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APPENDIX B – INCUMBENCY CERTIFICATE

Note: To be completed only by those Prospective Purchasers investing through a corporation.

Name of Corporation

State of Incorporation

The undersigned hereby certifies that the following persons are the duly elected directors and officers, respectively, of _____, a/an _____ corporation.

_____ Director _____ Director

_____ Director _____ Director

_____ Director _____ Director

_____ President _____ Vice President

_____ Treasurer _____ Secretary

Dated effective _____, 20____

_____, a/an

_____ corporation

By: _____

Name: _____

Secretary

APPENDIX C – CORPORATE RESOLUTION

Note: To be completed only by those Prospective Purchasers investing through a corporation.

Additional Note: Appendix D may be provided as an alternative to this Appendix C.

The undersigned, being all the members of the Board of Directors (the “Board of Directors”) of _____, a/an _____ corporation (the “Corporation”), hereby adopt the following preambles and resolutions:

WHEREAS, the Corporation desires to purchase an interest in **BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST** (the “Investment”);

WHEREAS, that the Corporation is authorized to execute and deliver all documents relating to the Investment; and

WHEREAS, the Board of Directors believes it to be in the best interest of the Corporation to make the Investment and any execute any documents related thereto.

NOW THEREFORE, BE IT RESOLVED, that the Investment is hereby approved, confirmed and ratified by the Board of Directors in all respects;

FURTHER RESOLVED, that _____, an officer of the Corporation (“Officer”), is hereby authorized and directed to execute, deliver and perform those agreements and documents related to the Investment, in the name and on behalf of the Corporation, with such changes therein and additions thereto as the Officer may deem necessary, appropriate or advisable to effect the transactions contemplated by the foregoing resolution;

FURTHER RESOLVED, that the Officer is hereby authorized and directed to execute, deliver and perform all further instruments and documentation and to take all other actions, in the name and on behalf of the Corporation, as it may deem convenient or proper to carry out the Investment; and

FURTHER RESOLVED, that any action heretofore taken and all documentation heretofore delivered by the Corporation or the Officer in furtherance of the Investment and foregoing resolutions are hereby ratified and confirmed in all respects.

Dated effective _____, 20____

Director (signature)

Being all of the Directors of the Corporation

APPENDIX D – OFFICER’S CERTIFICATE

Note: To be completed only by those Prospective Purchasers investing through a corporation.

Additional Note: Appendix C may be provided as an alternative to this Appendix D.

The undersigned, _____, hereby certifies that:

1. _____ is the _____ of _____, a/an _____ corporation (“Corporation”), and has personal knowledge of the matters set forth herein.
2. This Certificate is executed to evidence the approval and consent of the Corporation to purchase an interest in **BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST** (the “Investment”).
3. The undersigned acknowledges that the Corporation is authorized to execute and deliver all documents relating to the Investment.
4. Pursuant to the organizational documents of the Corporation, the specific consent or approval of the Board of Directors of the Corporation is not necessary for the consummation of the Investment.
5. The undersigned acting alone has the authority, pursuant to the organizational documents of the Corporation, to execute all documents related to the Investment.
6. This Certificate may be relied upon by **BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST** and its affiliates.

Dated effective _____, 20____

By: _____

Name: _____

Title: _____

APPENDIX E – PARTNERSHIP RESOLUTION

Note: To be completed only by those Prospective Purchasers investing through a partnership.

The undersigned, being all the partners (the “Partners”) of _____, a/an _____ partnership (the “Partnership”), hereby adopt the following preambles and resolutions:

WHEREAS, the Partnership desires to purchase an interest in **BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST** (the “Investment”);

WHEREAS, that the Partnership is authorized to execute and deliver all documents relating to the Investment; and

WHEREAS, the Partners believe it to be in the best interest of the Partnership to make the Investment and any execute any documents related thereto.

NOW THEREFORE, BE IT RESOLVED, that the Investment is hereby approved, confirmed and ratified by the Partners in all respects;

FURTHER RESOLVED, that _____, an agent of the Partnership (“Authorized Person”), is hereby authorized and directed to execute, deliver and perform those agreements and documents related to the Investment, in the name and on behalf of the Partnership, with such changes therein and additions thereto as the Authorized Person may deem necessary, appropriate or advisable to effect the transactions contemplated by the foregoing resolution;

FURTHER RESOLVED, that the Authorized Person is hereby authorized and directed to execute, deliver and perform all further instruments and documentation and to take all other actions, in the name and on behalf of the Partnership, as it may deem convenient or proper to carry out the Investment; and

FURTHER RESOLVED, that any action heretofore taken and all documentation heretofore delivered by the Partnership or the Authorized Person in furtherance of the Investment and foregoing resolutions are hereby ratified and confirmed in all respects.

Dated effective _____, 20____

Partner (signature)

Being all of the Partners of the Partnership

APPENDIX F – LIMITED LIABILITY COMPANY RESOLUTION

Note: To be completed only by those Prospective Purchasers investing through a limited liability company.

The undersigned, being all the members (the “Members”) of _____, a/an _____ limited liability company (the “LLC”), hereby adopt the following preambles and resolutions:

WHEREAS, the LLC desires to purchase an interest in **BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST** (the “Investment”);

WHEREAS, that the LLC is authorized to execute and deliver all documents relating to the Investment; and

WHEREAS, the Members believe it to be in the best interest of the LLC to make the Investment and execute any documents related thereto.

NOW THEREFORE, BE IT RESOLVED, that the Investment is hereby approved, confirmed and ratified by the Members in all respects;

FURTHER RESOLVED, that _____, an agent of the LLC (“Authorized Person”), is hereby authorized and directed to execute, deliver and perform those agreements and documents related to the Investment, in the name and on behalf of the LLC, with such changes therein and additions thereto as the Authorized Person may deem necessary, appropriate or advisable to effect the transactions contemplated by the foregoing resolution;

FURTHER RESOLVED, that the Authorized Person is hereby authorized and directed to execute, deliver and perform all further instruments and documentation and to take all other actions, in the name and on behalf of the LLC, as it may deem convenient or proper to carry out the Investment; and

FURTHER RESOLVED, that any action heretofore taken and all documentation heretofore delivered by the LLC or the Authorized Person in furtherance of the Investment and foregoing resolutions are hereby ratified and confirmed in all respects.

Dated effective _____, 20_____

Member (signature)

Being all of the Members of the LLC

PURCHASE AGREEMENT

INSTRUCTIONS

BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST, a Delaware statutory trust (the “Seller”), is offering up to \$46,527,793 interests (“Interests”) to certain qualified persons. The minimum amount of Interests that a Prospective Purchaser completing a Section 1031 tax-deferred exchange (as defined herein) may purchase is \$100,000, unless the Seller waives this minimum requirement. The minimum amount of Interests that a Prospective Purchaser making a cash investment without a Section 1031 tax-deferred exchange may purchase is \$100,000, unless the Seller waives this minimum requirement. If all Interests cannot be sold, the depositor of the Seller will own the remaining Interests.

No person is authorized to receive the Investor Questionnaire & Purchase Agreement unless it is preceded or accompanied by a copy of the Seller’s Memorandum. Reproduction or circulation of these materials, in whole or in part, is prohibited except as specifically provided herein.

If, after you have carefully reviewed the Memorandum, you wish to purchase an Interest, please carefully review and complete the Purchase Agreement that follows. The Seller cannot and will not accept a Purchase Agreement that is missing information or signatures until such information and signatures are provided. The Seller will treat all information confidentially, except as otherwise indicated herein.

The Seller will not evaluate whether the acquisition of Interests offered hereby is suitable for any particular person. **You should consult with your tax and legal advisor prior to purchasing Interests.**

Payment of the purchase price for the Interests may be made by either wiring the funds directly to the Seller (the preferred method), or by delivering to BIGR Exchange TRS, LLC (Attn: Investor Relations), in person or by mail, a check that is made payable to **BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST**. If the purchase of an Interest is part of a Section 1031 tax-deferred exchange, payment to the Seller should be coordinated through the qualified intermediary who holds your exchange proceeds from the relinquished property.

The mailing address for all purchases is as follows:

BIGR Exchange TRS, LLC
(Attn: Investor Relations)
27777 Franklin Road, Suite 900
Southfield, Michigan 48034

or via e-mail at 1031@bluerockre.com

The Seller will not accept investments from, or made on behalf of, tax exempt entities, including but not limited to qualified employee pension and profit sharing trusts, individual retirement accounts, Simple 401(k) plans, annuities and charitable remainder trusts. In addition, the Seller reserves the right to reject, in its sole discretion, any purchase, for any reason or for no reason. If the Seller rejects your offer to purchase Interests, the Seller will return your payment and related purchase documents.

If you have any questions concerning the Purchase Agreement, or if you need additional copies of the Investor Questionnaire & Purchase Agreement, please call or write **Investor Relations c/o BIGR Exchange TRS, LLC, 27777 Franklin Road, Suite 900, Southfield, Michigan 48034, (888) 558-1031.**

PURCHASE AGREEMENT OF BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST

Up to \$46,527,793 of Interests

THIS PURCHASE AGREEMENT (the “**Purchase Agreement**”) is made by and between **BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST**, a Delaware statutory trust (the “**Seller**”) and the undersigned, with reference to the facts set forth below.

RECITALS

- A. The Seller owns certain real properties as follows:
- The Adam Aircraft Property located at 13202 E. Adam Aircraft Circle, Englewood, Colorado 80112 (the “**Adam Aircraft Property**”);
 - The 3020 Tucker Street Property located at 3020 Tucker Street, Burlington, North Carolina 27215 (the “**Tucker Street Property**”);
 - 6015 Enterprise Park Property located at 6015 Enterprise Park Drive, North Carolina 27330 (the “**6015 Enterprise Property**”);
 - 6056 Enterprise Park Property located at 6056 Enterprise Park Drive, North Carolina 27330 (the “**6056 Enterprise Property**”); and
 - Cornatzer Property located at 2016 Cornatzer Road, Advance, North Carolina 27006 (the “**Cornatzer Property**”), each described on Exhibit A attached hereto.
- B. The Seller is offering (the “**Offering**”) to sell to certain qualified, accredited investors pursuant to that certain private placement memorandum, dated August 10, 2022 (as amended and supplemented from time to time, the “**Memorandum**”), beneficial ownership interests in the Seller (the “**Interests**”). Terms not defined herein shall have the same meanings as in the Memorandum.
- C. The Seller desires to sell and the undersigned desires to buy the Interests on the terms and conditions set forth in the Memorandum. This sale will be made pursuant to the Memorandum.

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

1. Purchase of Interests. The undersigned, intending to be legally bound, hereby irrevocably offers to purchase \$ _____ worth of Interests in the Seller. Each 0.21493% Interest to be acquired in the Seller shall consist of \$**100,000** in cash and \$**76,503** in the nature of the attributed Loan debt. The Interests are being purchased pursuant to the terms and conditions of the Memorandum, receipt of which is hereby acknowledged.
2. Amount and Method of Payment. Payment for the Interests purchased hereunder is to be made by either wiring the funds from the qualified escrow account or by delivering to BGR Exchange TRS, LLC, in person or by mail, a **check made payable to “BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST”** for the aggregate purchase price of the Interests. The minimum amount of Interests that a Prospective Purchaser completing an Internal Revenue Code section 1031 (“**Section 1031**”) tax-deferred exchange will be required to purchase is \$100,000, unless the Seller waives such requirement. The minimum amount of Interests that a prospective Investor making a cash investment without a Section 1031 tax-deferred exchange will be required to purchase is \$100,000, unless the Seller waives such requirement. If the purchase of an Interest is part of a Section 1031 tax-deferred exchange, payment shall be coordinated through the undersigned’s qualified intermediary who holds the undersigned’s exchange proceeds from the relinquished property.
3. Acceptance of Purchase. The undersigned understands and agrees that the Seller, in its sole discretion, reserves the right to accept or reject this or any other offer to purchase for the Interests in whole or in part. If this offer to purchase is rejected in whole or in part, or if the Seller terminates the Offering for any reason, the Seller will promptly return the applicable portion of the purchase price. This Purchase Agreement shall thereafter have no force or effect with respect to the rejected portion of the purchase of Interests.

4. Representations and Warranties of the Seller. The Seller hereby acknowledges, represents and warrants that:

- (a) Status. The Seller is a validly formed and existing statutory trust under the laws of the State of Delaware.
- (b) Issuance. When issued, authenticated and delivered by the Seller and paid for by the undersigned pursuant to the provisions of this Purchase Agreement and of the Seller's Trust Agreement, as amended or restated from time to time (the "**Trust Agreement**"), the undersigned's Interests will be duly and validly issued and outstanding and entitled to the benefits provided by the Trust Agreement, except as such enforceability may be limited by the effect of (i) bankruptcy, insolvency, reorganization, receivership, moratorium or other similar laws affecting the enforcement of the rights of creditors generally, and (ii) general principles of equity, whether enforcement is sought in a proceeding in equity or at law.

5. Representations and Warranties of the Undersigned. The undersigned hereby acknowledges, represents and warrants that:

(a) The Interests offered by the Memorandum have not been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or under the laws of any state, and are being offered and sold in reliance on exemptions from the provisions of the Securities Act and applicable state law. The Interests have not been approved or disapproved by the Securities and Exchange Commission, any state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon, or endorsed the merits of, the offering or the accuracy or adequacy of the Memorandum. The undersigned hereby further acknowledges, represents and warrants that:

(i) the undersigned has received the Memorandum, has carefully reviewed it and understands the information contained therein and information otherwise provided in writing by the Seller relating to this investment;

(ii) the undersigned acknowledges that all documents, records and books pertaining to this investment (including, without limitation, the Memorandum) have been made available for inspection to the undersigned or the undersigned's agents or advisors;

(iii) the undersigned, either directly or through advisors, has had a reasonable opportunity to ask questions of and receive information and answers from a person or persons acting on behalf of the Seller concerning the Offering and, as the undersigned may deem necessary, to verify the information contained in the Memorandum, and all questions have been answered and all such information has been provided to the full satisfaction of the undersigned;

(iv) no oral or written representations have been made or oral or written information furnished to the undersigned or his or her advisor(s) in connection with the Offering that were in any way inconsistent with the information stated in the Memorandum;

(v) the undersigned is not purchasing the Interests as a result of or subsequent to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, or presented at any seminar or meeting;

(vi) the undersigned meets one of the following tests and therefore qualifies as an "accredited investor":

(A) the undersigned is a natural person who has individual income in excess of \$200,000 in each of the two most recent years, or joint income with that person's spouse (or spousal equivalent) in excess of \$300,000 in each of these years, and has a reasonable expectation of reaching the same income level in the current year; or

(B) the undersigned is a natural person whose individual net worth or joint net worth with that person's spouse (or spousal equivalent), exceeds \$1,000,000 at the time of purchasing the Interests; *provided*, that for purposes of calculating such net worth: (1) the undersigned's primary residence shall not be included as an asset; (2) indebtedness that is secured by the undersigned's primary residence, up to the estimated fair market value of the primary residence at the time of the closing of the undersigned's acquisition of an Interest, shall not be included as a liability; *provided, however*, that if the amount of such indebtedness outstanding at the time of the closing of the undersigned's acquisition of an Interest exceeds the amount of indebtedness outstanding 60 days before such time, other than as a result of the acquisition of the primary residence (such as, for example, if the undersigned takes out a home equity loan that is not

used to acquire a primary residence during such 60-day time frame), the amount of such new indebtedness shall be included as a liability; and (3) indebtedness that is secured by the undersigned's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability; or

(C) the undersigned is a corporation, business or other irrevocable trust, partnership or limited liability company with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Interests;

(D) the undersigned is a trust, with total assets over \$5,000,000, not formed for the specific purpose of acquiring Interests, whose purchase is directed by a "sophisticated person," as described in Rule 506(b)(2)(ii) of Regulation D under the Securities Act;

(E) the undersigned is: (1) a broker-dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended; (2) an insurance company; (3) an investment company registered under the Investment Company Act of 1940, as amended, or a business development company (as defined in Section 2(a)(48) of the Investment Company Act of 1940, as amended); (4) a small business investment company licensed by the Small Business Administration under Section 301(c) or (d) or the Small Business Investment Act of 1958, as amended; (5) a private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended); or (6) a bank as defined in Section 3(a)(2) of the Securities Act, any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity, or any insurance company as defined in Section 2(13) of the Securities Act; or

(F) the undersigned is an entity in which all of the equity owners are an accredited investor as defined above in subparagraph (A) or (B).

(vii) the undersigned is not purchasing the Interests on behalf of any tax exempt entity, including but not limited to any qualified employee pension or profit sharing trust, any individual retirement account, Simple 401(k) plan, annuity or charitable remainder trust;

(viii) the undersigned's overall commitment to investments that are not readily marketable is not disproportionate to the undersigned's net worth and the undersigned's investment in the Interests will not cause the overall commitment to become disproportionate to the undersigned's net worth;

(ix) the undersigned has reached the age of majority, has adequate net worth and means of providing for the undersigned's current needs and personal contingencies, is able to bear the substantial economic risks of an investment in the Interests for an indefinite period of time, has no need for liquidity in such investment and, at the present time, could afford a complete loss of such investment;

(x) the undersigned has the requisite knowledge and experience in financial and business matters so as to enable the undersigned to use the information made available to evaluate the merits and risks of an investment in the Interests and to make an informed decision;

(xi) the undersigned is acquiring the Interests solely for his or her own account as principal, for investment purposes only and not with a view to the resale or distribution thereof in whole or in part, and no other person has a direct or beneficial interest in the Interests purchased by the undersigned;

(xii) the undersigned will not sell or otherwise transfer his or her Interests without complying with all applicable laws and fully understands and agrees that he or she must bear the economic risk of his or her purchase for an indefinite period of time because, among other reasons, the Interests may not be readily transferable; and

(xiii) the undersigned's assets have not been the subject of any proceeding under any matter relating to bankruptcy, insolvency, reorganization, conservatorship, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to its debts or debtors ("**Creditor Rights Laws**") during the ten (10) years prior to the date hereof, nor has the undersigned sought the protection of any Creditor Rights Laws during the ten (10) years prior to the date hereof. The foregoing representation with regard to this paragraph also are applicable to the undersigned's affiliates which the undersigned owns or controls, including any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association and any fiduciary acting in such capacity on behalf of any of the foregoing, and further including any such entity in which the undersigned or its affiliate is an officer or director.

(b) The undersigned recognizes that the purchase of the Interests involves a number of significant risks and other factors relating to the structure and objectives of the Seller as described in the Memorandum under the heading “Risk Factors” and that there can be no assurance that the Seller will achieve its objectives. In addition, the undersigned acknowledges that:

(i) no federal or state agency has passed upon the adequacy of the information presented to the undersigned or made any finding or determination as to the fairness of this investment; and

(ii) there is no established market for the Interests and a public market for the Interests may never develop.

(c) **The undersigned understands that the Seller has not obtained a specific Private Letter Ruling from the Internal Revenue Service (“IRS”) addressing the treatment of the Interests in this Offering for income tax purposes, including but not limited to whether an Interest is “of like kind” to real estate for purposes of Section 1031 or is “similar or related in service or use” to involuntarily converted property of the undersigned for purposes of Internal Revenue Code section 1033 (“Section 1033”). In addition, the undersigned understands that the tax consequences of an investment in the Interests, especially the qualification of the transaction under Section 1031 or Section 1033 of the Code and the related rules, are complex and vary with the facts and circumstances of each individual. Therefore, the undersigned represents and warrants that he or she: (1) has independently obtained advice from legal counsel and/or accountants about a tax-deferred exchange under Section 1031 or a conversion under Section 1033 and applicable state laws, including, without limitation, whether the acquisition of an Interest may qualify as part of a tax-deferred exchange or involuntary conversion, and he or she relying on such advice; (2) understands that the Seller has not obtained a ruling from the IRS addressing the treatment of the Interests in this Offering for income tax purposes, including but not limited to whether an Interest is “of like kind” to real estate for purposes of Section 1031 or is “similar or related in service or use” to involuntarily converted property of the undersigned for purposes of Section 1033; (3) understands that the tax consequences of an investment in an Interest, especially the treatment of the transaction under Section 1031 and the related Section 1031 exchange rules, or under Section 1033 and its underlying rules, are complex and vary with the facts and circumstances of each individual purchaser; and (4) understands that the opinion of Baker & McKenzie LLP, as tax counsel to the Seller, is only Baker & McKenzie LLP’s view of the anticipated tax treatment, and there is no guarantee that the IRS will agree with such opinion.**

(d) If the undersigned is purchasing the Interests in a representative or fiduciary capacity, e.g., serving as a qualified intermediary, the representations and warranties contained herein (and in any other written statement or document delivered to the Seller in connection herewith) shall be deemed to have been made on behalf of the person or persons for whom the Interests are being purchased.

(e) All information furnished to the Seller by the undersigned is correct and complete as of the date of this Purchase Agreement, and the undersigned will immediately furnish revised or corrected information to the Seller if there should be any material change in this information prior to the Seller completing the Offering.

(f) Within five days after receipt of a request from the Seller, the undersigned hereby agrees to provide such information and to execute and deliver such documents as may be reasonably necessary to comply with any and all laws and ordinances to which the Seller is subject.

(g) The undersigned has not distributed the Memorandum to anyone other than his or her advisors, if any, and no one other than the undersigned and his or her advisors, if any, has used the Memorandum.

(h) The foregoing representations, warranties and agreements, together with all other representations and warranties made or given by the undersigned to the Seller in any other written statement or document delivered in connection with the Offering shall be true and correct in all respects on and as of the date the purchase is accepted as if made on that date. If more than one person is signing this Purchase Agreement, each representation, warranty and undertaking herein shall be the joint and several representation, warranty and undertaking of each such person.

(i) The undersigned acknowledges and agrees that the Interests are subject to the FMV Option, as described in the Trust Agreement and Memorandum.

6. **Additional Representations and Warranties – Section 1031 Exchanges. The following additional representations and warranties apply only to those investors purchasing Interests as part of a Section 1031 tax-deferred exchange.**

- (a) The undersigned hereby acknowledges, represents and warrants that:
 - (i) The undersigned's rights under this Purchase Agreement may be assigned to his, her or its qualified intermediary (the "**Qualified Intermediary**") for the purpose of completing a Section 1031 exchange.
- (b) The Seller hereby acknowledges, represents and warrants that:
 - (i) It is the intent of the undersigned to effect a Section 1031 tax-deferred exchange, which will not delay the closing or cause additional expense to the Seller.
 - (ii) The Seller will cooperate with the undersigned and his, her or its Qualified Intermediary in a manner necessary to complete the Section 1031 tax-deferred exchange.

7. Additional Information. The undersigned hereby acknowledges and agrees that the Seller may make such further inquiry and obtain such additional information as it may deem appropriate with regard to the suitability of the undersigned.

8. Authorization. The undersigned releases to the Seller and those third party vendors retained to conduct credit and background evaluations in accordance with the questions contained in the Investor Questionnaire (the "**Vendors**") any information regarding the undersigned's employment status, bank account records, mortgage or other current or prior credit, collection accounts, rental history, state and federal tax liens, state and federal crimes, state and federal civil litigation and bankruptcy, and state and county UCC (Uniform Commercial Code) searches. As part of such authorization, the undersigned hereby authorizes the Seller's release of such information to the Vendors. This information is for the confidential use of the Seller and the Vendors only.

9. Indemnification. The undersigned agrees to indemnify and hold harmless the Seller and the Seller's Signatory Trustee and their respective officers, directors, employees, beneficiaries, trustees, and agents (the "**Indemnified Parties**") against any and all loss, liability, claim, damage and expense whatsoever (including reasonable attorneys' fees) arising out of or based upon any false representation or warranty or breach or failure by the undersigned to comply with any covenant or agreement made by the undersigned herein, or in any other document furnished by the undersigned to any of the foregoing in connection with this transaction. This indemnification includes, but is not limited to, any damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) incurred by the Indemnified Parties in investigating, preparing or defending against any alleged violation of federal or state securities laws which is based upon or related to any untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents the undersigned has furnished to any of the foregoing in connection with this transaction.

10. Additional Information. The undersigned hereby acknowledges and agrees that the Seller may make such further inquiry and obtain such additional information as it may deem appropriate with regard to the suitability of the undersigned.

11. Irrevocability; Binding Effect. The undersigned hereby acknowledges and agrees that, except as provided under applicable state law, the purchase hereunder is irrevocable and may not be canceled, terminated or revoked and that this Purchase Agreement shall survive the death or disability of the undersigned and shall be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, successors, legal representatives and assigns.

12. Modifications. Neither this Purchase Agreement nor any provision hereof shall be waived, modified, discharged or terminated except by an instrument in writing signed by the party against whom any such waiver, modification, discharge or termination is sought.

13. Notices. Any notice, demand or other communication that any party hereto may be required, or may elect, or give to any other party hereunder shall be sufficiently given if: (1) deposited, postage prepaid, in a United States mailbox, stamped registered or certified mail, return receipt requested, or with an established and reputable overnight delivery service, addressed to BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST, c/o BGR Exchange TRS, LLC, 27777 Franklin Road, Suite 900, Southfield, Michigan 48034, Attn: Investor Relations, or to the undersigned Prospective Purchaser at the address set forth on the signature page of the Investor Questionnaire or such other address as the parties may agree; or (2) delivered personally at such address.

14. Counterparts; Signatures. This Purchase Agreement, the related Investor Questionnaire and supporting documents may be executed and delivered (including by facsimile transmission or portable document format (PDF)) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same Purchase Agreement, Investor Questionnaire or other document, as applicable.

15. Entire Agreement. This Purchase Agreement contains the entire agreement of the parties with respect to the subject matter hereof and there are no representations, covenants or other agreements except as stated or referred to herein.

16. Severability. Each provision of this Purchase Agreement is intended to be severable from every other provision, and the invalidity or illegality of any portion hereof shall not affect the validity or legality of the remainder hereof.

17. Assignability. This Purchase Agreement is not transferable or assignable by the undersigned except to a qualified intermediary in the case of a Section 1031 tax-deferred exchange.

18. Applicable Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of New York as applied to residents of that state executing contracts wholly to be performed in that state.

19. Choice of Jurisdiction. The undersigned agrees that any action or proceeding arising, directly, indirectly, or otherwise, in connection with, out of, or from this Purchase Agreement, and breach thereof, or any transaction covered hereby shall be resolved, whether by arbitration or otherwise, within the County of New York, State of New York. The parties further agree that any such relief whatsoever in connection with this Purchase Agreement shall be commenced exclusively in the United States federal or state courts, or if possible before an arbitral body, located within the County of New York, State of New York.

20. Reimbursement. If any action or other proceeding, other than arbitration, is brought to enforce this Purchase Agreement or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Purchase Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorney's fees and other costs incurred in the action or proceeding in addition to any other relief to which they may be entitled.

21. Certificates of Non-Foreign Status. Under penalties of perjury, the undersigned declares that, to the best of his or her knowledge and belief the following statements are true, correct and complete: (1) the undersigned is not a foreign person for purposes of U.S. income taxation (i.e., he or she is not a nonresident alien, nor executing this document as an officer of a foreign corporation, as a partner in a foreign partnership, or as a fiduciary of a foreign employee benefit plan, foreign trust or foreign estate); (2) that the following information contained elsewhere in the Purchase Agreement or the Investor Questionnaire is true, correct and complete: the U.S. taxpayer identification number (i.e., social security number), and the home address; and (3) that the undersigned agrees to inform the Seller promptly if the undersigned becomes a nonresident alien (in the case of an individual) or other foreign person (in case of an entity) during the three years immediately following the date hereof.

22. Certification regarding Securities Laws. By signing below, the undersigned certifies that he or she has read and understands the following additional considerations:

The Interests have not been approved or disapproved by the Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this Offering or the accuracy or adequacy of the Memorandum. Any representation to the contrary is unlawful. The Interests offered hereby are subject to investment risk, including the possible loss of principal.

[Remainder of the Page Intentionally Left Blank]

I (we) acknowledge and agree to all of the representations and warranties contained in this Purchase Agreement.

SELLER

BUYER

Executed this ____ day of _____, 20__

Executed this ____ day of _____, 20__
(Date must be completed.)

**BR DIVERSIFIED INDUSTRIAL PORTFOLIO I,
DST, a Delaware Statutory Trust**

If a natural person:

By: BR Diversified Industrial Portfolio I DST
Its: Manager, LLC
Manager

Signature: _____

Name: _____

(If Joint Ownership: to be signed by joint owner.)

By: _____

Signature: _____

Name: _____

Name: _____

If not a natural person:

Name of Trust/Entity: _____

Signature: _____

Name: _____

Signature: _____

Name: _____

Signature: _____

Name: _____

Signature: _____

Name: _____

EXHIBIT A TO PURCHASE AGREEMENT

Legal Description

Adam Aircraft Property Legal Description

Lot 1, Block 1 and Tract A, Dove Valley Business Park Subdivision Filing No. 16, according to the plat thereof recorded May 4, 2001 Under reception NO. B1068881, Plat Book 197 At Page 21, County of Arapahoe, State of Colorado.

Tucker Street Property Legal Description

BEING all of Lot Number One (1), containing 9.842 acres more or less, as shown on plat entitled "Final Map, Division of Property of SNA Properties", plat of which is recorded in the Office of the Register of Deeds for Alamance County, NC in Plat Book 49 at Page 54, reference to which plat is hereby made for a more complete description.

6015 Enterprise Property Legal Description

ALL of Tract 8, containing 20.857 acres, more or less, as shown on a plat entitled, "Minor Subdivision Plat of Lot 8 and 8A Central Carolina Enterprise Park Property of CC Enterprise Park, LLC Deep River Township - Lee County - North Carolina," prepared by C E Group, Inc., dated March 10, 2021, and recorded March 23, 2021 in Plat Cabinet 2021, Slide 46, Lee County Registry.

6056 Enterprise Property Legal Description

ALL of Tract 2, containing 10.605 acres, more or less, as shown on a plat entitled, Boundary Survey Lot 2 CCEP Property of CC Enterprise Park, LLC," prepared by C E Group, Inc., dated July 9, 2020, and recorded October 16, 2020, in Plat Cabinet 2020, Slide 122, Lee County Registry.

Cornatzer Property Legal Description

BEGINNING at an iron stake in the southern margin of Southern Railroad right of way the northeast corner of R. A. Hilton Estate and running thence with said Southern Railroad Southern right of way margin the following courses and distances: North 71 degrees 21 minutes 30 seconds East 1039.42 feet; thence North 71 degrees, 46 minutes, 30 seconds East 100 feet; North 72 degrees, 14 minutes, 30 seconds East 100 feet; North 74 degrees. 25 minutes, 30 seconds East 100 feet; North 77 degrees, 04 minutes, East 100 feet; North 79 degrees, 12 minutes, 30 seconds East 100 feet; North 80 degrees, 50 minutes East 100 feet to an iron; thence South 03 degrees, 32 minutes West 1383.45 feet to a iron; thence North 84 degrees 44 minutes 10 seconds West 1515.64 feet to an iron; thence North 02 degrees, 11 minutes, 10 seconds East 764.38 feet to the POINT AND PLACE OF THE BEGINNING, containing 38.338 acres, more or less, as surveyed by John G. Bane, and Associates Civil Engineers, May 22, 1967 and being that tract described by deed recorded in Book 76, at page 592, Davie County Registry. See also deed Book 32, page 211, deed Book 33, page 226, deed book 33, page 241, and deed Book 33, page 264.

Less and except the prior conveyance to Travis H. Masters and wife, Teresa Darlene Masters recorded in David County Deed Book 1057 at Page 172, and further described as follows:

BEGINNING at an existing iron pipe, said iron marking the southwest corner of the property conveyed to Teresa Darlene Masters in Book 683, Page 443, Davie County Registry; running thence North 83°24'12" West 13.26 feet to a point; running thence North 46°01'02" West 46.43 feet to a point; running thence North 45°43'19" West 97.57 feet to a railroad spike; running thence North 75°46'54" West 51.34 feet to a railroad spike; running thence North 07°19'06" West 4.56 feet to a point; running thence North 80°55'10" East 81.96 feet to a point; running thence North 82°32'40" East 100.00 feet to an existing iron, the northwest corner of the Masters property; running thence with the west line of the Masters property South 05°14'39" West 145.54 feet to the point and place of BEGINNING, containing 0.278 acres, more or less, according to a survey entitled Clayton Homes – Masters Job, Owen Lee Osborne, P.L.S. L-3295, dated April 25, 2016, and being designated as Job No. 1921-16.

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EXHIBIT F
SAMPLE ASSET
MANAGEMENT AGREEMENT

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ASSET MANAGEMENT AGREEMENT

THIS ASSET MANAGEMENT AGREEMENT (“**Agreement**”) is made as of August 10, 2022 by and between BR 13202 E. Adam Aircraft Circle, DST, a Delaware statutory trust (the “**Trust**”), and BR Diversified Industrial Portfolio I DST Manager, LLC, a Delaware limited liability company (the “**Asset Manager**”).

RECITALS

A. The Trust is or is to become the owner of an industrial property as described on Exhibit A attached hereto (the “**Property**”).

B. BGR 13202 E. Adam Aircraft Circle Leaseco, LLC, a recently formed Delaware limited liability company (the “**Master Tenant**”), the Master Tenant of the Property and an affiliate of the Trust, has or will enter into a property management agreement (the “**Property Management Agreement**”) with Bluerock Property Management, LLC, a Michigan limited liability company (the “**Property Manager**”) pursuant to which the Property Manager will manage and operate the Property.

C. The Trust desires to engage the Asset Manager to provide certain management services and oversee the performance of the Property Manager, and the Asset Manager has agreed to accept such engagement, on the terms and conditions set forth below.

IN LIGHT OF THE FOREGOING FACTS, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Trust and Asset Manager hereby agree as follows:

ARTICLE I APPOINTMENT AND TERM

1.1 Appointment.

The Trust hereby engages the Asset Manager, and the Asset Manager hereby accepts the engagement, to provide asset management services for the Property in accordance with the terms of this Agreement. The Asset Manager shall perform its services in a competent manner in accordance with this Agreement and shall fully and faithfully discharge its obligations and responsibilities hereunder and shall devote such time and attention to ensure the full, prompt and professional discharge of its duties under this Agreement. The Asset Manager shall at all times use commercially reasonable efforts to promote and protect the best interests of the Trust and Property.

1.2 Term.

The term (the “**Term**”) of this Agreement shall commence on the date the Trust acquired record title to the Property and shall continue until this Agreement is terminated as provided herein. Notwithstanding this Section 1.2, in the event the Property is sold to a third party purchaser, the Trust may terminate this Agreement upon not less than thirty (30) days’ written notice to the Asset Manager.

1.3 Relationship.

The Asset Manager will not acquire title to, any security interest in, or any rights of any kind in or to the Property (or any income, receipts or revenues therefrom). For purposes of this Agreement, the Asset Manager shall be an independent contractor of the Trust and not an agent, employee, partner or joint venturer of the Trust and nothing in this Agreement will be deemed or construed to create such a relationship between the parties hereto and the services other than an independent contractor. Under no circumstances shall the Asset Manager represent or hold itself out to any third party as an agent of the Trust.

**ARTICLE II
DUTIES AND POWERS OF THE ASSET MANAGER**

2.1 Duties and Powers.

The Asset Manager will provide management services to the Trust with respect to the Property, will arrange for financing of the Property, implement all decisions and policies of the Trust and will oversee and supervise the provision of services by the Property Manager to ensure that the Property Manager is performing in a manner consistent with the terms of the Property Management Agreement.

**ARTICLE III
COMPENSATION**

3.1 Reimbursements.

During the Term of this Agreement, the Trust shall reimburse the Asset Manager for all reasonable, out-of-pocket expenses properly incurred by the Asset Manager in performing its services under this Agreement provided same are reflected in a budget provided by the Property Manager or provided by the Asset Manager and approved by the Trust, or as may otherwise be approved by the Trust.

3.2 Asset Management Fee.

During the Term of this Agreement, the Trust shall cause to be paid to the Asset Manager an annual asset management fee equal to point two of a percent (0.2%) of the original contract purchase price of the Property paid by the Trust, which shall be pro-rated for 2022 (the “**Asset Management Fee**”). The Asset Management Fee will be paid monthly in arrears on a pro rata basis, and if the Agreement is terminated during any calendar year, shall be prorated for such partial year. Additionally, the Asset Manager may elect to be paid less than the full amount of the Asset Management Fee to which it is entitled under this Agreement, in which event the Asset Manager may also elect to accrue such amounts, without interest, to be paid at a later point in time. Any deferred and accrued Asset Management Fees shall be due and payable in full upon a disposition of the Property from the proceeds of the sale thereof.

Notwithstanding anything in the Agreement to the contrary, so long as any indebtedness is outstanding under the loan documentation executed and delivered on behalf of the Trust (the “**Loan Documents**”) to the holder of any mortgage, deed of trust or other similar document placed on the Property by the Trust (“**Permitted Mortgage**”), the Asset Management Fee and all rights and privileges of Asset Manager to the Asset Management Fees are and will at all times continue to be subject and unconditionally subordinate in all respects in lien and payment to the lien and payment of the Loan Documents and to any renewals, extensions, modifications, assignments, replacements, or consolidations of the Loan Documents, and the rights, privileges, and powers of lender under the Loan Documents, and subject to the debt limitations set forth in the Loan Documents. Any permitted lender under a Permitted Mortgage (“**Lender**”) is intended as a third-party beneficiary of this section of this Agreement, and the Trust and Asset Manager agree that if there is an event of default under the Loan Documents during the term of this Agreement, Lender may terminate the Agreement without payment of any cancellation fee or penalty.

3.3 [Intentionally Omitted].

**ARTICLE IV
INDEMNIFICATION**

4.1 Indemnification.

The Trust agrees to indemnify the Asset Manager and hold it harmless from and against all claims, losses, actions, lawsuits and other liabilities arising directly or indirectly out of any action taken by the

Asset Manager within the scope of its authority and duties under this Agreement, excluding only those liabilities which arise as a result of the gross negligence or fraudulent, criminal or willful misconduct of the Asset Manager. This indemnity extends to and protects the agents, officers, directors, shareholders, affiliated companies and employees of the Asset Manager.

The Asset Manager agrees to indemnify the Trust and hold it harmless from and against all claims, losses, actions, lawsuits and other liabilities arising directly or indirectly out of any action taken by the Asset Manager that is not within the scope of its authority and duties under this Agreement and constitutes the gross negligence or fraudulent, criminal or willful misconduct of the Asset Manager. This indemnity extends to and protects the agents, officers, directors, shareholders, affiliated companies and employees of the Trust.

ARTICLE V GENERAL PROVISIONS

5.1 Default of Asset Manager.

The Trust will be entitled to terminate this Agreement if the Asset Manager is in material default of its obligations under this Agreement and such default is not remedied within thirty (30) days after the Asset Manager has received written notice from the Trust specifying that the Asset Manager is in material default, identifying the nature of the material default and outlining the steps required to be taken in order to remedy such default. Where the default is of such nature that it is incapable of being remedied within the 30-day period, then the time for curing the default will be extended for such period of time as is reasonably necessary under the circumstances so long as the Asset Manager has commenced the cure during the initial 30-day period and is diligently pursuing the completion of same.

5.2 Default of Trust.

The Asset Manager will be entitled to terminate this Agreement if the Trust is in material default of its obligations under this Agreement and the default is not remedied within 30 days after the Trust has received written notice from the Asset Manager specifying that the Trust is in material default, identifying the nature of the default and outlining the steps required to be taken in order to remedy such default. Where the default is of such nature that it is incapable of being remedied within the 30-day period, then the time for curing the default will be extended for such period of time as is reasonably necessary under the circumstances so long as the Trust has commenced the cure during the initial 30-day period and is diligently pursuing the completion of same.

5.3 Assignment.

Either party will be entitled to assign this Agreement to any other party without the written consent of the other.

5.4 Notices.

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be deemed given or delivered (a) when delivered personally or by commercial messenger; or (b) one business day after deposit with a recognized overnight delivery service, provided such deposit

occurs prior to the deadline imposed by such service for overnight delivery, in each case provided such communication is addressed to the intended recipient thereof as set forth below:

If to the Trust:

BR 13202 E. Adam Aircraft Circle, DST
c/o Bluerock Real Estate, L.L.C.
1345 Avenue of the Americas, 32nd Floor, Suite B
New York, NY 10105
Attn: General Counsel

If to the Asset Manager:

BR Diversified Industrial Portfolio I DST Manager, LLC
c/o Bluerock Real Estate, L.L.C.
1345 Avenue of the Americas, 32nd Floor, Suite B
New York, NY 10105
Attn: General Counsel

Any party may change its address specified above by giving the other party notice of such change in accordance with this Section 5.4.

5.5 Termination.

Any unperformed obligations of either the Trust or the Asset Manager will survive the termination of this Agreement. Immediately upon the expiration or termination, the Asset Manager shall deliver all books of account and records to the Trust together with all other documents and records which pertain to the Property.

5.6 Nonwaiver.

The failure of any party to insist upon or enforce strict performance by any other party of any provision of this Agreement or to exercise any right under this Agreement shall not be construed as a waiver or relinquishment to any extent of such party's right to assert or rely upon any such provision or right in that or any other instance; rather, such provision or right shall be and remain in full force and effect.

5.7 Captions.

The captions contained in this Agreement are for convenience of reference only and in no way define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement.

5.8 Applicable Law.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS. BOTH OF THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) RELATED TO OR ARISING OUT OF THIS AGREEMENT. The parties hereby irrevocably submit to the exclusive jurisdiction of the courts of the State of Delaware and the Federal courts of the United States of America located in Delaware for purposes of any suit, action or other proceeding arising from this Agreement, and the Offering, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or thereof, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in such courts or that the venue thereof may not be appropriate or that this Agreement or any such document

may not be enforced in or by such courts. The parties hereto hereby consent to and grant any such court jurisdiction over the person of such parties and over the subject matter of any such dispute.

5.9 Entire Agreement.

This Agreement supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there is no warranty, representation or any other agreement between the parties in connection with the subject matter of this Agreement. No supplement, modification, waiver or termination of this Agreement will be binding unless executed in writing by both parties.

5.10 Successors and Assigns.

This Agreement will inure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. Nothing in this Agreement is intended or shall be construed to give to any other person any right, remedy or claim, except as otherwise specifically provided herein.

5.11 Counterparts.

This Agreement may be executed in multiple counterparts, and all such counterparts together shall constitute one and the same Agreement.

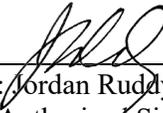
[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

TRUST:

BR 13202 E. Adam Aircraft Circle, DST,
a Delaware statutory trust

By: BR Diversified Industrial Portfolio I DST Manager,
LLC, a Delaware limited liability company
Its: Manager and Signatory Trustee

By:  _____
Name: Jordan Ruddy
Title: Authorized Signatory

ASSET MANAGER:

BR Diversified Industrial Portfolio I DST Manager,
LLC, a Delaware limited liability company

By:  _____
Name: Jordan Ruddy
Title: Authorized Signatory

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Lot 1, Block 1 and Tract A, Dove Valley Business Park Subdivision Filing No. 16, located in the Northeast one quarter of Section 36, T5.S, R67W of the Sixth Principal Meridian, City of Aurora, County of Arapahoe, State of Colorado.

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APPENDIX I – FINANCIAL FORECAST

The following Financial Forecast is intended to supplement the disclosures contained in this Memorandum. The Financial Forecast was prepared based upon our assumptions, including current estimates of income and expenses relating to the operation of the Properties. We believe these assumptions to be reasonable and are not aware of any material factors other than as set forth in the Memorandum of which this Appendix forms a part that would cause the financial information not to be necessarily indicative of future operating results. However, if the assumptions with respect to the Properties do not prove correct, the Properties will have difficulty in achieving its anticipated results. Some of the other underlying assumptions inevitably may not materialize and unanticipated events and circumstances may occur. Therefore, the actual results achieved during the period covered is likely to vary from the Financial Forecast, and the variation may be material. As a result, your rate of return may be higher or lower than that set forth. Your return on your investment in the Interests will depend upon economic factors and conditions beyond our control.

Assumptions and Notes for the Forecast

1. The Adam Aircraft Trust acquired the Adam Aircraft Property on June 29th, 2022 from the seller of the Property, LSTREAA, LLC, a Colorado limited liability company (the Adam Aircraft Seller). The transaction was arms-length with a third party, unaffiliated with the Sponsor. The base contract price was \$14,900,000, excluding costs and fees to close directly or indirectly incurred by the Trust and as noted below and in the Projections. The Tucker Street Trust acquired the Tucker Street Property on June 29th, 2022 from the seller of the Property, BurlingtonCo, LLC, a North Carolina limited liability company (the Tucker Street Seller). The transaction was arms-length with a third party, unaffiliated with the Sponsor. The base contract price was \$7,140,000, excluding costs and fees to close directly or indirectly incurred by the Trust and as noted below and in the Projections. The 6015 Enterprise Trust acquired the 6015 Enterprise Property on June 23rd, 2022 from the seller of the Property, Lee County Growth IV, LLC, a North Carolina limited liability company (the 6015 Enterprise Seller). The transaction was arms-length with a third party, unaffiliated with the Sponsor. The base contract price was \$16,050,000, excluding costs and fees to close directly or indirectly incurred by the Trust and as noted below and in the Projections. The 6056 Enterprise Trust acquired the 6056 Enterprise Property on June 23rd, 2022 from the seller of the Property, Lee County Growth II, LLC, a North Carolina limited liability company (the 6056 Enterprise Seller). The transaction was arms-length with a third party, unaffiliated with the Sponsor. The base contract price was \$22,000,000, excluding costs and fees to close directly or indirectly incurred by the Trust and as noted below and in the Projections. The Cornatzer Trust acquired the Cornatzer Property on June 15th, 2022 from the seller of the Property, BRI 2016 Cornatzer Road, LLC, a Delaware limited liability company (the Cornatzer Seller). The transaction was affiliated with the Sponsor. The base contract price was \$11,100,000, excluding costs and fees to close directly or indirectly incurred by the Trust and as noted below and in the Projections. The Operating Trusts financed its acquisition of the Properties with (a) a \$35,595,000 first mortgage loan from Keybank National Association, and (b) the cash portion of the Depositor Contribution to the Trust, including proceeds of the Bridge Financing, in the amount of \$30,050,000. The Loan requires the Trust to make monthly, interest-only payments, calculated on the basis of a 360-day year, with a rate not to exceed 4.55% resulting in an annual amount equal to approximately \$125,939-\$139,433, on each payment date through June 23, 2027. The Loan then offers the option of five, one-year extensions, with the interest rate based on the Secured Overnight Financing Rate (SOFR) and an estimated 5.0% interest rate. The carry costs on the Bridge Financing over the projected 5-month sellout period are projected to have a blended rate of approximately 5.79% per annum, or approximately \$904,224 as projected. The total cost of acquiring the Property, including the contract price, transactional closing costs, fees and financing closing costs was \$75,714,459.

2. The difference between the contract price payable to Sellers, \$71,190,000, and the total proceeds of \$82,122,793 from the Offering, including Depositor's share of the Interests, represents all estimated costs and expenses related to the Offering, marketing, and transferring of the Interests, the amount of the Supplemental Reserve Account (defined below), other Trust reserves and escrows and the payment of the Acquisition Fee in the amount of \$1,423,800. The annualized cash on cash return is calculated based on the \$46,527,793 of Class 1 Interests being sold to Investors (100% ownership of the Trust).

3. The income forecast for the Properties is based on the tenant and leasing assumptions. The income forecast assumes that the renewal options are exercised at the contractually agreed upon lease extension rental rates. Adam Aircraft Property has two tenants with lease expirations of June 30, 2035, and May 31, 2037, an 80% renewal probability for both Adam Aircraft tenants as well as two, five-year renewal options. Both Adam Aircraft leases are triple net, with 2.5% annual rent escalations. Tucker Street Property's lease expires December 31, 2026, and the forecast assumes 75% renewal probability and \$76,045 in tenant improvements and \$28,913 in leasing commissions. The Tucker Street Property's lease is triple net with no annual rent escalations. 6015 Enterprise Property's lease expires July 22nd, 2031, and the forecast assumes 75% renewal probability and two options to renew for an additional five years. The 6015 Enterprise Property's lease is triple net, with approximately 2.5% annual rent escalations. 6056 Enterprise Property's lease expires January 31, 2032, and the forecast assumes 75% renewal probability and two options to renew for an additional five years. The 6056 Enterprise Property's lease is triple net, with approximately 2.0% annual rent escalations. The 6015 Enterprise Property and 6056 Enterprise Property leases expire in less than 10 years and the forecast estimates \$188,623 in absorption and turnover vacancy, \$224,243 in tenant improvements, and \$305,562 in

leasing commissions included in the forecast. Cornatzer Property's lease expires April 22nd, 2029 and the forecast assumes 100% probability of exercising the two, seven-year renewal options with 2.0% annual rent escalations.

4. Sponsor will be entitled to an annual asset management fee pro-rata and as set forth in the Management Agreement.

5. 6015 Enterprise Property and 6056 Enterprise Property will each pay a 3.0% management fee based on potential rent payable to Bluerock Property Management.

6. The rent payable under the Master Lease consists of: (1) an amount of Base Rent payable in arrears on the last day of each calendar month the annual Base Rent amount being \$3,549,789 for Year 1; (2) Debt Service equal to \$1,641,706 for Year 1; and (3) Funds Available for Distribution being \$1,745,703 for Year 1. Additionally, the Master Tenant will receive master tenant base income ranging from \$32,500 to \$195,000 per year. Such amounts will not be available for distributions to the Trust or the Investors. The Master Tenant must pay the Base Rent to the Parent Trust, as required, in accordance with the terms of the Master Lease. The Funds Available for Distribution will be estimated and paid on a monthly basis with year-end reconciliation. In addition, tenants will be responsible for all operating costs and expenses (as defined in the Master Lease and shown on Exhibit D, *Forecasted Statement of Cash Flow*).

7. The Trust will establish (and control) a reserve funded from proceeds of the Offering for Property costs and expenses, in the initial amount of \$2,500,000 (the "Supplemental Trust Reserve"). Any amount remaining in the reserve accounts upon the sale of the Property shall be distributed to the Investors based on their respective pro rata Interests. The Property Condition Assessments ("PCA") from Blackstone Consulting LLC indicated that the Properties are in generally good condition for properties of similar type and age in the area. The PCA Report identified that there are \$37,350 of immediate repairs, of which \$34,350 the Trusts will be responsible for. The immediate repairs include: paving and concrete, exterior walls, and roof repairs. The PCA Report recommended recurring capital reserves for likely repairs and replacements necessary during the next 12 years. The estimated total of the immediate and future capital needs is \$648,775 in repairs that the Trusts are responsible for. These are primarily comprised of the following items: **Adam Aircraft:** Asphalt seal coat and striping, gravel regrade, and exterior maintenance; **3020 Tucker Street:** Asphalt seal coat and striping, exterior maintenance, and metal roofing; **6015 Enterprise Park:** Asphalt seal coat and striping, and exterior maintenance; **6056 Enterprise Park:** Asphalt seal coat and striping, and exterior maintenance; and **Cornatzer Property:** Asphalt seal coat and striping, exterior maintenance, and roofing. Following completion of the sale of the Maximum Offering Amount, the Trust would have approximately \$2,500,000 in the Supplemental Trust Reserve versus \$648,775 estimated capital repair items estimated by the PCA Report.

8. The Forecasted Statement of Cash Flows depicts the Tax Equivalent Yield and the Percentage of Income Sheltered through the Offering based on the following depreciation assumptions. Allocations to building and site are derived from Plante & Moran Tax Consultant estimates which assume 90.0% allocation to the building. The building allocation amount of \$66,334,301 is depreciated over 40 years for a total annual depreciation amount of \$1,658,358. The calculations are also based on an assumed effective tax rate of 37% of taxable income.

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

Investment Summary
BR Diversified Industrial Portfolio I, DST

OFFERING SUMMARY

Offering Price		Financing Terms		Forecasted Year 1 Return	
First Year Proforma Net Operating Income	\$ 3,584,789	Mortgage Principal	\$ 35,595,000	Funds Available For Distribution	\$ 1,745,703
Capitalization Rate ¹	4.33%	Interest Rate	4.55%	Cash on Cash Return²	3.75%
Offering Price	\$ 82,122,793	Amortization	None		
Gross Loan Proceeds	\$ 35,595,000	Annual Interest Only Payment	\$ 1,646,203		
Net Loan Proceeds	\$ 35,595,000	Maturity Date	June 23, 2027		
Offering Proceeds	\$ 46,527,793				

ESTIMATED USE OF PROCEEDS

Sources				Total Acquisition Costs	
Offering Proceeds	\$ 46,527,793			Real Estate Acquisition Price	\$71,190,000
Gross Loan Proceeds	\$ 35,595,000			Acquisition Fee	1,423,800
Total Sources	\$ 82,122,793			Acquisition Closing Costs	
		% of Offering Proceeds	% of Total Proceeds	Closing and Title Costs	\$ 149,718
Application				Third Party Reports and Due Diligence	\$ 290,603
<i>Selling Commissions and Fees</i>				Legal Costs	\$ 822,182
Selling Commission	\$ 2,326,390	5.00%	2.83%		\$ 1,262,504
Dealer Fee	\$ 581,597	1.25%	0.71%	Financing Closing Costs	
Placement Agent Fee	\$ 651,389	1.40%	0.79%	Lender Closing & Transfer Costs	\$ 128,019
Organization and Offering Expenses	\$ 348,958	0.75%	0.42%	Lender & Acquisition Finance Expenses	\$ 1,710,136
Total	\$ 3,908,335	8.40%	4.76%		\$ 1,838,155
<i>Costs of Acquisition</i>				Total Acquisition Costs	\$ 75,714,459
Total Acquisition Costs	\$ 75,714,459		92.20%		
Supplemental Reserves	\$ 2,500,000		3.04%		
Total	\$ 78,214,459		95.24%		
Total Application	\$ 82,122,793				

1 Assumes a Purchase Price of \$71,190,000, less sum of amortized Tenant Improvement revenue of \$8,672,370; year 1 NOI of \$3,584,789, less year 1 amortized Tenant Improvement revenue \$877,392.

2 Partial Property Management Fee deferral in Year 1

**Net Operating Income Summary
BR Diversified Industrial Portfolio I, DST**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Adam Aircraft Property										
Gross Revenue	\$805,645	\$857,996	\$889,440	\$1,116,415	\$1,152,217	\$1,183,364	\$1,215,444	\$1,248,421	\$1,282,208	\$1,317,068
Real Estate Taxes	(\$105,435)	(\$140,515)	(\$153,716)	(\$366,491)	(\$383,148)	(\$394,642)	(\$406,482)	(\$418,676)	(\$431,236)	(\$444,173)
Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CAM	(\$97,157)	(\$100,071)	(\$103,073)	(\$106,166)	(\$109,350)	(\$112,631)	(\$116,010)	(\$119,490)	(\$123,075)	(\$126,767)
Utilites	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$202,592	\$240,586	\$256,789	\$472,656	\$492,498	\$507,273	\$522,492	\$538,166	\$554,311	\$570,941
Nominal NOI	\$603,053	\$617,410	\$632,650	\$643,759	\$659,718	\$676,090	\$692,953	\$710,255	\$727,896	\$746,127
Master Tenant Income	\$5,888	\$5,597	\$11,311	\$20,079	\$32,529	\$17,809	\$26,865	\$18,220	\$30,861	\$19,967
Base Rent Distribution	\$597,165	\$611,813	\$621,340	\$623,680	\$627,189	\$658,282	\$666,088	\$692,035	\$697,035	\$726,160
(Debt Service)	\$276,177	\$283,503	\$285,678	\$286,635	\$273,866	\$286,428	\$289,420	\$298,889	\$301,016	\$314,156
Available Cash Flow	\$320,988	\$328,309	\$335,661	\$337,045	\$353,323	\$371,854	\$376,668	\$393,146	\$396,019	\$412,004
Tucker Street Property										
Gross Revenue	\$425,976	\$408,810	\$410,886	\$416,117	\$652,877	\$896,660	\$917,340	\$938,587	\$960,420	\$1,026,255
Real Estate Taxes	(\$67,280)	(\$81,544)	(\$86,476)	(\$91,708)	(\$97,257)	(\$102,120)	(\$107,226)	(\$112,587)	(\$118,217)	(\$124,128)
Insurance	(\$15,829)	(\$15,829)	(\$15,829)	(\$15,829)	(\$15,829)	(\$15,829)	(\$15,829)	(\$15,829)	(\$15,829)	(\$15,829)
CAM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilites	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$83,109	\$97,373	\$102,306	\$107,537	\$113,086	\$117,949	\$123,055	\$128,417	\$134,046	\$139,957
Nominal NOI	\$342,867	\$311,437	\$308,580	\$308,580	\$539,790	\$778,711	\$794,285	\$810,170	\$826,374	\$886,298
Master Tenant Income	\$3,348	\$2,823	\$5,517	\$9,624	\$26,616	\$20,512	\$30,794	\$20,783	\$35,036	\$23,718
Base Rent Distribution	\$339,519	\$308,614	\$303,063	\$298,956	\$513,174	\$758,200	\$763,491	\$789,386	\$791,338	\$862,580
(Debt Service)	\$157,021	\$143,006	\$139,342	\$137,396	\$224,081	\$329,904	\$331,742	\$340,935	\$341,741	\$373,175
Available Cash Flow	\$182,499	\$165,607	\$163,721	\$161,559	\$289,094	\$428,296	\$431,749	\$448,452	\$449,597	\$489,405
6015 Enterprise Property										
Gross Revenue	\$1,027,406	\$1,109,117	\$1,132,992	\$1,158,717	\$1,182,862	\$1,206,578	\$1,231,432	\$1,256,826	\$1,283,372	\$1,311,752
Real Estate Taxes	(\$114,220)	(\$179,958)	(\$187,210)	(\$194,754)	(\$201,581)	(\$207,628)	(\$213,857)	(\$220,273)	(\$226,881)	(\$233,687)
Insurance	(\$44,424)	(\$45,757)	(\$47,130)	(\$48,544)	(\$50,000)	(\$51,500)	(\$53,045)	(\$54,636)	(\$56,275)	(\$57,964)
CAM	(\$3,583)	(\$3,690)	(\$3,801)	(\$3,915)	(\$4,032)	(\$4,153)	(\$4,278)	(\$4,406)	(\$4,538)	(\$4,675)
Utilites	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Management Fee	(\$17,391)	(\$17,814)	(\$18,255)	(\$18,740)	(\$19,199)	(\$19,666)	(\$20,160)	(\$20,663)	(\$21,192)	(\$21,767)
Property Management Fee Deferral	\$10,000	\$0	\$0	\$0	(\$10,000)	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$169,618	\$247,219	\$256,396	\$265,953	\$284,812	\$282,948	\$291,340	\$299,978	\$308,887	\$318,093
Nominal NOI	\$857,788	\$861,898	\$876,596	\$892,764	\$898,050	\$923,630	\$940,092	\$956,848	\$974,486	\$993,659
Master Tenant Income	\$8,375	\$7,813	\$15,672	\$27,845	\$44,281	\$24,329	\$36,447	\$24,546	\$41,316	\$26,591
Base Rent Distribution	\$849,413	\$854,084	\$860,924	\$864,919	\$853,769	\$899,302	\$903,645	\$932,302	\$933,170	\$967,068
(Debt Service)	\$392,836	\$395,768	\$395,834	\$397,506	\$372,803	\$391,299	\$392,640	\$402,660	\$402,992	\$418,380
Available Cash Flow	\$456,577	\$458,316	\$465,090	\$467,414	\$480,966	\$508,003	\$511,005	\$529,642	\$530,178	\$548,689

Net Operating Income Summary
BR Diversified Industrial Portfolio I, DST

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
6056 Enterprise Property										
Gross Revenue	\$1,412,907	\$1,516,592	\$1,539,939	\$1,564,228	\$1,614,340	\$1,664,221	\$1,689,148	\$1,714,422	\$1,740,560	\$1,584,799
Real Estate Taxes	(\$154,222)	(\$244,453)	(\$254,305)	(\$264,553)	(\$299,876)	(\$334,923)	(\$344,971)	(\$355,320)	(\$365,979)	(\$376,959)
Insurance	(\$26,280)	(\$27,069)	(\$27,881)	(\$28,717)	(\$29,579)	(\$30,466)	(\$31,380)	(\$32,322)	(\$33,291)	(\$34,290)
CAM	(\$18,348)	(\$18,898)	(\$19,465)	(\$20,049)	(\$20,651)	(\$21,270)	(\$21,908)	(\$22,566)	(\$23,243)	(\$23,940)
Utilites	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Management Fee	(\$17,614)	(\$17,967)	(\$18,320)	(\$18,688)	(\$19,076)	(\$19,464)	(\$19,852)	(\$20,240)	(\$20,643)	(\$26,333)
Property Management Fee Deferral	\$10,000	\$0	\$0	\$0	(\$10,000)	\$0	\$0	\$0	\$0	\$0
<u>Operating Expenses</u>	<u>\$206,464</u>	<u>\$308,387</u>	<u>\$319,971</u>	<u>\$332,008</u>	<u>\$379,182</u>	<u>\$406,124</u>	<u>\$418,111</u>	<u>\$430,447</u>	<u>\$443,156</u>	<u>\$461,521</u>
Nominal NOI	\$1,206,443	\$1,208,205	\$1,219,967	\$1,232,220	\$1,235,158	\$1,258,097	\$1,271,036	\$1,283,975	\$1,297,404	\$1,123,278
Master Tenant Income	\$11,779	\$10,953	\$21,811	\$38,432	\$60,903	\$33,139	\$49,277	\$32,938	\$55,007	\$30,059
Base Rent Distribution	\$1,194,664	\$1,197,252	\$1,198,157	\$1,193,788	\$1,174,255	\$1,224,959	\$1,221,759	\$1,251,037	\$1,242,397	\$1,093,219
(Debt Service)	\$552,508	\$554,786	\$550,886	\$548,649	\$512,745	\$532,997	\$530,863	\$540,321	\$536,532	\$472,956
Available Cash Flow	\$642,156	\$642,466	\$647,271	\$645,138	\$661,510	\$691,962	\$690,896	\$710,716	\$705,865	\$620,263
Cornatzer Property										
Gross Revenue	\$767,056	\$784,773	\$851,523	\$872,079	\$893,173	\$913,748	\$909,726	\$823,056	\$842,480	\$862,382
Real Estate Taxes	(\$43,879)	(\$45,648)	(\$96,085)	(\$99,956)	(\$103,985)	(\$107,104)	(\$110,317)	(\$113,627)	(\$117,036)	(\$120,547)
Insurance	(\$18,398)	(\$18,950)	(\$19,518)	(\$20,104)	(\$20,707)	(\$21,328)	(\$21,968)	(\$22,627)	(\$23,306)	(\$24,005)
CAM	(\$79,764)	(\$82,157)	(\$84,622)	(\$87,160)	(\$89,775)	(\$92,468)	(\$95,242)	(\$98,100)	(\$101,043)	(\$104,074)
Utilites	(\$50,377)	(\$51,889)	(\$53,445)	(\$55,049)	(\$56,700)	(\$58,401)	(\$60,153)	(\$61,958)	(\$63,816)	(\$65,731)
Property Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Operating Expenses</u>	<u>\$192,418</u>	<u>\$198,643</u>	<u>\$253,670</u>	<u>\$262,269</u>	<u>\$271,167</u>	<u>\$279,302</u>	<u>\$287,681</u>	<u>\$296,311</u>	<u>\$305,200</u>	<u>\$314,356</u>
Nominal NOI	\$574,638	\$586,130	\$597,853	\$609,810	\$622,006	\$634,446	\$622,045	\$526,745	\$537,280	\$548,025
Master Tenant Income	\$5,610	\$5,313	\$10,689	\$19,020	\$30,670	\$16,712	\$24,116	\$13,513	\$22,779	\$14,665
Base Rent Distribution	\$569,028	\$580,816	\$587,165	\$590,790	\$591,336	\$617,735	\$597,929	\$513,232	\$514,501	\$533,360
(Debt Service)	\$263,164	\$269,140	\$269,965	\$271,520	\$258,211	\$268,785	\$259,804	\$221,664	\$222,188	\$230,746
Available Cash Flow	\$305,864	\$311,676	\$317,199	\$319,271	\$333,126	\$348,950	\$338,125	\$291,568	\$292,312	\$302,614
Total Base Rent Distribution	\$3,549,789	\$3,552,579	\$3,570,649	\$3,572,133	\$3,759,724	\$4,158,478	\$4,152,912	\$4,177,992	\$4,178,440	\$4,182,387

**Forecasted Statement of Cash Flows
BR Diversified Industrial Portfolio I, DST**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Portfolio										
GROSS REVENUE	4,438,990	4,677,288	4,824,780	5,127,556	5,495,469	5,864,571	5,963,090	5,981,312	6,109,040	6,102,256
Real Estate Taxes	(485,036)	(692,118)	(777,792)	(1,017,462)	(1,085,847)	(1,146,417)	(1,182,853)	(1,220,483)	(1,259,349)	(1,299,494)
Insurance	(104,931)	(107,605)	(110,358)	(113,194)	(116,115)	(119,123)	(122,222)	(125,414)	(128,701)	(132,088)
CAM	(198,852)	(204,816)	(210,961)	(217,290)	(223,808)	(230,522)	(237,438)	(244,562)	(251,899)	(259,456)
Utilities	(50,377)	(51,889)	(53,445)	(55,049)	(56,700)	(58,401)	(60,153)	(61,958)	(63,816)	(65,731)
Property Management Fee	(35,005)	(35,781)	(36,575)	(37,428)	(38,275)	(39,130)	(40,012)	(40,903)	(41,835)	(48,100)
Property Management Fee Deferral	20,000	-	-	-	(20,000)	-	-	-	-	-
OPERATING EXPENSES	(854,201)	(1,092,209)	(1,189,131)	(1,440,423)	(1,540,745)	(1,593,593)	(1,642,678)	(1,693,320)	(1,745,600)	(1,804,869)
NET OPERATING INCOME	\$ 3,584,789	\$ 3,585,079	\$ 3,635,649	\$ 3,687,133	\$ 3,954,724	\$ 4,270,978	\$ 4,320,412	\$ 4,287,992	\$ 4,363,440	\$ 4,297,387
Master Tenant Income ¹	35,000	32,500	65,000	115,000	195,000	112,500	167,500	110,000	185,000	115,000
Master Lease Rent										
Base Rent	3,549,789	3,552,579	3,570,649	3,572,133	3,759,724	4,158,478	4,152,912	4,177,992	4,178,440	4,182,387
(Debt Service)	1,641,706	1,646,203	1,641,706	1,641,706	1,641,706	1,809,413	1,804,469	1,804,469	1,804,469	1,809,413
Asset Management Fee	(142,380)	(142,380)	(142,380)	(142,380)	(142,380)	(142,380)	(142,380)	(142,380)	(142,380)	(142,380)
Trustee And Administration Fees	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Funds Available For Distribution ²	\$ 1,745,703	\$ 1,743,996	\$ 1,766,563	\$ 1,768,047	\$ 1,955,638	\$ 2,186,686	\$ 2,186,063	\$ 2,211,143	\$ 2,211,591	\$ 2,210,595
Initial Capital	\$ 46,527,793									
Cash on Cash Return	3.75%	3.75%	3.80%	3.80%	4.20%	4.70%	4.70%	4.75%	4.75%	4.75%
FORECASTED PRINCIPAL AMORTIZATION										
Beginning Loan Balance	\$ 35,595,000	\$ 35,595,000	\$ 35,595,000	\$ 35,595,000	\$ 35,595,000	\$ 35,595,000	\$ 35,595,000	\$ 35,595,000	\$ 35,595,000	\$ 35,595,000
Principal Amortization	-	-	-	-	-	-	-	-	-	-
Ending Balance	\$ 35,595,000									
Loan to Offering Price	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%
Yield	3.75%	3.75%	3.80%	3.80%	4.20%	4.70%	4.70%	4.75%	4.75%	4.75%
TAX ANALYSIS FOR NON-1031 INVESTOR										
Estimated Taxable Income (Loss)	\$ (141,160)	\$ 28,893	\$ 51,236	\$ 52,494	\$ 239,594	\$ 469,926	\$ 468,624	\$ 493,021	\$ 492,783	\$ 489,769
Estimated Tax Refund / Benefit @ 37.0% Tax rate	\$ (52,229)	\$ 10,690	\$ 18,957	\$ 19,423	\$ 88,650	\$ 173,872	\$ 173,391	\$ 182,418	\$ 182,330	\$ 181,214
Yield Net of Tax Benefit ¹ (Due)	\$ 1,797,932	\$ 1,733,305	\$ 1,747,606	\$ 1,748,625	\$ 1,866,988	\$ 2,012,813	\$ 2,012,672	\$ 2,028,725	\$ 2,029,262	\$ 2,029,380
Effective Tax Equivalent Yield	6.13%	5.91%	5.96%	5.97%	6.37%	6.87%	6.87%	6.92%	6.92%	6.92%
Percentage Sheltered	108.09%	98.34%	97.10%	97.03%	87.75%	78.51%	78.56%	77.70%	77.72%	77.84%
FORECASTED LENDER RESERVE ACCOUNT										
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lender Reserve Contribution	57,056	57,056	57,056	57,056	57,056	57,056	57,056	57,056	57,056	57,056
Capital Expenditures	\$(57,056)	\$(57,056)	\$(57,056)	\$(57,056)	\$(57,056)	\$(57,056)	\$(57,056)	\$(57,056)	\$(57,056)	\$(57,056)
Interest Income	0.50%	-	-	-	-	-	-	-	-	-
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FORECASTED SUPPLEMENTAL TRUST RESERVE ACCOUNT										
Beginning Balance	\$ 2,500,000	\$ 2,455,332	\$ 2,410,441	\$ 2,365,324	\$ 2,319,981	\$ 2,169,190	\$ 2,033,654	\$ 1,897,438	\$ 1,760,540	\$ 1,622,955
Reserve Contribution	-	-	-	-	-	-	-	-	-	-
Upfront Capex	-	-	-	-	-	-	-	-	-	-
Releasing Expenses (TI/LC)	-	-	-	-	(104,958)	-	-	-	-	(529,805)
Contribution to Lender Reserves	\$(57,056)	\$(57,056)	\$(57,056)	\$(57,056)	\$(57,056)	\$(57,056)	\$(57,056)	\$(57,056)	\$(57,056)	\$(57,056)
Loan Extension Costs	-	-	-	-	-	(88,988)	(88,988)	(88,988)	(88,988)	(88,988)
Interest Income	0.50%	12,388	12,164	11,939	11,713	11,223	10,507	9,828	9,145	8,441
Ending Balance	\$ 2,455,332	\$ 2,410,441	\$ 2,365,324	\$ 2,319,981	\$ 2,169,190	\$ 2,033,654	\$ 1,897,438	\$ 1,760,540	\$ 1,622,955	\$ 953,548
Total Cash Balance	\$ 2,455,332	\$ 2,410,441	\$ 2,365,324	\$ 2,319,981	\$ 2,169,190	\$ 2,033,654	\$ 1,897,438	\$ 1,760,540	\$ 1,622,955	\$ 953,548

¹ The difference between the Base Rent and the Property Net Operating Income, will inure to the benefit of the Master Tenant.

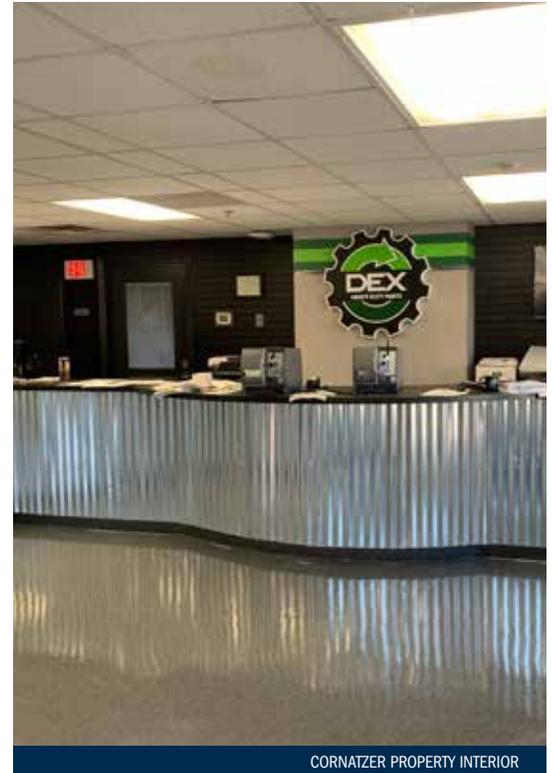
Such amounts will not be available for distributions to the Trust or the Investors.

² The Funds Available for Distribution will be estimated and paid on a monthly basis with year-end reconciliation.

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OFFERING HIGHLIGHTS

BR DIVERSIFIED INDUSTRIAL PORTFOLIO I, DST		\$100,000 MINIMUM INVESTMENT
Assumed Debt (0.21493% interest):		\$76,503
Offering Purchase Price: includes \$2,500,000 in Supplemental Trust Reserves		\$82,122,793
Equity Amount:		\$46,527,793
Loan Amount:		\$35,595,000
Loan Terms:		43.34% loan-to-capitalization; 5-year term, interest only; 4.55% fixed interest rate; five 1-year renewal options
Projected Hold Period:		7-10 Years
Cash Flow from the Parent Trust:		3.75% Annual Rate; Paid Monthly*



*Figure reflects estimated funds available for distribution from the Parent Trust after relevant expenses at the Master Tenant level and at the level of the Trusts (expense for debt service, operating costs of each Property, and fees, including the asset management fee). The rate shown is on an annualized basis as a percentage of equity invested in the Properties. See the Memorandum for additional detail.





6056 ENTERPRISE PROPERTY | 6015 ENTERPRISE PROPERTY

BR Diversified Industrial Portfolio I, DST

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

Minimum Purchase: 0.21493% Interest (\$100,000 of equity and \$76,503 of estimated debt)

Maximum Offering Amount: \$46,527,793 of equity

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

