Name of Offeree: _____ Copy No.: _____

CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS, DST
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
BENEFICIAL INTERESTS IN A DELAWARE STATUTORY TRUST
ALL CASH/NO MORTGAGE DEBT OFFERING

3025 Oak Run Parkway
New Braunfels, Texas 78132

September 24, 2026

1% Interest Equals $373,500 of equity
Minimum Purchase: 0.13386% Interest or $50,000 of equity
Maximum Offering Amount: $37,350,000 of equity; No Mortgage Debt
Year 1 Estimated Cash on Cash Return (Annual Rent Only): 4.45%[1]

CS1031 Texas Active Living New Braunfels, DST, a Delaware statutory trust (the "Trust"), has been formed for the purpose of acquiring Emerald Cottages of New Braunfels, a recently constructed, boutique active adult community with 72 single-family-style cottage homes, located at 3025 Oak Run Parkway, New Braunfels, Texas 78132 (the "Property"). The Property was completed in 2024 and is comprised of 17 single-story residential buildings and one standalone clubhouse with an outdoor pool, situated on approximately 11 acres of land. The Property consists of 12 one-bedroom, one-bathroom units and 60 two-bedroom, two-bathroom units, with an average unit size of 1,275 square feet.

The cottage homes at the Property were designed with the active adult demographic in mind. Open floor plans feature granite and stone countertops, wood and carpet flooring, a fully equipped kitchen with stainless steel appliances, dishwasher, disposal and microwave, an in-unit washer and dryer, central heating and cooling, and accessibility features throughout including zero-threshold showers. Each unit features a private entrance and an attached garage. Community amenities center on the clubhouse, which houses a fitness room, business center, and dining room, and extends to a swimming pool and a BBQ and picnic area. On-site management maintains a regular social calendar of exercise classes, community events, and entertainment for residents.

New Braunfels is located in Comal County, strategically positioned between San Antonio and Austin. The city has an estimated population of approximately 122,000, while Comal County totals roughly 209,000 residents. New Braunfels sits about 34 miles northeast of San Antonio and 48 miles south of Austin, providing convenient access to both major employment centers while maintaining a distinct local identity. The county's median household income is approximately $101,889, reflecting an affluent and growing suburban market.

The local economy in New Braunfels is dynamic and continues to expand, driven by its central location and diversified employment base. Key industries include healthcare, retail, and food services, with major employers such as Comal Independent School District and Resolute Health Hospital. Tourism also serves as a significant economic driver, supported by attractions such as the Schlitterbahn Waterpark and Resort, as well as the area's river-based recreation and historic downtown. The Sponsor believes that these factors, combined with sustained population growth and access to the broader Austin–San Antonio corridor, support long-term economic stability and continued residential demand. See the sections of the Memorandum entitled "INVESTMENT HIGHLIGHTS" and "BUSINESS PLAN."

The Property is in the process of completing its initial lease-up. As of the date of this Memorandum, the Property was approximately 87.5% occupied and 91.7% leased.

[1] Bonus Rent, if any, will be paid in arrears no later than the end of the first full calendar quarter that immediately follows the end of each Lease Year. There can be no guarantee that the assumptions in the Projections are correct or that any Bonus Rent will be distributed. See "RISK FACTORS," "SUMMARY OF THE MASTER LEASE" and the Projections attached hereto as Exhibit F.

The Trust acquired a fee simple interest in the Property by the assignment to the Trust of the rights to acquire the Property by CS1031 Texas Active Living New Braunfels Holdings, LLC, a Delaware limited liability company (the "Depositor"), in exchange for 100% of the initial beneficial interests of the Trust. Investors in the Trust will acquire a *pro rata* portion of the beneficial interests in the Trust (the "Interests"). The Interests are being offered (the "Offering") to certain investors (the "Purchasers" or "Beneficial Owners") pursuant to this Confidential Private Placement Memorandum (with exhibits hereto, the "Memorandum") on an all cash, no mortgage debt basis. The Trust is managed by CS1031 Texas Active Living New Braunfels ST, LLC, a Delaware limited liability company (the "Signatory Trustee"). The sponsor of the Offering is Capital Square Realty Advisors, LLC, a Virginia limited liability company ("Capital Square" or the "Sponsor"), which is further described below in the section titled "MANAGEMENT."

The Trust acquired the Property from an unaffiliated seller (the "Seller") on September 23, 2026, for a total purchase price of $31,075,000. The Sponsor obtained funds from its credit facility with KeyBank National Association ("KeyBank") in the approximate amount of $31,496,613, which were used to make an equity contribution to CS1031 Texas Active Living New Braunfels SPE Member, LLC, a Delaware limited liability company ("SPE Member"), and the Depositor to pay a portion of the purchase price for the Property. The Property was purchased by the Trust on an all cash basis, with no mortgage debt, and the equity contribution from the Sponsor. As the holder of unsold Interests, the Depositor will use all of the net proceeds from the sale of Interests to first repay the Sponsor for the funds it obtained from its credit facility to fund the equity contribution used to acquire the Property. See "ACQUISITION TERMS" and "BUSINESS PLAN."

The Trust master leased the Property to CS1031 Texas Active Living New Braunfels Master Lessee, LLC, a Delaware limited liability company (the "Master Tenant"), an indirect wholly owned subsidiary of the Sponsor, pursuant to a master lease agreement, the form of which is attached as Exhibit B to this Memorandum (the "Master Lease"). Capitalized terms relating to the Master Lease that are not defined in this Memorandum are defined in the Master Lease. The Master Tenant may engage third parties to manage some, or all, of its responsibilities under the Master Lease. The Master Tenant entered into a property management agreement with Capital Square Asset Management, LLC, a Virginia limited liability company, an Affiliate of the Master Tenant ("CSAM"). CSAM then subcontracted with Carbon Shepherd Management, LLC, a Texas limited liability company (the "Property Manager" or "Carbon Shepherd"), to serve as the initial on-site property manager for the Property.

Carbon Shepherd is a Dallas-based property management and real estate development firm specializing in multifamily and mixed-use communities across Texas. Formed through a strategic partnership between Carbon Development LLC and Shepherd Development LLC, the company brings together decades of combined experience in real estate investment, construction, and asset management. Operating under the umbrella of The Carbon Companies, Carbon Shepherd is part of a vertically integrated platform that has developed over 35,000 apartment units and manages a portfolio exceeding $2.6 billion in assets.

The Master Tenant shall be responsible for payment of all property management fees payable under any such property management agreements.

Except as provided otherwise in the Trust Agreement and the Master Lease, the Purchasers will be entitled, based on their respective Interests in the Trust, to the operating cash flow of the Trust and the net proceeds from any sale, exchange, or refinancing of the Property, after reimbursement of the Signatory Trustee and the Delaware Trustee (defined below) (collectively, the "Trustees") for expenses, amounts necessary to pay anticipated ordinary current and future expenses of the Trust, and other commissions and fees. The Property is projected to generate stable cash flow to the Purchasers during the holding period.

Interests will be sold to the Purchasers on the terms and conditions described herein for a total cost (the "Investment Cost") of $37,350,000. The Investment Cost consists of the costs described herein, including: (i) the total purchase price of $31,075,000 paid to the Seller, (ii) selling commissions and due diligence allowances, (iii) Organization and Offering Expenses (defined below), (iv) closing costs, including title insurance, acquisition fees, escrow fees, prorations, document preparation fees, miscellaneous recording fees and charges and legal fees, and (v) certain reserves. Each sale of Interests to the Purchasers will reduce the ownership of the Depositor in the Trust by a proportional amount and the proceeds from this Offering will be used by the Signatory Trustee, in part, to redeem the beneficial interests held by the Depositor.

An investment in the Interests is highly speculative and involves substantial investment and tax risks, including, without limitation, the following risks:

- This is a "best efforts" offering with no minimum raise requirement.
- There are various risks associated with owning, financing, operating and leasing residential real estate in New Braunfels, Texas.
- The Interests do not represent a diversified investment.
- Beneficial Owners must completely rely on the Master Tenant under the Master Lease and the Property Manager to collect the Rent and operate, manage, lease and maintain the Property.
- The Beneficial Owners have no voting rights with respect to the management or operations of the Trust or in connection with the sale of the Property.
- The Master Lease is a long-term lease.
- The Property was acquired on an all cash basis, with no mortgage debt.
- There are various conflicts of interest among the Trust, the Property Manager, the Sponsor, the Signatory Trustee, and their Affiliates.
- The Interests are illiquid.
- There are tax risks associated with an investment in the Interests.
- There are risks related to competition from properties similar to and near the Property.
- There may be environmental risks related to the Property.

PURCHASERS MUST READ AND CAREFULLY CONSIDER THE MATTERS SET FORTH UNDER "RISK FACTORS" FOR A COMPLETE DISCUSSION OF THESE AND OTHER RISKS PERTAINING TO THIS INVESTMENT. See "RISK FACTORS" and "CONFLICTS OF INTEREST."

The purchase price for a 1% Interest is $373,500 of equity. The minimum purchase is a 0.13386% Interest or $50,000 of equity, unless the Signatory Trustee, in its sole discretion, allows a smaller investment. See "SUMMARY OF THE PURCHASE AGREEMENT." Each Purchaser will be required to enter into the Trust Agreement with the other Purchasers. See "SUMMARY OF THE TRUST AGREEMENT."

	Price to Purchasers	Selling Commissions and Expenses and O&O Expenses[(1)]	Proceeds to Trust
Per 1% Interest in the Trust[(2)]	$373,500	$36,042.75	$337,457.25
Maximum Offering Amount	$37,350,000	$3,604,275	$33,745,725

(1) Offers and sales of Interests will be made on a "best efforts" basis by broker-dealers ("Broker-Dealers," collectively the "Selling Group") who are members of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Broker-Dealers will receive: (i) a selling commission of up to 6.0% of the gross equity proceeds ("Gross Proceeds") of the Offering ("Selling Commissions"), and (ii) a non-accountable marketing and due diligence allowance of up to 2.25% of the Gross Proceeds ("Broker Dealer Allowance"), a portion of which may be paid out of the allowance for Organization and Offering Expenses (defined below) or other items of compensation payable to the Signatory Trustee or an Affiliate if elected by such Signatory Trustee or Affiliate in its sole discretion. The Manager expects that the Broker Dealer Allowance will average 1.00% of Gross Proceeds, as shown in the Estimated Use of Proceeds table. WealthForge Distributors, LLC or an affiliate (the "Managing Broker-Dealer"), a member of FINRA, will act as Managing Broker-Dealer. The Managing Broker-Dealer will receive a managing broker-dealer fee of up to 0.40% of the Gross Proceeds for serving as Managing Broker-Dealer ("Dealer Management Fee"). In addition, a wholesaling fee of up to 1.0% of the Gross Proceeds may be paid to wholesalers ("Wholesaling Fee"), including employees and contractors of the Sponsor. The total aggregate amount of commissions and expense reimbursements (collectively, "Selling Commissions and Expenses") will not exceed 9.65% of the Gross Proceeds. The Sponsor reserves the right to reallocate items of compensation set forth herein, provided that the maximum shall not exceed 9.65% of the Gross Proceeds. An organization, marketing, and offering cost allowance (the "Organization and Offering Expenses") of 1.25% of the Gross Proceeds will be paid to the Signatory Trustee or an Affiliate as reimbursement for expenses incurred in connection with the Offering, including, but not limited to, the costs of organizing the Trust, marketing, legal, finance, and printing fees and expenses incurred in connection with this Offering, which it may reallow (in its sole discretion) to other members of the Selling Group on a nonaccountable basis. See "PLAN OF DISTRIBUTION - Marketing of Interests" and "ESTIMATED USE

OF PROCEEDS." The Signatory Trustee, on a selective basis in its sole discretion, may accept purchases of Interests net (or partially net) of the Selling Commissions and Expenses and other items of compensation due to the Sponsor or an Affiliate in certain circumstances deemed appropriate by it, in its sole discretion, including by way of illustration, but not limitation, from Purchasers purchasing through a registered investment advisor, or from Purchasers who are Affiliates of the Signatory Trustee or a member of the Selling Group. For purposes hereof, an "Affiliate" of any person (i.e., a natural person, corporation, partnership, trust, unincorporated association or other legal entity) shall be any person directly or indirectly controlling, controlled by, or under common control with, another person.

(2) The minimum purchase is a 0.13386% Interest or $50,000 of equity. The Signatory Trustee has the right, in its sole discretion, to waive the minimum purchase requirement.

The mailing address of the Signatory Trustee is 4851 Lake Brook Drive, Glen Allen, Virginia 23060, and the telephone number is (888) 818-1031.

These securities have not been approved or disapproved by the Securities and Exchange Commission ("SEC") or the securities regulatory authority of any state, nor has the SEC or any securities regulatory authority of any state passed upon the accuracy or adequacy of the Memorandum. Any representation to the contrary is a criminal offense.

The offer and sale of Interests pursuant to this Memorandum is limited to Accredited Investors who meet the requirements described in the "WHO MAY INVEST" section of this Memorandum. This Memorandum constitutes an offer only to the offeree whose name appears in the appropriate space on the cover page. Furthermore, this Memorandum does not constitute an offer or solicitation to anyone in any jurisdiction in which such an offer or solicitation is not authorized.

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

A purchase of the Interests involves certain substantial risks, including material tax risks. Purchasers must read and carefully consider the discussion set forth below in "RISK FACTORS" and "FEDERAL INCOME TAX CONSEQUENCES." A purchase of the Interests is suitable only for persons of substantial financial means who satisfy certain Investor Suitability Requirements (defined below) and have no need for liquidity in their investment. See "WHO MAY INVEST."

The Trust will offer the Interests until August 31, 2027, which date may be extended in the sole and absolute discretion of the Trust (the "Offering Termination Date").

This Memorandum has been prepared solely for the benefit of prospective Purchasers (and their authorized representatives and advisors) interested in the Offering, and recipients of the Memorandum are required to keep such information confidential. Any reproduction or distribution of this Memorandum, in whole or in part, or the disclosure of any of its contents without the prior written consent of the Signatory Trustee is expressly prohibited. By accepting delivery of this Memorandum, the recipient agrees to the foregoing, and agrees to return this Memorandum and all other documents furnished in connection with the Offering to the Signatory Trustee immediately upon request if the recipient does not elect to invest or if the Offering is withdrawn or terminated by the Signatory Trustee.

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

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 of, 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.

Tax Disclosure Notice. Prospective Purchasers are hereby notified that (a) any discussion of federal tax issues contained or referred to in this Memorandum is not intended or written to be used, and cannot be used, by prospective Purchasers for the purpose of avoiding penalties that may be imposed on them under the Internal Revenue Code of 1986, as amended ("Code"); (b) such discussion is written in connection with the promotion and marketing by the Signatory Trustee of the transactions or matters addressed in this Memorandum; and (c) prospective Purchasers should seek advice based on their particular circumstances from an independent tax adviser.

FOR FLORIDA RESIDENTS

The securities referred to in this Memorandum have not been registered under the Florida Securities Act. If sales are made to five or more Purchasers in Florida, any Florida Purchaser may, at his option, void any purchase hereunder within a period of three days after he (a) first tenders or pays to the Trust, an agent of the Trust, or an escrow agent the consideration required hereunder or (b) delivers his executed Subscription Documents (defined below), whichever occurs later. To accomplish this, it is sufficient for a Florida Purchaser to send a letter or telegram to the Trust within such three-day period, stating that he is voiding and rescinding the purchase. If any Purchaser sends a letter, it is prudent to do so by certified mail, return receipt requested, to ensure that the letter is received and to evidence the time of mailing.

FOR NEW HAMPSHIRE RESIDENTS

Neither the fact that a registration statement or an application for a license has been filed under Chapter 421-B of the New Hampshire Revised Statutes with the State of New Hampshire nor the fact that a security is effectively registered or a person is licensed in the State of New Hampshire constitutes a finding by the Secretary of State that any document filed under RSA-421-B is true, complete and not misleading. Neither any such fact nor the fact that an exemption or exception is available for a security or a transaction means that the Secretary of State has passed in any way upon the merits or qualifications of, or recommended or given approval to, any person, security or transaction. It is unlawful to make, or cause to be made, to any prospective Purchaser, customer, or client any representation inconsistent with the provisions of this paragraph.

FOR PENNSYLVANIA RESIDENTS

These securities have not been registered under the Pennsylvania Securities Act of 1972 in reliance upon an exemption therefrom. Any sale made pursuant to such exemption is voidable by a Pennsylvania Purchaser within two business days from the date of receipt by the Trust of his or her Purchase Agreement or, in the case of a transaction in which there is not a written binding contract or purchase, within two business days after he or she makes the initial payment for the securities being offered. However, this right is not available to any Purchaser who is a bank, trust company, savings institution, insurance company, securities dealer, investment company (as defined in the Investment Company Act), pension or profit-sharing trust, any qualified institutional buyer as defined in 17 C.F.R. 230.144A(a), under the Securities Act, or such other financial institutions as defined by the Pennsylvania Securities Act of 1932 or regulation of the Pennsylvania Securities Commission.

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WHO MAY INVEST

The securities offered hereby have not been registered under the Securities Act or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and such laws. The securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and such laws pursuant to registration or exemption therefrom. Accordingly, distribution of this Memorandum is strictly limited to persons who meet the requirements and make the representations set forth below. The Signatory Trustee, in its sole discretion, reserves the right to declare any prospective Purchaser ineligible to purchase the Interests based on any information which may become known or available to the Signatory Trustee concerning the suitability of such prospective Purchaser or for any other reason or for no reason. The Interests may be sold only to Accredited Investors (as defined under Rule 501 of Regulation D of the Securities Act).

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

The Interests are speculative, involve a significant risk, and are suitable only for persons of substantial financial means who have no need for liquidity in this investment. Interests will be sold only to prospective Purchasers who:

(1) purchase a minimum 0.13386% Interest unless the Signatory Trustee, in its sole discretion, waives the minimum purchase requirement;

(2) represent in writing that they are "Accredited Investors" (as defined by Rule 501 of Regulation D promulgated under the Securities Act); and

(3) satisfy the Investor Suitability Requirements established by the Signatory Trustee and as may be required under federal or state law.

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

(a) Purchaser has received, read and fully understands this Memorandum and is basing the decision to invest only on this Memorandum. Purchaser has relied only on the information contained in this Memorandum and has not relied upon any representations made by any other person or other means;

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

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

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

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

(f) Purchaser is acquiring the Interests for Purchaser's own account and for investment purposes only and has no present intention, agreement, or arrangement for the distribution, transfer, assignment, resale, or subdivision of the Interests; and

(g) Purchaser is an Accredited Investor (as defined under Rule 501 of Regulation D of the Securities Act).

A person or entity that meets one of the following tests should qualify as an "Accredited Investor":

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

(ii) The prospective Purchaser 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 purchase of the Interests;

(iii) The prospective Purchaser is an executive officer or general partner of the Trust or a manager or executive officer of the general partner of the Trust;

(iv) The prospective Purchaser is a natural person and holds one of the following licenses in good standing: General Securities Representative license (Series 7), the Private Securities Offerings Representative license (Series 82), or the Investment Adviser Representative license (Series 65);

(v) The prospective Purchaser is an organization described in Section 501(c)(3) of the Code, a corporation, a Massachusetts or similar business trust, a partnership, or a limited liability company, not formed for the specific purpose of acquiring the Interests, with total assets in excess of **$5,000,000**;

(vi) The prospective Purchaser is a bank or a savings and loan association or other institution as defined in the Securities Act, a broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), an investment adviser registered pursuant to Section 203 of the Investment Advisers Act of 1940 (the "Advisers Act") or registered pursuant to the laws of a state, an investment adviser relying on the exemption from registering with the SEC under Section 203(l) or Section 203(m) of the Advisers Act, an insurance company as defined by the Securities Act, an investment company registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), or a business development company as defined in that act, any Small Business Investment Company licensed by the Small Business Investment Act of 1958, a private business development company as defined in the Advisers Act, or a rural business investment company as defined in Section 384A of the Consolidated Farm and Rural Development Act;

(vii) The prospective Purchaser is an entity (including an Individual Retirement Account trust) in which each equity owner is an accredited investor;

(viii) The prospective Purchaser is a trust with total assets in excess of **$5,000,000**, the purchase of Interests is directed by a person who either alone or with his purchaser representative(s) (as defined in Regulation D promulgated under the Securities Act) has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of the prospective investment, and the prospective Purchaser was not formed for the specific purpose of investing in the Interests;

(ix) The prospective Purchaser is a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has assets in excess of **$5,000,000**;

(x) The prospective Purchaser is an entity, of a type not listed in Subsections (g)(i) to (g)(ix) above, owning investments in excess of **$5,000,000** and was not formed for the specific purpose of investing in the Interests;

(xi) The prospective Purchaser is a "family office," as defined in Rule 202(a)(11)(G)-1 under the Advisers Act, with assets under management in excess of **$5,000,000**, the purchase of Interests is directed by a person who has such knowledge and experience in financial and business matters that the prospective Purchaser is capable of evaluating the merits and risks of the prospective investment, and the prospective Purchaser was not formed for the specific purpose of investing in the Interests; or

(xii) The prospective Purchaser is a "family client," as defined in Rule 202(a)(11)(G)-1 under the Advisers Act, of a family office meeting the requirements in Subsection (g)(xi) above and the purchase of Interests is directed by such family office pursuant to Subsection (g)(xi) above.

For purposes of Subsections (g)(i) and (g)(ii) above, "spousal equivalent" is defined as a cohabitant occupying a relationship generally equivalent to that of a spouse. For the purposes of calculating a prospective Purchaser's net worth, "net worth" is defined as the difference between total assets and total liabilities, but total assets does not include a primary residence and total liabilities does not include indebtedness secured by a primary residence, up to the value of the primary residence. Any indebtedness secured by a primary residence in excess of the estimated fair market value of a primary residence is to be included in the total liabilities. In the case of fiduciary accounts, net worth and/or income suitability requirements may be satisfied by the beneficiary of the account or by the fiduciary, if the fiduciary directly or indirectly provides funds for the purchase of the Interests.

Representations with respect to the foregoing and certain other matters will be made by each prospective Purchaser in the Purchase Agreement, in the form attached as Exhibit E. Prospective Purchasers who are unable or unwilling to make the foregoing representations may not purchase the Interests. The Trust will rely on the accuracy of such representations and may require additional evidence that the prospective Purchaser satisfies the applicable standards at any time prior to acceptance. Prospective Purchasers are not obligated to supply any information so requested by the Signatory Trustee, but the Signatory Trustee may reject a Purchase Agreement from any prospective Purchaser who fails to supply any information so requested.

The investor suitability requirements stated above (the "Investor Suitability Requirements") represent minimum suitability requirements, as established by the Signatory Trustee for prospective Purchasers. However, satisfaction of such Investor Suitability Requirements will not necessarily mean that the Interests are a suitable investment for the prospective Purchaser, or that the Signatory Trustee will accept the prospective Purchaser's Purchase Agreement. Furthermore, the Signatory Trustee, as appropriate, may modify such Investor Suitability Requirements, at its sole discretion from time to time, and any such modification may increase such requirements for certain prospective Purchasers.

THE INTERESTS MAY NOT BE A SUITABLE INVESTMENT FOR A QUALIFIED PLAN, AN IRA OR OTHER TAX-EXEMPT ENTITY. THEREFORE, THIS MEMORANDUM PROVIDES VERY LIMITED DISCLOSURES ABOUT THE RISKS THAT MAY BE ASSOCIATED WITH AN INVESTMENT IN THE INTERESTS BY A QUALIFIED PLAN, AN IRA OR OTHER TAX-EXEMPT ENTITY. SEE "RISK FACTORS – ERISA RISKS", "ERISA CONSIDERATIONS" AND "FEDERAL INCOME TAX CONSEQUENCES – TAXATION OF TAX-EXEMPT INVESTORS."

Also, each Purchaser must represent in writing that such Purchaser also meets, among other requirements, the following additional investment requirements:

THE PURCHASER UNDERSTANDS THAT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE INTERESTS, ESPECIALLY THE QUALIFICATION OF THE INTERESTS UNDER CODE SECTION 1031 AND THE RELATED REGULATIONS OF THE U.S. TREASURY DEPARTMENT (THE "TREASURY REGULATIONS"), ARE COMPLEX AND VARY WITH THE FACTS AND CIRCUMSTANCES OF EACH INDIVIDUAL PURCHASER. FURTHER, THE PURCHASER REPRESENTS AND WARRANTS THAT: (I) PURCHASER HAS CONSULTED PURCHASER'S OWN INDEPENDENT TAX ADVISOR REGARDING AN INVESTMENT IN THE INTERESTS AND THE QUALIFICATION OF THE TRANSACTION UNDER CODE SECTION 1031 AND APPLICABLE STATE TAX LAWS; (II) EXCEPT FOR THE TAX OPINION ATTACHED AS EXHIBIT C (THE "TAX OPINION"), PURCHASER IS NOT RELYING ON THE SPONSOR, THE SIGNATORY TRUSTEE OR ANY OF THEIR AFFILIATES OR AGENTS, INCLUDING THEIR GENERAL COUNSEL, TAX COUNSEL AND ACCOUNTANTS, OR ANY MEMBER OF THE SELLING GROUP FOR TAX ADVICE REGARDING THE QUALIFICATION OF THE INTERESTS UNDER CODE SECTION 1031 OR ANY OTHER MATTER; (III) EXCEPT FOR THE TAX OPINION ATTACHED AS EXHIBIT C, WHICH IS BASED ON NUMEROUS ASSUMPTIONS AND QUALIFICATIONS THAT MAY NOT BE APPLICABLE TO THE PURCHASER, PURCHASER IS NOT RELYING ON ANY STATEMENTS MADE IN THIS MEMORANDUM REGARDING THE QUALIFICATION OF THE INTERESTS UNDER CODE SECTION 1031; (IV) PURCHASER UNDERSTANDS THE TAX OPINION IS TAX COUNSEL'S VIEW OF THE ANTICIPATED TAX TREATMENT AND THERE IS NO GUARANTEE THAT THE INTERNAL REVENUE SERVICE

("IRS") WILL AGREE WITH SUCH OPINION; (V) PURCHASER IS AWARE THAT THE IRS HAS ISSUED REVENUE RULING 2004-86, 2004-2 C.A. 191 SPECIFICALLY ADDRESSING DELAWARE STATUTORY TRUSTS, THE REVENUE RULING IS MERELY GUIDANCE AND IS NOT A "SAFE HARBOR" FOR TAXPAYERS AND, WITHOUT THE ISSUANCE OF A PRIVATE LETTER RULING ON A SPECIFIC OFFERING, THERE IS NO ASSURANCE THAT THE INTERESTS WILL NOT BE DEEMED PARTNERSHIP INTERESTS OR OTHERWISE NOT LIKE-KIND TO REAL ESTATE FOR FEDERAL INCOME TAX PURPOSES; AND (VI) PURCHASER SHALL, FOR FEDERAL INCOME TAX PURPOSES, REPORT THE PURCHASE OF THE INTEREST PURSUANT TO THE PURCHASE AGREEMENT AS A PURCHASE OF A DIRECT OWNERSHIP INTEREST IN THE PROPERTY.

No person has been authorized by the Signatory Trustee to make any representations or furnish any information with respect to the Trust, the Signatory Trustee or the Interests other than as set forth in this Memorandum or other documents or information furnished by the Signatory Trustee upon request as described herein. This Memorandum contains summaries of certain other documents, which summaries are believed to be accurate, but reference is hereby made to the full text of the actual documents for complete information concerning the rights and obligations of the parties thereto. Such information necessarily incorporates significant assumptions, as well as factual matters. All documents relating to this Offering and related documents and agreements, if readily available to the Trust, will be made available to a prospective Purchaser or its representatives upon request to the Signatory Trustee. During the course of this Offering and prior to sale, each prospective Purchaser is invited to ask questions of and obtain additional information from the Signatory Trustee concerning the terms and conditions of this Offering, the Trust, the Signatory Trustee, the Interests and any other relevant matters, including, but not limited to, additional information necessary or desirable to verify the accuracy of the information set forth in this Memorandum. The Signatory Trustee will provide the information to the extent it possesses such information or can obtain it without unreasonable effort or expense.

If you do not meet the requirements described above, do not read further and immediately return this Memorandum to the Signatory Trustee. In the event you do not meet such requirements, this Memorandum does not constitute an offer to sell Interests to you.

Restrictions Imposed by the USA PATRIOT Act and Related Acts

The Interests may not be offered, sold, transferred or delivered, directly or indirectly, to any "Unacceptable Investor." "Unacceptable Investor" means any person who is a:

- Person or entity who is a "designated national," "specially designated national," "specially designated terrorist," "specially designated global terrorist," "foreign terrorist organization," or "blocked person" within the definitions set forth in the Foreign Assets Control Regulations of the U.S. Treasury Department;

- Person acting on behalf of, or any entity owned or controlled by, any government against whom the U.S. maintains economic sanctions or embargoes under the Treasury Regulations;

- Person or entity who is within the scope of Executive Order 13224-Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit, or Support Terrorism, effective September 24, 2001; or

- Person or entity subject to additional restrictions imposed by the following statutes or regulations and executive orders issued thereunder: the Trading with the Enemy Act, the Iraq Sanctions Act, the National Emergencies Act, the Antiterrorism and Effective Death Penalty Act of 1996, the International Emergency Economic Powers Act, the United Nations Participation Act, the International Security and Development Cooperation Act, the Nuclear Proliferation Prevention Act of 1994, the Foreign Narcotics Kingpin Designation Act, the Iran and Libya Sanctions Act of 1996, the Cuban Democracy Act, the Cuban Liberty and Democratic Solidarity Act and the Foreign Operation, Export Financing and Related Programs Appropriations Act or any other law of similar import as to any non-U.S. country, as each such act or law has been or may be amended, adjusted, modified or reviewed from time to time.

HOW TO SUBSCRIBE

Purchasers who would like to subscribe for the Interests must carefully read this Memorandum, including all exhibits. Then, Purchasers must complete, execute, and deliver the Purchaser Questionnaire attached hereto as Exhibit D.

After receipt of the completed and executed Purchaser Questionnaire, Purchasers will be sent the Purchase Agreement attached hereto as Exhibit E to complete and execute, along with any additional documents necessary for closing as provided by the Signatory Trustee (collectively, the "Subscription Documents"). In addition, Purchasers may be required, within five (5) days of executing and returning the Purchase Agreement, to fund a $5,000 earnest money deposit (the "Deposit") by check or wire funds payable to CS1031 Texas Active Living New Braunfels, DST, which will be credited against the purchase price for the Interests or refunded, at the Purchaser's election. The Signatory Trustee may waive this Deposit requirement in its sole discretion. The Signatory Trustee may elect to retain the Deposit of a Purchaser who is in default under the Purchase Agreement. See "SUMMARY OF THE PURCHASE AGREEMENT - Deposit; Liquidated Damages."

These Subscription Documents should be emailed to closings@capitalsq.com, faxed to 804-964-1444 or mailed or delivered to:

CS1031 Texas Active Living New Braunfels, DST
c/o Capital Square Realty Advisors, LLC
4851 Lake Brook Drive
Glen Allen, Virginia 23060
Attn: DST Closing Department

The Managing Broker-Dealer and Signatory Trustee will review the signed Purchaser Questionnaire and the Purchase Agreement and attempt to verify the Purchaser's investment qualification. The Signatory Trustee will have the right, in its sole discretion, to accept or reject any prospective Purchaser's subscription. The Signatory Trustee will notify each prospective Purchaser in writing whether its subscription has been accepted or rejected. If the Purchaser's subscription has been rejected, the Signatory Trustee will immediately return the Deposit to the Purchaser, subject to its rights to retain the Deposit as liquidated damages if the Purchaser has defaulted under the Purchase Agreement.

Documentation or Verification Requirements. The Trust is offering and selling the Interests pursuant to the exemption from registration under the Securities Act provided for under Rule 506(c) of Regulation D. Therefore, the Trust must take reasonable steps to verify that each prospective Purchaser is an Accredited Investor prior to permitting an investment in the Trust. In order for the Trust to make that determination, each prospective Purchaser must provide the documentation required by the Purchaser Questionnaire and Purchase Agreement with respect to the type of Accredited Investor such Purchaser is claiming to be.

If the prospective Purchaser is a natural person and is claiming to be an Accredited Investor on the basis of having a net worth of at least $1,000,000, such Purchaser will be required to provide documentary evidence of such Purchaser's assets dated within three months of the date of such Purchaser's Purchase Agreement, including without limitation: (i) bank statements; (ii) brokerage statements and other statements of securities holdings; (iii) certificates of deposit; (iv) tax assessments of real property; and (v) independent third party appraisals of assets. Purchaser will also be required to either: (a) provide a copy of a consumer or credit report dated within three months prior to the date of such Purchaser's Purchase Agreement from a nationwide consumer reporting agency such as Equifax, Experian or TransUnion (a "Credit Report"); or (b) consent to the Trust's procurement of such Purchaser's Credit Report. The Purchaser will also be required to represent that such Purchaser has no other material liabilities other than those appearing on Purchaser's Credit Report.

If the prospective Purchaser is a natural person and is claiming to be an Accredited Investor on the basis of having individual income in excess of $200,000, or joint income with such Purchaser's spouse or spousal equivalent in excess of $300,000, in each of the two most recent years and a reasonable expectation of reaching the same income level in the current year, such Purchaser will be required to provide all Internal Revenue Service forms Purchaser has received or completed with respect to Purchaser's taxable income for the most recent two full calendar years, including without limitation, Forms W-2, 1099, 1040 and Schedule K-1 of Form 1065.

Prospective Purchasers who are not natural persons should review the information requested by the Purchaser Questionnaire and Purchase Agreement and respond accordingly.

In lieu of providing the documentation required by the Purchaser Questionnaire and Purchase Agreement for us to verify that a prospective Purchaser is an Accredited Investor, a prospective Purchaser may include with such Purchaser's Purchase Agreement (i) a certificate from a registered broker-dealer, a registered investment advisor, a certified public accountant or a licensed attorney that such person has taken reasonable steps to verify that Purchaser is an Accredited Investor within the three months immediately preceding the date of Purchaser's Purchase Agreement, or (ii) a written representation that Purchaser continues to qualify as an "Accredited Investor," if within the past five (5) years from the date of Purchaser's Purchase Agreement such Purchaser had previously subscribed in one or more offerings sponsored by the Sponsor that were offered and sold pursuant to the exemption from registration under the Securities Act provided for under Rule 506(c) of Regulation D and such Purchaser was previously verified as an "Accredited Investor" by the Sponsor at the time of Purchaser's subscription using one of the verification methods described in this section.

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

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SUMMARY OF THE OFFERING

The following summary is intended to provide selected limited information regarding the Depositor, the Master Lease, the Signatory Trustee, the Trust and the Offering and should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Memorandum. **EACH PROSPECTIVE PURCHASER OF INTERESTS MUST READ THIS ENTIRE MEMORANDUM.**

Securities Offered:

The Trust has been formed for the purpose of acquiring Emerald Cottages of New Braunfels, a recently constructed, boutique active adult community with 72 single-family-style cottage homes, located at 3025 Oak Run Parkway, New Braunfels, Texas 78132 (the "Property"). The Property was completed in 2024 and is comprised of 17 single-story residential buildings and one standalone clubhouse with an outdoor pool, situated on approximately 11 acres of land. The Property consists of 12 one-bedroom, one-bathroom units and 60 two-bedroom, two-bathroom units, with an average unit size of 1,275 square feet.

The cottage homes at the Property were designed with the active adult demographic in mind. Open floor plans feature granite and stone countertops, wood and carpet flooring, a fully equipped kitchen with stainless steel appliances, dishwasher, disposal and microwave, an in-unit washer and dryer, central heating and cooling, and accessibility features throughout including zero-threshold showers. Each unit features a private entrance and an attached garage. Community amenities center on the clubhouse, which houses a fitness room, business center, and dining room, and extends to a swimming pool and a BBQ and picnic area. On-site management maintains a regular social calendar of exercise classes, community events, and entertainment for residents.

New Braunfels is located in Comal County, strategically positioned between San Antonio and Austin. The city has an estimated population of approximately 122,000, while Comal County totals roughly 209,000 residents. New Braunfels sits about 34 miles northeast of San Antonio and 48 miles south of Austin, providing convenient access to both major employment centers while maintaining a distinct local identity. The county's median household income is approximately $101,889, reflecting an affluent and growing suburban market.

The local economy in New Braunfels is dynamic and continues to expand, driven by its central location and diversified employment base. Key industries include healthcare, retail, and food services, with major employers such as Comal Independent School District and Resolute Health Hospital. Tourism also serves as a significant economic driver, supported by attractions such as the Schlitterbahn Waterpark and Resort, as well as the area's river-based recreation and historic downtown. The Sponsor believes that these factors, combined with sustained population growth and access to the broader Austin–San Antonio corridor, support long-term economic stability and continued residential demand. See the sections of the Memorandum entitled "INVESTMENT HIGHLIGHTS" and "BUSINESS PLAN."

The Property is in the process of completing its initial lease-up. As of the date of this Memorandum, the Property was approximately 87.5% occupied and 91.7% leased.

The minimum purchase is a 0.13386% Interest, or $50,000 of equity, unless the Signatory Trustee, in its sole discretion, allows a smaller investment. See "PLAN OF DISTRIBUTION."

The Sponsor obtained funds from its credit facility with KeyBank in the approximate amount of $31,496,613, which were used to make an equity contribution to the SPE Member and the Depositor to pay a portion of the purchase price for the Property. The Property was purchased by the Trust on an all cash basis, with no mortgage

debt, and the equity contribution from the Sponsor. As the holder of unsold Interests, the Depositor will use all of the net proceeds from the sale of Interests to first repay the Sponsor for the funds it obtained from its credit facility to fund the equity contribution used to acquire the Property.

The Property is projected to generate stable cash flow to the Purchasers during the holding period. See the Projections attached hereto as Exhibit F.

Beneficial Owners:

The Purchasers of Interests will own beneficial interests in the Trust and are referred to herein collectively as the "Beneficial Owners." Each Beneficial Owner will be subject to the terms of the Trust described in the Trust Agreement, the form of which is attached as Exhibit A. Beneficial Owners will have no voting rights with respect to the affairs of the Trust and will not have legal title to any portion of the Property. Beneficial Owners will not be permitted to seek partition of the assets of the Trust, including the Property. Beneficial Owners will not be permitted to file a petition in bankruptcy on behalf of the Trust or to otherwise take any action in support of the filing of an involuntary bankruptcy proceeding involving the Trust. Except as provided otherwise in the Trust Agreement and the Master Lease and as summarized in this Memorandum, the Beneficial Owners will be entitled, based on their respective Interests in the Trust, to receive distributions from the Trust as a result of the operations and sale of the Property. See "SUMMARY OF THE TRUST AGREEMENT."

The Trust:

The Signatory Trustee and Delaware Trustee entered into a Trust Agreement of the Trust (the "Trust Agreement"). This Trust Agreement will govern the rights and obligations of the Beneficial Owners with respect to the Trust and the Trust's interest in the Property. The Trust acquired the Property from the Seller at the direction of the Depositor. Sorensen Entity Services LLC is appointed as the "Delaware Trustee" of the Trust and CS1031 Texas Active Living New Braunfels ST, LLC is appointed as the "Signatory Trustee" of the Trust. The Signatory Trustee has the power and authority to manage the activities and affairs of the Trust and has the sole power to determine when it is appropriate to sell, convey or otherwise dispose of the Property, including by means of a 721 UPREIT Contribution (as defined below). The Signatory Trustee will distribute available cash to the Beneficial Owners on a monthly basis. The first monthly distribution of distributable cash, if any, will be paid to the Beneficial Owners no later than the 15th day of the second month following the date of the Trust's acquisition of the Property. If the Signatory Trustee determines that the Master Tenant has defaulted in paying Rent, the Master Lease with the Master Tenant is terminated, or in certain other circumstances, then the Signatory Trustee may determine to terminate the Trust and title to the Property in question will transfer (the "Transfer Distribution") to a limited liability company (the "Springing LLC"). The Beneficial Owners will become members in the Springing LLC and the Signatory Trustee will become the manager of the Springing LLC. The Trust may sell, convey or otherwise dispose of the Property at any time upon receipt of a notice from the Signatory Trustee that the Signatory Trustee has determined (in its sole discretion, but upon consultation with the Beneficial Owners) that a disposition of the Property is appropriate. The Trust will remain in effect until such time as the Property is sold. See "SUMMARY OF THE TRUST AGREEMENT."

Description of the Property:

The Property was completed in 2024 and is a "build-for-rent" community that is comprised of 72 one-story single-family-style cottages, situated on approximately 11 acres of land. The Property consists of 12 one-bedroom, one-bathroom units and 60 two-bedroom, two-bathroom units, with an average unit size of 1,275 square feet. See "DESCRIPTION OF THE PROPERTY" for a more detailed description of the unit breakdown. The Property has a total of 85 parking spaces, including 72 attached garage spaces and 13 paved open-surface parking spaces at the clubhouse, a ratio of approximately 1.2 parking spaces per unit. The Property is in the process of completing its initial lease-up. As of the date of this Memorandum, the Property was

approximately 87.5% occupied and 91.7% leased. A Property Condition Assessment, a Phase One Environmental Assessment Report, a Zoning Report and an Appraisal have been obtained, summaries of which are provided in this Memorandum. Complete copies of these third-party reports will be made available for review. See "DESCRIPTION OF THE PROPERTY" and "SUMMARY OF THE MASTER LEASE."

Acquisition of the Property:

The Trust acquired the Property, at the direction of the Depositor, from the Seller on September 23, 2026, for a total purchase price of $31,075,000.

The Sponsor obtained funds from its credit facility with KeyBank in the approximate amount of $31,496,613, which were used to make an equity contribution to the SPE Member and the Depositor to pay a portion of the purchase price for the Property. The Property was purchased by the Trust on an all cash basis, with no mortgage debt, and the equity contribution from the Sponsor. As the holder of unsold Interests, the Depositor will use all of the net proceeds from the sale of Interests to first repay the Sponsor for the funds it obtained from its credit facility to fund the equity contribution used to acquire the Property.

Interests will be sold to the Purchasers on the terms and conditions described herein for a total cost (the "Investment Cost") of $37,350,000. The Investment Cost consists of the costs described herein, including: (i) the total purchase price of $31,075,000 payable to the Seller, (ii) selling commissions and due diligence allowances, (iii) Organization and Offering Expenses, (iv) closing costs, including title insurance, acquisition fees, escrow fees, prorations, document preparation fees, miscellaneous recording fees and charges and legal fees, and (v) certain reserves. The Beneficial Owners will pay their *pro rata* share of the costs described above. The actual amounts paid for such items could be higher than the Signatory Trustee's estimates set forth below in "ESTIMATED USE OF PROCEEDS." See "ESTIMATED USE OF PROCEEDS" and "ACQUISITION TERMS."

Master Lease:

Simultaneously with the acquisition of the Property, the Trust entered into the Master Lease with the Master Tenant in the form attached to this Memorandum as Exhibit B. Under the Master Lease, the Trust leased the Property to the Master Tenant for an original term of ten years commencing as of the date the Trust acquires the Property, and the Master Tenant has the right, in its sole discretion, to renew the Master Lease for three additional terms of five years each. During the term and subject to the provisions of the Master Lease, the Master Tenant is obligated to pay the Rent (as defined in the Master Lease and described in "SUMMARY OF THE MASTER LEASE") to the Trust and to pay certain other expenses. See "SUMMARY OF THE MASTER LEASE" and "RISK FACTORS – Real Estate Risks," including, without limitation, the section titled "Limited Capital of the Master Tenant."

Rent from the Master Lease will be distributed to the Beneficial Owners net of any reserves and Property expenses incurred by the Trust. In addition, beginning after the first Lease Year (as defined in the Master Lease) of the Master Lease term, the Master Tenant will pay bonus rent to the Trust equal to 75% of the amount by which the actual annual effective gross income of the Property (as more fully described in "SUMMARY OF THE MASTER LEASE") exceeds the annual revenue benchmark (the "Revenue Benchmark") as provided in the Master Lease, calculated on a Lease Year basis. The Revenue Benchmark will initially be $2,874,000 and will increase annually throughout the term of the Master Lease.

The Master Lease provides that the Master Tenant is required to pay the real estate taxes and similar impositions, utility costs and insurance costs (collectively, the "Uncontrollable Costs") for each Lease Year of the Master Lease (prorated for any partial Lease Year) up to the amount of projected Uncontrollable Costs for each Lease Year as set forth in the Projections attached hereto as Exhibit F (the "Projected

Uncontrollable Costs"). To the extent the actual Uncontrollable Costs for a Lease Year exceed Projected Uncontrollable Costs for such Lease Year, the Master Tenant is responsible for the payment of such excess, but is entitled to a reimbursement by offsetting such amount against Annual Rent and, if necessary, Bonus Rent, beginning with the first month that begins on or after the expiration of the Lease Year-end until the full amount of such excess amount incurred for the applicable period has been reimbursed to the Master Tenant.

The Master Tenant may defer payment of up to one-half of the Annual Rent (as defined in the Master Lease and described in "SUMMARY OF THE MASTER LEASE") payable each month as long as all other Property expenses are timely paid by the Master Tenant, and all other Master Tenant cash flow received during such period is applied to the Annual Rent. Any deferred Annual Rent would bear interest at three percent (3%) annually until paid, must be paid on the next succeeding due date for Annual Rent to the extent of available cash flow, and would be payable in full no later than ninety-one (91) days after the end of the applicable Master Lease Term.

Any cash from the Property in excess of the total Rent obligations of the Master Tenant under the Master Lease will be retained by the Master Tenant.

Property – Master Lease, Operation and Management:

The duties of the Master Tenant generally include, but are not limited to, the operation, repair, replacement, maintenance and management of the Property, except that, generally, the Master Tenant is not responsible for "Capital Expenses" as defined in the Master Lease or for the costs of repair following a condemnation or casualty. The Master Tenant may engage the Property Manager to perform some or all of its duties. The Master Tenant will be responsible for paying property management fees and other costs associated with the management of the Property. See "SUMMARY OF THE MASTER LEASE" for details about which costs are the responsibility of the Trust and which costs are the responsibility of the Master Tenant. The objectives of the Master Tenant will be to generate cash flow for the payment of the Rent (as defined in the Master Lease and described in "SUMMARY OF THE MASTER LEASE") to the Trust by completing the initial lease-up of the Property, maintaining a high subtenant occupancy level and maintaining and increasing rental rates upon termination of any sublease. Any Property Manager may be hired or terminated, including a Property Manager affiliated with the Sponsor, solely in the discretion of the Master Tenant without consultation with or notice given to the Trust or Beneficial Owners. The Beneficial Owners will not be involved in the management of the Property. See "SUMMARY OF THE MASTER LEASE" and "SUMMARY OF THE TRUST AGREEMENT." See also "RISK FACTORS – Real Estate Risks," including, without limitation, the sections titled "Limited Capital of the Master Tenant" and "Risks Relating to the Management of the Property."

Exit Strategies:

The anticipated holding period of the Property is ten years, subject to modification based on market conditions at the time. As an alternative exit strategy, the Signatory Trustee may elect to facilitate a contribution transaction pursuant to Section 721 of the Code (a "721 UPREIT Contribution"). In a 721 UPREIT Contribution, the Signatory Trustee will provide each Beneficial Owner with the option of either (i) exchanging its Interests for an equivalent value of operating partnership units ("OP Units") of a Sponsor-affiliated real estate investment trust ("REIT") (such exchange is referred to as a "721 Exchange") or (ii) in lieu of participation in the 721 Exchange, receiving a fair market value cash buy-out of its Interests.

The fair market value of a Beneficial Owner's Interests at the time of the 721 UPREIT Contribution will be determined by the greater of two fair market values of the Property, each as determined by a separate independent appraisal firm selected by the Signatory Trustee in its sole discretion. However, if the quotient equal to (A) the difference between the fair market values determined by the two independent

appraisal firms pursuant to the preceding sentence, divided by (B) the greater of the two fair market values determined by the independent appraisal firms pursuant to the preceding sentence, is greater than 20%, then the Signatory Trustee shall select a third independent appraisal firm in its sole discretion to determine the fair market value of the Property. Under such circumstances, the Signatory Trustee shall average the two highest of the three appraisal values determined by the three independent appraisal firms and use such averaged amount for purposes of determining the fair market value of a Beneficial Owner's Interests. Such appraisals shall have been completed within three (3) months of the date that the Signatory Trustee gives notice to the Beneficial Owners that it has elected to facilitate a 721 UPREIT Contribution. No discounts for lack of liquidity or minority interests shall be considered in determining the fair market value of such Interests.

The Sponsor-affiliated REIT will also obtain a fairness opinion of value from an independent expert selected by the REIT's Independent Directors.

Beneficial Owners who elect to receive a cash buy-out of their Interests will be free to (a) structure a Code Section 1031 tax-deferred exchange (a "1031 Exchange") (to the extent permitted by applicable law at that time and provided that they comply with all 1031 Exchange requirements), or (b) cash out on a taxable basis.

The Beneficial Owners will not be entitled to approve a sale of the Property or a 721 UPREIT Contribution. Nevertheless, before the Signatory Trustee directs the Trust to enter into a binding contract to sell or convey the Property or to facilitate a 721 UPREIT Contribution, the Signatory Trustee will canvass the Beneficial Owners regarding their views of the potential transaction. The Signatory Trustee will consider the Beneficial Owners' views and opinions in good faith but will not be bound by their opinions, and the decision to sell or otherwise convey the Property will rest solely with the Signatory Trustee. See "SUMMARY OF THE TRUST AGREEMENT" and "RISK FACTORS – Real Estate Risks – No Right to Control the Actions of the Trust."

Purchaser Requirements:

To purchase the Interests, a prospective Purchaser will be required to deliver to the Signatory Trustee a number of executed documents, including, but not limited to, the following:

(i) Purchaser Questionnaire (Exhibit D);
(ii) Purchase Agreement (Exhibit E); and
(iii) any documents reasonably requested by the Depositor or the Signatory Trustee.

Investment Arrangements:

Prospective Purchasers must complete, execute and deliver the Purchaser Questionnaire, which is attached hereto as Exhibit D. Prospective Purchasers may be accepted or rejected by the Signatory Trustee at any time within thirty days after the executed documents are received. In addition, Purchasers may be required, within five days of executing and returning the Purchase Agreement, to fund a $5,000 Deposit payable to "CS1031 Texas Active Living New Braunfels, DST." The Signatory Trustee may waive this Deposit requirement in its sole discretion. If the investment is approved by the Signatory Trustee, the Purchaser must deliver the full amount of the purchase price no later than five business days prior to the closing and satisfy certain other closing conditions set forth in the Purchase Agreement.

Minimum Purchase:

A minimum purchase is a 0.13386% Interest in the Trust, or $50,000 of equity. The Signatory Trustee reserves the right, in its sole discretion, to waive the minimum purchase requirement.

Investor Suitability Requirements:

The Offering of the Interests is strictly limited to Accredited Investors who meet certain minimum Investor Suitability Requirements. See "WHO MAY INVEST."

Investment Objectives:	The principal investment objectives will be to: (i) preserve the Purchasers' capital investment, (ii) realize income through the operation and, within approximately ten years, the future sale of the Property or exchange of the Property pursuant to a 721 UPREIT Contribution, and (iii) make monthly distributions to the Purchasers from the Rent collected under the Master Lease, which will be passive income and may be partially sheltered as a result of depreciation. The Signatory Trustee anticipates that the Property will provide the Purchasers with the potential for stable cash flow. HOWEVER, NO ASSURANCE CAN BE GIVEN THAT THESE OBJECTIVES WILL BE ACHIEVED.
Compensation of the Sponsor and Affiliates:	The Sponsor, the Depositor, the Signatory Trustee and their Affiliates will receive substantial fees and compensation from the Offering, and managing the Trust, as described elsewhere herein. The Sponsor or an Affiliate will receive an Acquisition Fee equal to $621,500, or approximately 2.00% of the purchase price for the Property, and a Capital Expenditure Due Diligence and Assessment Fee in the amount of up to $25,000 (the "CapEx Due Diligence Fee"). In addition, the Signatory Trustee or an Affiliate will earn an annual asset management fee of up to $93,375 per year for the holding period (the "Asset Management Fee") and an annual fee for providing Trust administration, accounting and investor services, in an amount of $27,500 at the acquisition of the Property to cover expenses for the first year and up to $25,000 per year thereafter for the holding period (the "DST Administration and Accounting Fee"). See the Projections attached hereto as Exhibit F. Finally, the Signatory Trustee or an Affiliate will be entitled to a Disposition Fee in the amount of 2.95% of the gross proceeds generated from the sale or other disposition of the Property (including, for the avoidance of doubt, a 721 UPREIT Contribution); however, the Signatory Trustee or Affiliate will subordinate the payment of the Disposition Fee until the Beneficial Owners receive a return of 100% of their capital invested in the Offering from any special distributions and final distributions upon the sale or other disposition of the Property, but excluding monthly distributions of Annual Rent and annual distributions of Bonus Rent. The Sponsor may reallow (pay) some or all of its fees or compensation to third parties, in its sole discretion. See "COMPENSATION OF THE SPONSOR AND AFFILIATES."
Cash from Operations:	The Rent will be distributed to the Beneficial Owners under the terms of the Master Lease, net of any reserves established by the Signatory Trustee or other liabilities of the Trust under the Trust Agreement.
Cash from Capital Transactions:	All net cash from capital transactions (sale and refinancing of the Property) will be distributed 100% to the Beneficial Owners.
Reserves and Escrows:	The Signatory Trustee intends to establish the following reserves from Offering Proceeds: (i) capital expense reserves of approximately $720,000 (the "Capital Expense Reserves"), and (ii) investor reserves of approximately $155,188 (the "Investor Reserves"). The Signatory Trustee also intends to escrow from Offering Proceeds the amount of approximately $250,000 for startup costs and prepaid interest, insurance and taxes. Upon a sale or other disposition of the Property, all remaining Trust reserve funds will be distributed 100% to the Beneficial Owners. See the Projections attached hereto as Exhibit F.
Risk Factors:	**There are numerous material risk factors associated with the Offering. See "RISK FACTORS."**

Tax Opinion:	Sands Anderson PC, special tax counsel to the Trust, ("Tax Counsel"), will render a Tax Opinion that: (i) the Trust should be treated as an investment trust described in Treasury Regulation Section 301.7701-4(c) that is classified as a "trust" under Treasury Regulation Section 301.7701-4(a); (ii) the Beneficial Owners should be treated as "grantors" of the Trust; (iii) as "grantors," the Beneficial Owners should be treated as owning an undivided fractional interest in the Property and other assets of the Trust for federal income tax purposes; and (iv) an Interest should not be treated as a "security" under Section 1031 of the Code. **The Tax Opinion, however, is subject to certain limitations and assumptions as described therein.** See "FEDERAL INCOME TAX CONSEQUENCES."
State Tax:	**Each prospective Purchaser should consult with his own tax advisor regarding the effect of state fees and taxes on an investment in the Interests. See "RISK FACTORS - Tax Risks."**
Tax-Exempt Investors:	The Trust intends to limit investments by "benefit plan investors" to less than 25% of the total value of the Interests outstanding at any time in order to prevent the Signatory Trustee from being a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") to employee benefit plan investors. See "RISK FACTORS – ERISA Risks" and "ERISA CONSIDERATIONS." Prospective tax-exempt Purchasers should be aware that investment in the Trust is likely to generate income treated as unrelated business taxable income ("UBTI") for U.S. federal income tax purposes. See "FEDERAL INCOME TAX CONSEQUENCES – Taxation of Tax-Exempt Investors."
Conclusion:	The Signatory Trustee believes that the Property should provide Purchasers with the potential to obtain both stable cash flow, preservation of capital and capital gains upon a sale. **HOWEVER, NO ASSURANCE CAN BE GIVEN THAT THESE INVESTMENT OBJECTIVES WILL BE ACHIEVED.**
Defined Terms:	Capitalized terms are defined throughout this Memorandum.

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FREQUENTLY ASKED QUESTIONS

Who is Capital Square Realty Advisors, LLC?

Capital Square Realty Advisors, LLC ("Capital Square" or the "Sponsor") is a national real estate firm headquartered in Richmond, Virginia. Capital Square specializes in sponsoring tax-advantaged real estate offerings, including Delaware statutory trusts ("DST"), qualified opportunity zone funds and a real estate investment trust, and development funds. The investor-centric firm has completed more than $8.99 billion in transaction volume and has overseen more than 170 real estate assets nationally. The firm is a leading sponsor of DST offerings for investors seeking replacement property as part of a Section 1031 exchange and other investors seeking cash flow and appreciation. The firm provides a range of services on a turn-key basis, including due diligence, acquisition, loan sourcing, property/asset management, and disposition, for over 6,500 high net worth investors, private equity firms, family offices and institutional investors nationwide. Capital Square strategically focuses on multifamily, healthcare, industrial and office properties for most of its DST offerings. Capital Square sponsors turn-key real estate investment offerings with low investment minimums to provide investors greater access to real estate investments. Since 2017, Capital Square has been recognized by Inc. 5000 as one of the fastest growing companies in the nation for nine consecutive years. In 2017, 2018 and 2020, the company was also ranked on Richmond BizSense's list of fastest growing companies. Additionally, Capital Square was listed by Virginia Business on their "Best Places to Work in Virginia" report in 2019 and their "Fantastic 50" reports in 2019 and 2020. In 2023, Capital Square was recognized by the Richmond Times-Dispatch as one of the region's "Top Workplaces." In 2024, the firm was ranked #54 among the Top Inspiring Workplaces in North America.

Build-for-rent ("BFR") homes, comprised of communities of single-family homes built for renting, have become an increasingly popular investment option among institutions and individual investors. Demand for this rental option continues to grow among residents who seek a single-family lifestyle, the financial and leasing flexibility of a rental with the amenities and convenience of a professionally managed property. As of September 2026, Capital Square is the sponsor of fifteen BFR communities, comprising over 1,000 units: Valley Ridge in Rossville, Georgia, a suburb of Chattanooga, Tennessee; Sidbury Station in Wilmington, North Carolina; Summit Townhomes in Knoxville, Tennessee; Brighton Townhomes in Atlanta, Georgia; Ashford Townes in Raleigh, North Carolina; Aspen Vista in Reno, Nevada; Creekside Terrace in San Antonio, Texas; Perch Denton in Dallas, Texas; Ironwood Homes at Rosefield in Phoenix, Arizona; Woodland Cottages Fredericksburg, located in Fredericksburg, Texas; Villages at Miami Gardens in Miami Gardens, Florida; Emerald Cottages of Stonebridge in McKinney Texas; Emerald Cottages of Waco in Waco, Texas; Emerald Cottages of Kerrville in Kerrville, Texas; and Emerald Cottages of Round Rock in Round Rock, Texas.

In addition, this Offering is the sixth offering sponsored by Capital Square involving active-adult communities, and the third offering involving the Emerald Cottages platform.

The Audited Full-Cycle Multifamily DST Track Record is attached hereto as Exhibit H, the Audited Track Record of Capital Square-Sponsored Investment Offerings is attached hereto as Exhibit I, and the Sponsor's audited balance sheet is available upon request.

What am I purchasing?

You are purchasing an Interest, which is a beneficial interest in the Trust, which owns fee interests in the Property. For federal income tax purposes, an Interest should constitute an interest in replacement property.

Is there a Master Lease associated with the Property?

Yes, the Trust master leased the Property to CS1031 Texas Active Living New Braunfels Master Lessee, LLC, a Delaware limited liability company (the "Master Tenant"), an indirect wholly owned subsidiary of the Sponsor, pursuant to the Master Lease, the form of which is attached as an exhibit to this Memorandum. The Master Tenant will sublease the Property to the underlying residents at the Property.

Have the Interests been registered with the SEC and States?

No. The Interests have not been, and will not be, registered under the Securities Act or any state securities laws. The Interests will be offered and sold pursuant to an exemption from the registration requirements of the Securities Act, in accordance with Rule 506(c) of Regulation D, and in compliance with any applicable state securities

laws. If the Trust fails to comply with the requirements of this exemption or fails to comply with the state securities laws, a Purchaser may have the right to rescind his purchase of the Interests.

Why is the Property being held in a Delaware Statutory Trust?

The DST structure, rather than a tenant-in-common structure, was used for the ownership of the Property largely based on the following reasons:

- lower annual administrative costs for the Purchasers since no single member limited liability companies are required to be formed and maintained for each Purchaser; and
- lower transaction costs, since the Purchasers do not obtain direct title to the Property.

There are certain risks related to the DST structure, including the risk that Purchasers have limited control over the Trust. See "RISK FACTORS – Delaware Statutory Trust Structure Risks" for a discussion of the risks related to the DST structure.

Will any taxable income from the Property be considered passive source income?

To the extent this investment generates taxable income or loss, such income or loss is expected to be passive income or loss. Generally, a Purchaser's passive income, if any, from an investment in the Interests may be offset by the Purchaser's other passive losses, and a Purchaser's passive losses, if any, from an investment in the Interests may be used to offset the Purchaser's other passive income. However, the rules regarding the deductibility of passive losses (whether from an investment in an Interest or from another passive activity that potentially could be used to offset income from an investment in an Interest) are complex and vary with the facts and circumstances particular to each Purchaser. In addition, the income may be subject to the 3.8% Medicare Contributions Tax imposed on rent and other types of investment income for tax years beginning after 2012. Prospective Purchasers should consult with their own legal, tax, accounting and financial advisors regarding these and other tax issues relating to an investment in the Interests.

How long is the closing process for my purchase of an Interest?

It is anticipated that your purchase of an Interest will be closed several days after the Signatory Trustee receives your completed Purchaser Questionnaire and Purchase Agreement. Accordingly, if you are acquiring an Interest as replacement property in a 1031 Exchange, you must have sufficient time remaining in your 180-day period for acquiring your replacement property to accommodate the period necessary for the closing to occur.

Will there be debt on the Property?

No. The Property was purchased on an all cash basis, with no mortgage debt. The Property may not be appropriate for exchangers who need debt to qualify for a 1031 Exchange. Investors should seek the advice of a qualified tax advisor.

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

Yes. Each prospective Purchaser is responsible for all costs associated with his independent accountant, tax advisor, financial advisor and attorney. Please note that these costs may not be funded from the 1031 Exchange escrow held by your qualified intermediary, if applicable.

How does a prospective Purchaser find a qualified intermediary?

If a prospective Purchaser does not currently have a qualified intermediary, upon request, Capital Square can provide a list of qualified intermediaries familiar with this type of sophisticated transaction.

Can a Purchaser keep some of the proceeds from the sale of his relinquished property or do all of the proceeds have to be reinvested?

If you choose to retain some of the proceeds, you will generally be taxed on what you keep. The cash retained is known as "boot" in a 1031 Exchange. The Trust cannot advise you on the particular tax treatment to which you

will be subject. You should consult with your own tax professional regarding the proper tax treatment of any such amounts.

Can retirement or other tax-exempt funds invest in the Trust?

The Trust intends to limit investments by "benefit plan investors" to less than 25% of the total value of the Interests outstanding at any time to prevent the Signatory Trustee from being a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") to employee benefit plan investors. See "RISK FACTORS – ERISA Risks" and "ERISA CONSIDERATIONS." Prospective tax-exempt Purchasers should be aware that investment in the Trust is likely to generate income treated as unrelated business taxable income ("UBTI") for U.S. federal income tax purposes. See "FEDERAL INCOME TAX CONSEQUENCES – Taxation of Tax-Exempt Investors".

What should I do if I want to sell my Interest in the Trust before the Property is sold?

The Interests are being offered and sold pursuant to exemptions from the registration provisions of federal and state law. Accordingly, the Interests are subject to restrictions on transfer. The Trust Agreement has additional restrictions on transfer. If a Purchaser is able to sell his Interest, the Purchaser will bear the costs, if any, of the sale or transfer. See "RISK FACTORS – Risks Relating to the Beneficial Owners -- Restrictions on Transferability" for additional discussion related to the restrictions on transfer. There will be a $250 administration fee payable to the Sponsor for each transfer of Interests.

How often will distributions be made to the Purchasers?

The Signatory Trustee intends to make monthly distributions, payable on the 10th day of each month or the first business day thereafter if the 10th of the month falls on a weekend or holiday. Notwithstanding the foregoing, the first monthly distribution of distributable cash, if any, will be paid to the Beneficial Owners no later than the 15th day of the second month following the date of the Trust's acquisition of the Property. Actual distributions may vary from those contained in the Projections, attached hereto as Exhibit F.

What kind of audit will be performed on the operations of the Property?

The Trust intends to obtain an audit of the Property's cash flow (income and expenses) from a qualified CPA firm for the period starting with the initial closing of the Offering through the end of the calendar year in which the final closing of the Offering occurs. Thereafter, the Trust will use good faith efforts to obtain such a cash flow audit on an annual basis, provided the cost does not exceed $5,000 per annum. If the cost of such audit exceeds $5,000 per annum, the Signatory Trustee may poll Purchasers and will have the right, in its sole discretion, to obtain or not obtain such an audit. This is intended to be an audit of the cash flow from the Property (income and expenses) and will not be prepared in accordance with GAAP or address Property valuation issues.

What kind of tax and financial reporting do I receive at the end of the year? When can I expect it?

On or before January 31st following the end of each calendar year, the Sponsor will mail to each Purchaser a profit and loss statement, balance sheet, 1099-MISC for proportionate share of the Trust's gross profit. Each Purchaser will need to calculate his, her or its own depreciation deduction for tax purposes.

Will I be subject to state income tax in the state in which the Property is located?

Although some states have income thresholds that must be exceeded to be subject to income tax, 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 acquire replacement property in a 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.

How do I purchase the Interests?

Purchasers who would like to subscribe for the Interests must carefully read this Memorandum, including all exhibits. Then, Purchasers must complete, execute, and deliver the Purchaser Questionnaire attached hereto as Exhibit D.

After receipt of the completed and executed Purchaser Questionnaire, Purchasers will be sent the Purchase Agreement attached hereto as Exhibit E to complete and execute, along with any additional documents necessary for closing as provided by the Signatory Trustee. In addition, Purchasers may be required, within five (5) days of executing and returning the Purchase Agreement, to fund a $5,000 Deposit by check or wire funds payable to CS1031 Texas Active Living New Braunfels, DST, which will be credited against the purchase price for the Interests or refunded, at the Purchaser's election. These documents should be emailed to closings@capitalsq.com, faxed to 804-964-1444 or mailed or delivered to:

CS1031 Texas Active Living New Braunfels, DST
c/o Capital Square Realty Advisors, LLC
4851 Lake Brook Drive
Glen Allen, Virginia 23060
Attn: DST Closing Department

The Signatory Trustee will review the signed Purchaser Questionnaire and the Purchase Agreement and attempt to verify the Purchaser's investment qualification. The Signatory Trustee will have the right, in its sole discretion, to accept or reject any prospective Purchaser's subscription. The Signatory Trustee will notify each prospective Purchaser in writing whether its subscription has been accepted or rejected. If the Purchaser's subscription has been rejected, the Signatory Trustee will immediately return the Deposit to the Purchaser, subject to its rights to retain the Deposit as liquidated damages if the Purchaser has defaulted under the Purchase Agreement.

Is there a fee to transfer my Interests to a trust, heirs, a limited liability company, etc.?

Yes, there will be a $250 administration fee payable to the Sponsor for each transfer of Interests.

Should I engage an attorney to close my purchase of the Interests?

You are strongly encouraged to engage independent legal counsel in connection with the purchase of the Interests, including reviewing the documents related to the acquisition of the Interests.

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RISK FACTORS

A purchase of the Interests is speculative and involves a high degree of risk. It is difficult to accurately predict the results to a Purchaser of Interests from an investment in the Property because of general uncertainties associated with the ownership of real estate. In addition to the various risk factors set forth below in this "RISK FACTORS" section, which each prospective Purchaser must read prior to subscribing for the Interests, each prospective Purchaser should consult with his own legal, tax and financial advisors with respect thereto. A purchase of the Interests may result in a loss of capital.

RISKS RELATING TO FORWARD-LOOKING STATEMENTS

Specified matters discussed in this Memorandum are forward-looking statements. The Signatory Trustee has based these forward-looking statements on its current expectations and predictions about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about the Property, including, among other things, factors discussed below:

- general economic performance of the local and national economy;
- required capital expenditures at the Property;
- competition from properties similar to and near the Property;
- adverse changes in local population trends, market conditions, neighborhood values, and local economic and social conditions;
- supply and demand for property such as the Property;
- interest rates and real estate tax rates;
- governmental rules, regulations and fiscal policies;
- the enactment of unfavorable real estate, rent control, environmental, zoning or hazardous material laws;
- uninsured losses; and
- anticipated market capitalization rates at the time of sale.

The Signatory Trustee intends to identify forward-looking statements in this Memorandum by using words or phrases such as "anticipates," "believes," "estimates," "expects," "intends," "objective," "plan," "predict," "project," "may be" and "will be" and similar words or phrases, or the negative thereof or other variations thereof or comparable terminology. All forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual transactions, results, performance or achievements of the Property to be materially different from any future transactions, results, performance or achievements expressed or implied by such forward-looking statements. The cautionary statements set forth under the caption "Risk Factors" and elsewhere in this Memorandum identify important factors with respect to such forward-looking statements.

ALTHOUGH THE SIGNATORY TRUSTEE BELIEVES THE EXPECTATIONS REFLECTED IN SUCH FORWARD-LOOKING STATEMENTS ARE BASED UPON REASONABLE ASSUMPTIONS, IT CANNOT ASSURE PURCHASERS THAT ITS EXPECTATIONS WILL BE ATTAINED OR THAT ANY DEVIATIONS WILL NOT BE MATERIAL. THE SIGNATORY TRUSTEE UNDERTAKES NO OBLIGATION TO RELEASE THE RESULT OF ANY REVISIONS TO THESE FORWARD-LOOKING STATEMENTS THAT MAY BE MADE TO REFLECT ANY FUTURE EVENTS OR CIRCUMSTANCES.

MISCELLANEOUS RISKS RELATING TO THE OFFERING

Experience of Sponsor. The Sponsor has completed over 130 individual private offerings involving a Delaware statutory trust since the Sponsor was formed in 2012. See the Audited Full-Cycle Multifamily DST Track Record attached hereto as Exhibit H. There is no assurance that the Sponsor will be successful in selling some or all of the Interests, which would result in the Trust having smaller reserves than set forth in the Projections attached as Exhibit F. In addition, if the Master Tenant fails to operate the Property profitably, the Master Tenant may not be able to pay the Rent. If the Master Tenant is unable to pay the Rent and becomes bankrupt or insolvent, the Trust may terminate the Master Lease. There is no assurance that the Trust will be successful in these activities. This could result in the Purchasers losing some or all of their investment in the Trust. The Sponsor and its respective Affiliates are, and may in the future become, involved in other real estate projects and may make guarantees of other equity or debt offerings or property related loans in the future. The Sponsor's audited balance sheet is available upon request.

Loss of Deposit. The Signatory Trustee may on behalf of the Trust retain the Deposit of a Purchaser who is in default under the Purchase Agreement. See "SUMMARY OF THE PURCHASE AGREEMENT - Deposit; Liquidated Damages."

No Representation of Beneficial Owners. Each Beneficial Owner acknowledges and agrees in the Purchase Agreement that legal counsel representing the Depositor, the Signatory Trustee, and their Affiliates do 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 Beneficial Owners.

Receipt of Compensation Regardless of Profitability. The Sponsor, the Signatory Trustee, the Property Manager and their Affiliates are entitled to receive certain significant fees and other significant compensation, payments and reimbursements from the acquisition and operation of the Property regardless of whether the Property operates at a profit. See "ESTIMATED USE OF PROCEEDS" and "COMPENSATION OF THE SPONSOR AND AFFILIATES."

Sale of the Property. The proceeds realized from the sale of the Property will be distributed among the Beneficial Owners, but only after satisfaction of the claims of other third-party creditors and Affiliates of the Sponsor. The ability of a Beneficial Owner to recover all or any portion of its investment, accordingly, will depend on the amount of net proceeds realized from such sale and the amount of claims to be satisfied therefrom. There can be no assurance that the Beneficial Owners will realize gains on sale of the Property.

No Fiduciary Duty. The Delaware statutes that govern statutory trusts do not impose any fiduciary duty upon the trustees, managers or owners of statutory trusts and permit the waiver of all fiduciary duties other than the implied duty of good faith and fair dealing. None of the Trust, the Signatory Trustee, the Master Tenant, the Depositor, the Property Manager, their Affiliates or the other Beneficial Owners will have a fiduciary duty to a Beneficial Owner. Therefore, the Trust, the Signatory Trustee, the Master Tenant, the Depositor, the Property Manager, their Affiliates and/or the other Beneficial Owners may take actions that would not be in the best interests of one or more of the Beneficial Owners. As permitted under applicable Delaware law, the Signatory Trustee and the Delaware Trustee have expressly disclaimed all duties to the Beneficial Owner except for the duties expressly contained under the Trust Agreement. The Trust Agreement provides that the Signatory Trustee will not be liable to the Trust or the Beneficial Owners for any act or omission performed or omitted by it in good faith, but will be liable only for fraud, bad faith, gross negligence or willful misconduct. Beneficial Owners may, accordingly, have a more limited right of action against the Signatory Trustee than they would have absent such an exculpatory provision in the Trust Agreement. See "FIDUCIARY DUTIES OF THE TRUSTEE."

Limited Transferability of the Interests. Each Purchaser will be required to represent that he is acquiring the Interests for investment and not with a view to distribution or resale, that such Purchaser understands the Interests are not freely transferable and, in any event, that such Purchaser must bear the economic risk of investment in the Interests for an indefinite period of time because: (i) the Interests have not been registered under the Securities Act or applicable state "Blue Sky" or securities laws; and (ii) the Interests cannot be sold unless they are subsequently registered or an exemption from such registration is available. There will be no market for the Interests and the Purchasers cannot expect to be able to liquidate their investment in case of an emergency. See "RESTRICTIONS ON TRANSFERABILITY." Finally, the sale of the Interests may have adverse federal income tax consequences. See "FEDERAL INCOME TAX CONSEQUENCES."

Offering Not Registered with SEC or State Securities Authorities. The Offering of the Interests will not be registered with the SEC under the Securities Act or the securities agency of any state and are being offered in reliance upon an exemption from the registration provisions of the Securities Act and state securities laws applicable only to offers and sales to Purchasers meeting the Investor Suitability Requirements set forth herein.

Private Offering - Lack of Agency Review. Since this is a nonpublic offering and, as such, is not registered under federal or state securities laws, prospective Purchasers will not have the benefit of review by the SEC or any state securities regulatory authority. The terms and conditions of the Offering may not comply with the guidelines and regulations established for real estate programs that are required to be registered and qualified with those agencies.

Private Offering Exemption - Compliance with Requirements. The Interests are being offered, and will be sold, in reliance upon a private offering exemption from registration provided in the Securities Act and state securities laws. If the Signatory Trustee should fail to comply with the requirements of such exemption, including, without limitation, the "bad actor" provisions of Rule 506(d) which became effective on September 23, 2013,

Purchasers may have the right, if they so desire, to rescind their purchase of the Interests. It is possible that one or more Purchasers seeking rescission would succeed. This might also occur under the applicable state securities or "Blue Sky" laws and regulations in states where the Interests will be offered without registration or qualification pursuant to a private offering or other exemption. If a number of Purchasers were to be successful in seeking rescission, the Trust would face severe financial demands that would have a direct adverse effect on the Trust and an indirect adverse effect on the other Purchasers.

No Audited Results of Prior Operation; No Guaranteed Cash Flow. The Trust does not intend to provide to prospective Purchasers audited operating statements regarding the operations of the Property prior to the closing of the acquisition of the Property. The Trust is relying on financial information provided by the Seller. The Seller has not made any representations as to the accuracy of its statements in its Purchase and Sale Agreement, as amended, for the Property. Thus, it is possible that information relied upon by the Trust with respect to the acquisition of the Property may not be accurate, and the Trust makes no warranties as to the accuracy or completeness of the information supplied. Potential Purchasers should make a careful examination of the Projections attached as Exhibit F with the assistance of their financial advisors and are invited to conduct their own examination of financial data provided. If the Property does not generate sufficient cash flow, then the Trust may be unable to pay distributions and Purchasers' returns may be materially and adversely affected.

Future Cash Flow Audits. With respect to the future operations of the Property, the Trust intends to obtain an audit of the Property's cash flow (income and expenses) from a qualified CPA firm for the period starting with the initial closing of the Offering through the end of the calendar year in which the final closing of the Offering occurs. Thereafter, the Trust will use good faith efforts to obtain such a cash flow audit on an annual basis, provided the cost does not exceed $5,000 per annum. If the cost of such audit exceeds $5,000 per annum, the Signatory Trustee may poll Purchasers and will have the right, in its sole discretion, to obtain or not obtain such an audit. This is intended to be an audit of the cash flow from the Property (income and expenses) and will not be prepared in accordance with GAAP or address valuation issues with the Property.

No Minimum Offering. 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 Signatory Trustee is unable to sell all of the Interests, the Depositor will retain unsold Interests or may transfer unsold Interests to the Sponsor or Affiliates. The ownership of the Interests by the Sponsor or its Affiliates 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 Interests will not have been acquired by disinterested Purchasers after an assessment of the merits of the Offering.

Risks Relating to the Sponsor's Equity Contribution. The Sponsor obtained funds from its credit facility with KeyBank in the approximate amount of $31,496,613, which were used to make an equity contribution to the SPE Member and the Depositor to pay a portion of the purchase price for the Property. The Property was purchased by the Trust on an all cash basis, with no mortgage debt, and the equity contribution from the Sponsor. As the holder of unsold Interests, the Depositor will use all of the net proceeds from the sale of Interests to first repay the Sponsor for the funds it obtained from its credit facility to fund the equity contribution used to acquire the Property. If the Sponsor is not able to pay back the funds it obtained from its credit facility through Offering proceeds, it may be required to make a balloon payment to pay off the balance and potentially seek reimbursement from the Trust.

Prior Performance of Capital Square DST Affiliates. Purchasers should be aware that past performance is not indicative of future results. The historical performance data of Capital Square-sponsored DST programs provided in Exhibit I is intended for illustrative purposes only and may not accurately predict future performance. When reviewing Exhibit I, Purchasers should consider the following:

- Market conditions can change rapidly, and past performance may not account for future market volatility or economic shifts.
- The strategies employed in the past may differ from those used in the future, potentially affecting performance outcomes.
- Unforeseen events such as regulatory changes, geopolitical developments, or natural disasters can significantly impact DST program performance.

- Because the prior performance tables in Exhibit I were prepared as of December 31, 2025 and will only be updated on an annual basis, the information presented as of any given time may not (a) reflect the most current performance data or the current state of the DST programs or (b) account for recent market conditions or events that could significantly impact the performance of the DST programs.

DELAWARE STATUTORY TRUST STRUCTURE RISKS

Beneficial Owners Have No Control Over the Trust. The Trust is operated and managed only by its Delaware Trustee and Signatory Trustee. The Beneficial Owners will have no right to participate in the management of the Trust or in the decisions made by such Trustees. Before the Signatory Trustee directs the Trust to enter into a binding contract to sell or convey the Property or to facilitate a 721 UPREIT Contribution, the Signatory Trustee will canvass the Beneficial Owners regarding their views of the potential transaction. The Signatory Trustee will consider the Beneficial Owners' views and opinions in good faith; however, the Signatory Trustee will not be bound by the opinions of the Beneficial Owners, and the decision to sell or otherwise convey the Property will rest solely with the Signatory Trustee. The Beneficial Owners will likely be required to waive any right to file a petition in bankruptcy on behalf of the Trust or to consent to any filing of an involuntary bankruptcy proceeding involving the Trust. The Signatory Trustee will collect Rent from the Master Tenant and make distributions pursuant to the Trust Agreement. The Signatory Trustee will sell or otherwise convey the Property in accordance with the provisions of the Trust Agreement, which provides that the Signatory Trustee has the sole power to determine when it is appropriate to dispose of the Property. The Delaware Trustee may remove the Signatory Trustee only for willful misconduct, bad faith, fraud, or gross negligence of the Signatory Trustee.

Beneficial Owners Do Not Have Legal Title. The Beneficial Owners will not have legal title to the Property. The Beneficial Owners will not have any right to seek an in-kind distribution of the Property or divide or partition the Property. Beneficial Owners do not have the right to sell the Property.

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

Limited Powers of Trustees; Risk of Termination of Trust. The Delaware Trustee and Signatory Trustee have limited powers, and the Trust may therefore face increased termination risk. In order to comply with the tax law regarding investment trusts and exchanges under Code Section 1031, the Trust Agreement expressly prohibits the Delaware Trustee and the Signatory Trustee from taking a number of actions, including the following: (a) selling, transferring, or exchanging the Property except as required or permitted under the Trust Agreement; (b) reinvesting any monies of the Trust, except to make permitted modifications or repairs to the Property or in short-term liquid assets; (c) entering into any financing; (d) renegotiating the Master Lease on the Property or entering into a new lease, except in the case of the Master Tenant's bankruptcy or insolvency; (e) making modifications to the Property (other than minor nonstructural modifications) unless required by law; (f) accepting any capital from a Beneficial Owner except funds contributed by the Depositor or by the Purchasers in connection with the purchase of the Interests that will be distributed to redeem the beneficial interests held by the Depositor or fund any reserves in connection with the Offering or fund Offering-related expenses; or (g) taking any other action that would in the opinion of Tax Counsel to the Trust cause the Trust to be treated as a business entity for federal income tax purposes if the effect would be that such action or actions would constitute a power under the Trust Agreement to "vary the investment of the certificate holders" under applicable tax law. As a result, the Trust may be required to effect a Transfer Distribution in order to take the actions necessary to preserve and protect the Property or sell the Property at a time when the market may not be optimal for the Purchasers. See "SUMMARY OF THE TRUST AGREEMENT." After such Transfer Distribution, the Beneficial Owners will no longer be considered to own, for federal income tax purposes, a direct ownership interest in the Property.

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

Untested Form of Ownership. The utilization of a Delaware statutory trust (such as the Trust in this Offering) to acquire and hold property for purposes of a 1031 Exchange is relatively untested under the tax laws. This ownership structure is based primarily on Revenue Ruling 2004-86, 2004-2 C.A. 191, 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 Revenue Ruling 2004-86 or, in the alternative, determine that the Trust does not comply with the requirements of that ruling. A determination that the Trust is not taxable as a trust (within the meaning of Treas. Reg. § 301.7701-4) could have a significant adverse impact on the Beneficial Owners and would likely have an adverse impact on any Purchaser completing a 1031 Exchange for an Interest.

Exit Strategies; Sale of the Property. The Trust will sell or otherwise dispose of the Property at any time upon receipt of a notice from the Signatory Trustee that the Signatory Trustee has determined, in its sole discretion, that a sale or other disposition of the Property is appropriate. 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 or disposition of the Property. The Beneficial Owners will not have the right to sell the Property. A Beneficial Owner may or may not be able to defer the recognition of gain for federal, state or local income tax purposes when this sale occurs. Under current law, Interests in the Trust should constitute interests in real estate and, therefore, a sale of the Property should qualify for nonrecognition of gain under a 1031 Exchange provided that the requirements of a 1031 Exchange are met. The Signatory Trustee and the Delaware Trustee are expressly instructed to take all reasonable actions that would enable the sale to qualify, with respect to each Beneficial Owner, as a like-kind exchange within the meaning of Section 1031 of the Code.

It is possible, however, that current law will change before the Trust disposes of the Property, and the Beneficial Owners might not have the option to pursue a 1031 Exchange at that time. Code Section 1031 has been the subject of Congressional scrutiny in recent years. In 2017, the House Ways & Means Committee proposed the complete elimination of Code Section 1031. Ultimately, the Tax Cuts & Jobs Act of 2017 eliminated all personal property exchanges, retaining real estate for tax-deferred treatment under Code Section 1031.

To give the Beneficial Owners the option to continue their tax deferral, the Signatory Trustee may elect to facilitate a 721 UPREIT Contribution, pursuant to which the Signatory Trustee will provide each Beneficial Owner with the option of either (i) exchanging its Interests for an equivalent value of OP Units of a Sponsor-affiliated REIT (such exchange is referred to as a "721 Exchange") or (ii) in lieu of participation in the 721 Exchange, receiving a fair market value cash buy-out of its Interests.

The fair market value of a Beneficial Owner's Interests at the time of the 721 UPREIT Contribution will be determined by the greater of two fair market values of the Property, each as determined by a separate independent appraisal firm selected by the Signatory Trustee in its sole discretion. However, if the quotient equal to (A) the difference between the fair market values determined by the two independent appraisal firms pursuant to the preceding sentence, divided by (B) the greater of the two fair market values determined by the independent appraisal firms pursuant to the preceding sentence, is greater than 20%, then the Signatory Trustee shall select a third independent appraisal firm in its sole discretion to determine the fair market value of the Property. Under such circumstances, the Signatory Trustee shall average the two highest of the three appraisal values determined by the three independent appraisal firms and use such averaged amount for purposes of determining the fair market value of a Beneficial Owner's Interests. Such appraisals shall have been completed within three (3) months of the date that the Signatory Trustee gives notice to the Beneficial Owners that it has elected to facilitate a 721 UPREIT Contribution. No discounts for lack of liquidity or minority interests shall be considered in determining the fair market value of such Interests.

The Sponsor-affiliated REIT will also obtain a fairness opinion of value from an independent expert selected by the REIT's Independent Directors.

Beneficial Owners who elect to receive a cash buy-out of their Interests will be free to (a) structure a 1031 Exchange (to the extent permitted by applicable law at that time and provided that they comply with all 1031 Exchange requirements), or (b) cash out on a taxable basis.

This 721 UPREIT Contribution exit strategy aims to provide Beneficial Owners with (a) access to a diversified portfolio of institutional-quality real estate, (b) further deferral of capital gains taxes, (c) realization of the economic benefits of the REIT's entire portfolio, including potential capital appreciation and distributions of operating income, (d) convertibility of the OP Units into REIT shares (at each Beneficial Owner's discretion at the time of exit or needing liquidity), (e) management of tax gain through partial conversion and liquidation of the OP Units over time, (f) full divisibility of the OP Units, and (g) upon death, receipt by each Beneficial Owner's heirs of a stepped-

up basis in the OP Units. However, there can be no assurance that such a 721 UPREIT Contribution will be available or successful, especially since current tax law is in flux, and there can be no guaranty that the Beneficial Owners will be able to achieve any of these targeted benefits. In addition, Beneficial Owners who choose to participate in a 721 Exchange will likely lose their ability to continue any future 1031 Exchanges once they exchange their Interests into OP Units. In the event the Signatory Trustee elects to facilitate a 721 UPREIT Contribution, the Beneficial Owners are encouraged to consult with their own individual counsel and advisors about the potential tax and other ramifications of a 721 Exchange prior to making their election.

Unfavorable economic conditions, changes to the current law and/or other unforeseen conditions or events may prevent the Trust from conducting any of the exit strategies contemplated by this Memorandum and the Trust Agreement, which could cause the Beneficial Owners' investment to remain illiquid for longer than anticipated and adversely affect returns to the Beneficial Owners.

Transfer to the Springing LLC. If the Signatory Trustee determines that it is necessary to effectuate a Transfer Distribution, the Signatory Trustee will transfer the Property to the Springing LLC, which 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 Trust, interests in the Springing LLC will not be treated as interests in real property for federal income tax purposes (including for purposes of a 1031 Exchange). Thus, if the Trust transfers the Property to the 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 under Section 1031 of the Code. The transfer of the Property to the Springing LLC will occur under the circumstances set forth in the 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).

No Right to Control the Actions of the Trust. The Beneficial Owners each will acquire Interests in the Trust. None of the Beneficial Owners will have the right to direct ownership of any assets of the Trust, including the Property. Even though the Beneficial Owners will be canvassed prior to the Signatory Trustee entering into a binding contract to sell the Property or facilitating a 721 UPREIT Contribution, and even though the Signatory Trustee will take the opinions of the Beneficial Owners concerning such prospective sale or transaction into account in good faith, the Signatory Trustee is under no obligation to make its decision with respect to such prospective sale or transaction in accordance with the wishes of the Beneficial Owners.

The Signatory Trustee and the Delaware Trustee will manage the operations of the Trust pursuant to the Trust Agreement, the form of which is attached as Exhibit A, and the Master Tenant will manage the operations of the Property pursuant to the terms of the Master Lease. The Beneficial Owners will have no voting rights with respect to the operations of the Trust or the Property.

The Trust is Not a Diversified Investment. An investment in the Interests effectively represents an investment in a specific real property. Therefore, an investment in the Interests is not a diversified investment. Accordingly, the poor performance of the Property will adversely affect the profitability of the Trust. Moreover, the poor performance of the Property will adversely affect the ability of the Trust to pay distributions or to make debt service and the overall returns to the Beneficial Owners may be adversely impacted. This return may be lower than if the Beneficial Owners owned an interest in many properties. Therefore, the poor performance of the Property could significantly and adversely impact the ability of the Beneficial Owners to satisfy their financial objectives.

REAL ESTATE RISKS

General Risk of Investment in the Property. The economic success of the Interests will depend upon the results of operations of the Property. The results of operations are subject to those risks typically associated with investments in real estate. Fluctuations in vacancy rates, rent schedules, and operating expenses can adversely affect such results or render the sale of the Property difficult or unattractive. No assurance can be given that certain assumptions as to the future levels of occupancy of the Property, future rental appreciation, future cost of capital improvements or future costs of operating the Property will be accurate since such matters will depend on events and factors beyond the control of the Trust and the Purchasers. Such factors include continued validity and enforceability of the leases, vacancy rates for properties similar to the Property, financial resources of residents, rent levels near the Property, adverse changes in local population trends, market conditions, neighborhood values, local economic and social conditions, supply and demand for property similar to the Property, competition from similar properties, interest rates and real estate tax rates, governmental rules, regulations, and fiscal policies, the enactment of unfavorable real

estate, rent control, environmental, zoning or hazardous material laws, uninsured losses, effects of inflation, and other risks.

Physical Condition of the Property. The condition of the Property will not be guaranteed by the Signatory Trustee to the Purchasers of the Interests. Prospective Purchasers are encouraged to perform their own evaluation of the physical and structural condition of the Property. Rimkus issued a Property Condition Assessment dated September 2, 2026 (the "PCA"). The PCA identified no immediate repairs and recommended approximately $188,639 (inflated) in total replacement/repair reserves over a 12-year period (the anticipated holding period of the Property is ten years). The Sponsor believes the $875,188 Capital Expense Reserves and Investor Reserves should be more than adequate to cover aggregate replacement reserves during the anticipated holding period for the Property. See "SUMMARY OF THE OFFERING – Reserves and Escrows" and the Projections attached hereto as Exhibit F.

No assurance can be given that such capital reserves will be sufficient. If the reserves held by the Sponsor are insufficient to make necessary capital improvements, in order to avoid a default under the Master Lease and the loss of the Property, the Signatory Trustee may be required to terminate the Trust by converting it into (or otherwise effecting the transfer of the Property to) the Springing LLC. As a result of such conversion or transfer, the Interests will be converted into membership interests in the Springing LLC, which cannot be transferred in an exchange that qualifies for tax-deferred exchange treatment under Code Section 1031. If, after the conversion of the Trust into a Springing LLC, the Purchasers wish to engage in tax-deferred exchange of their indirect interests in the Property, the Springing LLC's manager will attempt to convert the Purchasers' interests in the Springing LLC into (or exchange them for) direct interests in the Property or adopt some other tax strategy to accomplish the tax-deferred exchange. However, there can be no guarantee that this will be accomplished, or that there exists any strategy that will allow the Purchasers to complete a 1031 Exchange once the Trust has been converted into the Springing LLC.

Difficulty Making Material Modifications to the Property. In order to preserve its status as a fixed investment trust, the Trust is not permitted to make any material modifications to the Property. The Trust may only make minor nonstructural modifications and repairs in order to preserve the Property. As a result, the Trust may find it difficult to make any material modification to the Property or to reposition the Property in the future, even if such modifications would be deemed appropriate for purposes of assisting in the marketing of the Property.

Tenant Rate of Occupancy. The Property is in the process of completing its initial lease-up. As of the date of this Memorandum, the Property was approximately 87.5% occupied and 91.7% leased. While the Sponsor believes that it will be able to maintain a high occupancy as provided in the Business Plan and in the Projections attached hereto as Exhibit F, there can be no assurance that the Property will meet the occupancy assumptions as contemplated in Projections. If the lease up does not occur as contemplated, the operating results of the Property would be substantially and adversely affected by the loss of revenue. There can be no assurance that the Property will be substantially occupied at projected rents. There can be no assurance that the Property Manager will be able to lease the remaining units or maintain the current levels of occupancy. In addition, it may be necessary to make concessions in terms of rent and lease incentives to attract new residents or to keep existing residents. If these expenditures and concessions become necessary, or in fact were to increase, the financial performance of the Property would be adversely affected. In addition, residents may be unable to make their lease payments. Defaults by a significant number of residents could, depending on the number of units affected and the ability to successfully find substitute residents, have a material adverse effect on the financial performance of the Property, which would materially adversely affect the Master Tenant's ability to pay the Rent and returns to Purchasers.

Competition from Multifamily and Single-Family Rental Properties in the Surrounding Geographic Areas; Vacancy Rates. There exist comparable single-family rental properties of similar size and amenities within the Property's submarket. Competing multifamily and single-family rental properties may reduce demand for the Property, increase vacancy rates, decrease leasing rates and impact the value of the Property itself. It is possible that residents of the Property will move to an existing or new multifamily or single-family rental property in the surrounding areas, which could adversely affect the financial performance of the Property. Competition from nearby multifamily and single-family rental properties could make it more difficult to attract new residents, maintain rents at their current rates, and ultimately sell the Property on a profitable basis. Further, the availability of possible sites for future construction may affect vacancy and leasing rates if competitive properties are developed in the future. There is no assurance the Master Tenant will improve or maintain the current position of the Property or better compete in its market or submarket.

Title and Survey Matters. The Property is subject to various matters affecting title, including but not limited to, certain of the Property Agreements (as defined below) and all the matters set forth on any title commitment and

survey, zoning ordinances, and building codes. The title commitment, title documents listed as exceptions on the title commitment (including the Property Agreements), and the surveys will be made available upon request. Such matters may include, for example, easements, declarations, restrictions and other limitations on the right of the Trust to construct, develop and use the Property. In addition, other issues that are not disclosed by the title commitments or the surveys may affect title and/or the use of the Property. In connection with the acquisition of the Property, the Trust obtained title insurance. In the event that a known or new matter arises with respect to the Property, however, there is no guarantee that the title insurance will sufficiently protect the Trust against all title issues affecting the Property, that the title company will pay any claim, that the title insurance is sufficient to cover any damages, or that the Trust will not incur costs in making a title insurance claim.

Limited Capital of the Master Tenant. The Master Tenant's capitalization is supported solely by the cash flow from the underlying tenant leases. The Sponsor is not under any obligation to contribute capital to the Master Tenant. If the Master Tenant needs funds to pay the Rent or satisfy its other obligations under the Master Lease, it may not have adequate capital to enable the Master Tenant to pay the Rent or to fund its obligations under the Master Lease. If the Master Tenant is unable to pay the Rent or satisfy its obligations under the Master Lease, the Master Tenant would be in default on the Master Lease and the Trust would likely terminate the Master Lease. In such event, the Trust may not be able to master lease the Property on terms similar to the Master Lease. If the Trust were unable to enter into a new master lease for the Property, the returns to Purchasers would likely be materially adversely affected. In addition, if the Trust were unable to enter into a new master lease, it would likely become necessary for the Trust to spring into an LLC in order to engage in leasing activities, which would be likely to have adverse tax consequences to Purchasers, including rendering it unlikely that Purchasers could complete a future 1031 Exchange of their investment in the Trust. Absent a bankruptcy by the Master Tenant, the Signatory Trustee would not be empowered to execute such a replacement Master Lease. See "RISK FACTORS – Risks Relating to the Trust Structure – Limited Powers of Trustees; Risk of Termination of Trust."

Increase in Real Estate Taxes. The projected income from the Property is based on certain assumptions, including an increase in real estate taxes. However, from time to time the real estate taxes may increase further as property values or assessment rates change or for other reasons deemed relevant by the assessors. Real estate taxes may increase even if the value of the Property declines. An increase in the assessed valuation of the Property for real estate tax purposes will result in an increase in the related real estate taxes on the Property. To the extent the actual Uncontrollable Costs for a Lease Year exceed Projected Uncontrollable Costs for such Lease Year, the Master Tenant is responsible for the payment of such excess, but is entitled to a reimbursement by offsetting such amount against Annual Rent and, if necessary, Bonus Rent, beginning with the first month that begins on or after the expiration of the Lease Year-end until the full amount of such excess amount incurred for the applicable period has been reimbursed to the Master Tenant. Further, in the event that these rent offsets are not sufficient to reimburse the Master Tenant for the full amount of Uncontrollable Costs in any given year, the Trust may use the proceeds from any sale of the Property to fulfill its obligation to reimburse the Master Tenant. These reimbursements could adversely affect the financial condition and operating results of the Trust. See "SUMMARY OF THE MASTER LEASE."

Retention of Increased Property Revenues by Master Tenant. The Trust will be entitled to receive Annual Rent, and Bonus Rent, as provided in its Master Lease. The Master Tenant, by contrast, will be entitled to retain operating revenues from the Property that exceed the total Rent due to the Trust under the Master Lease, including 25% of the amount by which the actual annual effective gross income of the Property exceeds the annual Revenue Benchmark as provided in the Master Lease, calculated on a Lease Year basis. See "Compensation of the Sponsor and Affiliates" and "SUMMARY OF THE MASTER LEASE."

Bonus Rent Is Not Guaranteed. The payment of Bonus Rent will be contingent upon the Property generating cash flow in excess of specified Revenue Benchmark levels and, accordingly, will only be realized if the Property performs exceptionally well. There can be no assurance that such performance levels will be achieved. In addition, the payment of Bonus Rent is subordinate to the payment of all Annual Rent, required reserve deposits and other obligations of the Master Tenant. As a result, even if the Property generates positive operating cash flow, such cash flow may be insufficient to result in any Bonus Rent being payable to the Trust. Accordingly, Purchasers should not rely on Bonus Rent as a source of distributions, and there can be no assurance that any Bonus Rent will be paid during the term of the investment.

Accrual of Annual Rent. The Master Lease provides that the Master Tenant may accrue, rather than pay to the Trust, up to one-half of the Annual Rent payable under the Master Lease, but only to the extent that the cash flow generated by the Property is insufficient to pay the Annual Rent. In such an instance Purchasers may receive less or more varied distributions than they would have if the Master Tenant were not able to accrue a portion of the Annual

Rent. Furthermore, if future cash flow from the Property is insufficient to pay the accrued Annual Rent, then the Trust would never receive the accrued Annual Rent which would materially and adversely affect the returns to the Purchasers.

Agreements Affecting the Property. By purchasing the Property, the Trust became a party to various agreements, including easements, declarations, restrictive covenants, and development guidelines (collectively, the "Property Agreements") entered into by predecessors-in-interest which run with the land and continue to affect the Property. The Trust sought endorsements from the title company with respect to any such easements for any loss or damage incurred by any violation of such easements by the Trust. Certain of the Property Agreements contain obligations and restrictions with which the Signatory Trustee, the Trust, the Property Manager and the Master Tenant must comply. Although the Sponsor and the Trust are not aware of any material non-compliance under the Property Agreements, it is possible that the Property is in breach of the terms of the Property Agreements. A breach of the Property Agreements could result in potentially costly litigation incurred by the Trust which would have an adverse impact on distributions made to the Purchasers.

Easements. The Property is subject to several utility, access and maintenance easements. The presence of the easements could limit operations and/or development at the Property, which also could have an adverse financial impact on the Property.

Projected Aggregate Cash Flow. Projected financial results prepared by the Sponsor are attached as part of Exhibit F to this Memorandum, but have not been reviewed, analyzed, or otherwise passed upon by the Sponsor's counsel, or accounting firm. Such "forward-looking" statements are based on various assumptions made by the Sponsor, which assumptions may not prove to be correct, for example, the continued growth and expansion of the local and regional economies, anticipated leasing schedules, lease-up of the currently vacant units and budgeted capital expenditures. Accordingly, there can be no assurance that such projections, assumptions, and statements will accurately predict future events or the actual performance of the Property. In addition, any projections and statements, written or oral, which do not conform to those contained in this Memorandum should be disregarded, and their use is a violation of law. The projections contained herein are based upon specified assumptions. If these assumptions are incorrect, the projections likewise will be incorrect. No representation or warranty can be given that the estimates, opinions or assumptions made herein or therein will prove to be accurate. Potential Purchasers should closely review the assumptions set forth in the projections. Any projected cash flow included in this Memorandum and all other materials or documents supplied by the Sponsor or Signatory Trustee should be considered speculative and are qualified in their entirety by the assumptions, information, and risks disclosed in this Memorandum. The assumptions and facts upon which such projections are based are subject to variations that may arise as future events actually occur. The projections included herein are based upon assumptions made by the Sponsor regarding future events. There is no assurance that actual events will correspond with these assumptions. Actual results for any period may or may not approximate such projections. Potential Purchasers are advised to consult with their own independent tax and business advisors concerning the validity and reasonableness of the factual, accounting and tax assumptions. No representations or warranties whatsoever are made by the Sponsor, the Signatory Trustee, their Affiliates, or any other person or entity as to the future profitability of the Property or the results of making an investment in the Interests.

Total purchase price for the Interests is higher than the purchase price paid by the Trust for the Property. The Trust acquired the Property on September 23, 2026, for a purchase price of $31,075,000. See "SUMMARY OF THE OFFERING – Acquisition of the Property." The purchase price for the Interests is determined unilaterally by the Signatory Trustee, does not reflect the current market value of the Property and was not based on an arm's-length negotiation with the Seller. In fact, the total Investment Cost is significantly higher than the purchase price paid by the Trust in its acquisition of the Property. Based on the foregoing, Purchasers, therefore, should not anticipate or expect that the price paid for their investment is reflective of the current fair market value of the Property on a stand-alone basis. The Purchasers are, however, acquiring their Interests based on the Master Lease and the management expertise provided by Affiliates of the Sponsor. Nevertheless, there is no evidence that such additional rights support the increase between the total purchase price for the Property and the Investment Cost. Purchasers should also be aware that it may not be possible to sell the Property at a later date for a price equal to or greater than the Investment Cost, which is greater than the appraised value of the Property. In the event the Property must be sold for less than the Investment Cost, the Purchasers' financial goals will be adversely affected.

The Condition of the U.S. and Global Financial Markets Has Continued to be Volatile and May Continue to be Volatile. U.S. and international financial markets have been volatile, particularly over the last 13 years. Continued volatility and instability could adversely affect the Signatory Trustee's ability to make investments.

Further, financial market instability could result in significant regulatory changes that would have an unpredictable effect on the financial markets in general and the commercial real estate business in particular.

Earthquake, Wind, and Flood Exposure. The Sponsor makes no representation as to whether the Property is located within a flood plain or a high-risk area for wind or seismic activity. There can be no assurances that the Property will not be damaged in the future by seismic, wind or flood activity and prospective Purchasers should consider these risks in their evaluation of the Property. See "RISK FACTORS - Risks Relating to the Beneficial Owners - Uninsured Losses."

Inflation or Deflation May Adversely Affect Results of Operations. Increased inflation could have an adverse impact on general and administrative expenses, as these costs could increase at a rate higher than rental and other revenue. Inflation could also have an adverse effect on consumer spending which could impact the Property's performance and results of operations. Conversely, deflation could lead to downward pressure on rents and other sources of income.

The Long-Term Macroeconomic Effects of the COVID-19 Pandemic and Any Future Pandemic or Epidemic. While many of the direct impacts of the COVID-19 pandemic have eased, the longer-term macroeconomic effects on global supply chains, inflation, labor shortages and wage increases continue to impact many industries. Moreover, with the potential for new strains of COVID-19 to emerge, governments and businesses may re-impose aggressive measures to help slow its spread in the future. For this reason, among others, the potential global impacts are uncertain and difficult to assess. Long-term macroeconomic effects, including such effects resulting from supply and labor shortages, of the COVID-19 pandemic may have an adverse impact on the performance of the Property, and in turn the ability of the residents to pay their rent, and may have an adverse impact on the Trust's ability to meet its business objectives. The full extent of the impact and effects of COVID-19 will depend on future developments, including, among other factors, future variants of the virus, availability, acceptance and effectiveness of vaccines along with related travel advisories, quarantines and restrictions, the recovery time of the disrupted supply chains and industries, the impact of labor market interruptions, the impact of government interventions, and uncertainty with respect to the duration of the global economic slowdown. COVID-19, or any future pandemics or epidemics, and resulting impacts on the financial, economic and capital markets environment, and future developments in these and other areas present uncertainty and risk with respect to Properties' performance and results of operations.

General Risk of Investment in the Property. The operations of the Property will be subject to those risks typically associated with real estate investments. Fluctuations in vacancy rates, rent schedules, and operating expenses can adversely affect operating results or render the sale or refinancing of the Property difficult or unattractive. See "RISK FACTORS – Agreements Affecting the Property." No assurance can be given that certain assumptions as to the future levels of occupancy of the Property, future rental appreciation, future cost of capital improvements, future costs of operating the Property, or future capitalization rates will be accurate since such matters will depend on events and factors beyond the control of the Trust, the Signatory Trustee, the Beneficial Owners, and the Master Tenant. Such factors include continued validity and enforceability of the Master Lease, vacancy rates for properties similar to the Property, financial resources of residents, rent levels near the Property, adverse changes in local population trends, market conditions, neighborhood values, local economic and social conditions, supply and demand for properties similar to the Property, competition from similar properties, interest rates and real estate tax rates, governmental rules, regulations, and fiscal policies, the enactment of unfavorable real estate, rent control, environmental, zoning or hazardous material laws, uninsured losses, effects of inflation, and other risks.

No Environmental Indemnity. Federal, state and local laws impose liability on a landowner for the release or the otherwise improper presence on the premises of hazardous materials or hazardous substances. This liability is without regard to fault for, or knowledge of, the presence of such materials or substances, subject to certain defenses. A landowner may be held liable for hazardous materials or substances brought onto the property before it acquired title and for hazardous materials or substances that are not discovered until after it sells the property. In addition, a landowner may be held liable for hazardous materials or substances that migrate from the property onto or beneath adjacent sites, as well as hazardous materials or substances from unknown or unidentified sources that may migrate from adjacent sites onto or beneath the property. Similar liability may occur under applicable state law. The Depositor has not made any representations or warranties to the Trust with respect to compliance with environmental laws, and the Seller made only a limited representation to the Trust with respect to such compliance. If any hazardous materials or substances are found within the Property in violation of law at any time, the Trust may be liable for cleanup costs, fines, penalties and other costs and it may have little or no recourse against the Depositor. This potential liability may continue after the Trust sells the Property and may apply to hazardous materials or substances present within the Property before the Trust acquired the Property. An innocent landowner defense to environmental liability

under the Comprehensive Environmental Response, Compensation and Liability Act may be available where a landowner has conducted appropriate inquiry with respect to potential hazardous materials at the subject property in accordance with good commercial and customary practices. Such a defense is generally predicated on obtaining an environmental site assessment dated within 180 days prior to the landowner's acquisition of the subject property that has been prepared in substantial compliance with the ASTM Practice Designation E 1527-13 or 1527-21: Standard Practice for Phase I Environmental Site Assessments. Further, a similar defense may not be available under state or local law. Rimkus has prepared a Phase I Environmental Assessment Report for the Property dated September 1, 2026 (the "ESA"). Rimkus did not identify evidence of any recognized environmental conditions (RECs), controlled recognized environmental conditions, significant data gaps, or historical recognized environmental conditions, and recommended no further investigation at this time. The ESA is in compliance with the ASTM E1527-21: Standard Practice for Phase I Environmental Assessments. The ESA has been addressed to the Sponsor and the Trust in order to have contractual rights against the preparer of the ESA. If losses arise from hazardous substance contamination that cannot be recovered from responsible parties, the financial viability of the Property may be substantially affected.

Risk of Mold Contamination. Mold contamination has been linked to a number of health problems, resulting in recent litigation by residents seeking various remedies, including damages and ability to terminate their leases. No assurance can be given that a mold condition will not arise in the future, with the risk of substantial damages, legal fees, and possibly loss of residents. It is unclear whether such mold claims would be covered by the customary insurance policies obtained for the Trust.

Compliance with the Americans with Disabilities Act. Under the Americans with Disabilities Act of 1990 (the "ADA"), public accommodations must meet certain federal requirements related to access and use by disabled persons. If the Property were not in compliance, the Trust may be required to pay for improvements to effect compliance with the ADA. To comply with the ADA requirements, the Trust could be required to remove access barriers at significant cost, and noncompliance could result in the imposition of fines by the federal government or an award of damages to private litigants. State and federal laws in this area are constantly evolving and any changes to such laws could place a greater cost or burden in the future on the Trust, as the owner of the Property, or the Master Tenant, as the tenant of the Property. While the Signatory Trustee believes the Property will comply with the ADA in all material respects, the Signatory Trustee cannot provide any assurance to potential Purchasers that ADA violations do not or will not exist at the Property.

RISKS RELATING TO THE BENEFICIAL OWNERS

Closing Costs. Closing costs payable in connection with the purchase of the Property will include, but not necessarily be limited to, title insurance costs, escrow fees, recording fees, allocation of legal fees, and transfer taxes. The Trust, the Depositor, or their Affiliates, as applicable, will be partially reimbursed for such costs and expenses from the Offering Proceeds. If the actual costs and expenses exceed the estimates, the Sponsor will pay those costs and expenses. Conversely, if the estimates exceed the actual costs and expenses, the Sponsor will retain the difference as additional compensation.

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

Uninsured Losses. The Master Tenant will attempt to maintain adequate insurance coverage against liability for personal injury and property damage on the Property. However, there can be no assurance that insurance will be sufficient to cover any such liabilities. Furthermore, insurance against certain risks that are generally catastrophic in

nature, such as terrorism, floods, hurricanes, and/or earthquakes, may be unavailable or available only at an unacceptable cost, or subject to limitations such as large deductibles or co-payments, or in amounts that are less than the full market value or replacement costs of the Property. The Master Tenant obtained terrorism and wind insurance in connection with the acquisition of the Property; however, there can be no assurance that particular risks that currently are insurable will continue to be insurable on an economical basis or that current levels of coverage will continue to be available. If a loss occurs that is partially or completely uninsured, the Beneficial Owners may lose all of their investment in the Trust. In addition, if insurance proceeds are not adequate to fully restore any damage to the Property, the Beneficial Owners may lose their entire investment in the Trust.

Bankruptcy of a Beneficial Owner. A bankruptcy or similar insolvency proceeding relating to any Beneficial Owner may adversely affect returns from the Trust to the other Beneficial Owners. For example, the bankrupt Beneficial Owner, or its trustee in a bankruptcy proceeding, may attempt to reject and terminate the Trust Agreement or other relevant agreements. A bankruptcy filing by or against a Beneficial Owner generally will automatically stay all action or proceedings against such Beneficial Owner. The stay generally will prevent the Trust from pursuing any claims against the bankrupt Beneficial Owner and may otherwise jeopardize the Trust. Claims of the Trust probably will be treated as general unsecured claims and it is unlikely that such claims would be paid in full, if at all.

Possible Delays in Sale. The Signatory Trustee anticipates that it may be in the best interests of the Beneficial Owners for the Trust to hold the Property for approximately ten years. However, it may not be possible to sell the Property at the price indicated in the projections or at all in such a timeframe. Fluctuations in the supply of money affect the availability and cost of funds, and the Signatory Trustee is unable to predict the effect of such fluctuations. Prevailing market conditions may also adversely affect the cash flow of the Property and the sale price a purchaser is willing to pay for the Property.

Limitation of Liability/Indemnification of the Signatory Trustee and Delaware Trustee. The Signatory Trustee and Delaware Trustee may not be liable to the Beneficial Owners for errors of judgment or other acts or omissions not constituting gross negligence or fraud as a result of certain indemnification provisions in the Trust Agreement. See "SUMMARY OF THE TRUST AGREEMENT." If Trust assets are used to pay a successful claim for indemnification of the Signatory Trustee or Delaware Trustee, the value of the Interests would be depleted by the amount paid in satisfaction of such claim.

Risk of Distributions Being Paid from Reserves; Return of Capital. The Signatory Trustee intends to make distributions to the Beneficial Owners out of cash flow from the Rent paid by the Master Tenant to the Trust. Cash flow is based on the profitability of the Property, which is beyond the control of the Signatory Trustee and is not guaranteed. See the Risk Factor entitled "No Guaranteed Cash Flow" below. While the Signatory Trustee generally intends to make distributions to the Beneficial Owners out of cash flow from operation of the Property, the Signatory Trustee reserves the right to make distributions out of funds on hand from other sources, including funds in reserve accounts held by the Trust. Accordingly, a portion of the cash distributed may constitute a return of each Beneficial Owner's capital investment. Any such distribution will not constitute profit or earnings, but merely a return of the Beneficial Owner's own capital.

No Guaranteed Cash Flow. There can be no assurance that cash flow or profits will be generated by the Property. If the Property does not generate anticipated cash flow, the Master Tenant may not be able to pay the Rent to the Trust and the Beneficial Owners would not receive their anticipated cash flow from the Interests and, therefore, not be able to receive the anticipated return.

Restrictions on Transferability. The Interests are not freely transferable by the Beneficial Owners. The rights to transfer, assign, encumber, or pledge an Interest will be in accordance with the Trust Agreement. Any transferee shall take such Interest subject to the Trust Agreement. In addition, each Beneficial Owner will be responsible for compliance with applicable securities laws with respect to any sale of his Interest. See "RESTRICTIONS ON TRANSFERABILITY."

RISKS RELATING TO THE MANAGEMENT OF THE PROPERTY

Property Management. The Master Tenant has the sole right to hire or terminate the Property Manager, without consultation or notice to the Trust. If the Property Manager resigns or is terminated for any reason, there can be no assurance that the Trust or the Master Tenant will be able to obtain a successor property manager. In addition,

there is no assurance that the Property Manager will be successful in operating the Property, in which case the Master Tenant may not have sufficient funds to pay the Rent.

No Operating History of the Master Tenant. Although the Master Tenant is newly formed and has no prior operating history, the principals of the Master Tenant have substantial prior experience. See "MANAGEMENT." Nevertheless, there is no assurance that the Master Tenant will manage the Property successfully, or that any related or third-party property managers subcontracted by the Master Tenant (including without limitation the Property Manager) will do so adequately. If the Master Tenant is not able to operate and lease the Property profitably, the Master Tenant may not be able to pay the Rent. If the Master Tenant is unable to pay the Rent and is bankrupt or insolvent, the Trust will terminate the Master Lease, which may necessitate the conversion of the Trust into the LLC, which likely would have adverse tax consequences to the Purchasers.

Bankruptcy of the Master Tenant. In addition to a loss of Rent, a bankruptcy or similar insolvency proceeding with respect to the Master Tenant will adversely affect the Trust. For example, the bankruptcy trustee of the Master Tenant might attempt to reject one or more of the subleases between the Master Tenant and the occupying tenant of the Property. Further, as a result of the automatic stay provided for under the applicable bankruptcy laws, the Trust might not be able to enforce the Master Tenant's obligations under the Master Lease or be able to reach rental payments being made by the Tenant under the Lease, thereby affecting the Trust's ability to receive Rent. In the event of the bankruptcy or insolvency of the Master Tenant, the Trust will be able to terminate the Master Lease and negotiate a new master lease with a new tenant. Re-leasing the Property to a new master tenant requires incurring transactional costs which would adversely affect income to the Purchasers. In addition, there is no guarantee that the Trust will be successful in re-leasing the Property to a new master tenant. Additionally, the re-leasing of the Property (or bankruptcy of the Master Tenant) may require the Trust to convert to an LLC, and any such conversion would likely have adverse tax consequences to the Purchasers.

Conflicts of Interest. The Master Tenant and the Signatory Trustee are Affiliates of the Sponsor and its principals. This may lead to a conflict of interest between their various roles as owners or officers of the Sponsor, Master Tenant, and Signatory Trustee, including conflicts with the Purchasers regarding decisions related to the Master Lease and the Property. The principals of the Sponsor are employed independently of this Offering and engage in other activities, including ownership and management of other residential or commercial properties. As such, the principals of the Sponsor will have conflicts of interest in allocating management time, services, and functions between the Sponsor, Signatory Trust and Master Tenant on the one hand and their various other existing enterprises and future enterprises on the other. In addition, the Sponsor and its Affiliates may continue to own and organize other business ventures that compete directly with the Property. This may result in the interests of the Sponsor and its principals and the interests of the Purchasers not always being aligned. See "CONFLICTS OF INTEREST."

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

TAX RISKS

General. An investment in an Interest entails federal income tax risks, some of which are described immediately below. (A general description of the federal income tax consequences associated with ownership of an Interest is described in "Federal Income Tax Consequences.") **Because the tax consequences from the ownership of an Interest are complex, may vary from Purchaser to Purchaser depending on individual circumstances, and entail legal issues that are not settled, each prospective Purchaser is strongly encouraged to consult his own tax advisor about his tax consequences from the purchase of an Interest. No representation or warranty of any kind can be given that the IRS will accept any claim that a Purchaser may make regarding his Interest.**

Potential Tax Reform -- Changes in Tax Law. The description that is set forth in the Memorandum about the tax consequences from an investment in an Interest is based on the current law and on administrative and judicial interpretations of such law as in effect on the date of the Memorandum. In addition, Congress is considering a number of bills that could modify or eliminate Code Section 1031. Therefore, prospective Purchasers should be aware that future tax reform could change the tax treatment of the Interests, such changes could be made retroactively and could materially and adversely impact an investment in the Interests.

Classification as Real Property Under Code Section 1031. An Interest must be considered real estate and not a partnership interest, security or some other form of property in order to qualify as replacement property for a like-kind exchange of real estate under Code Section 1031. The Signatory Trustee has attempted to structure the Trust in a manner that will cause the Interests to qualify as real property and Tax Counsel has given a Tax Opinion that an Interest should be considered an interest in real estate and not a partnership interest for federal income tax purposes, subject to conditions and assumptions set forth in such opinion. Tax Counsel's Tax Opinion also concludes that (i) the Trust should be classified as a trust and not a partnership or a corporation for federal income tax purposes under Treasury Regulation Section 301.7701-4, (ii) a Beneficial Owner should be considered to be a grantor of the Trust under Section 671 of the Code, (iii) as a "grantor," a Beneficial Owner should be considered to own a direct interest in the Property for federal income tax purposes, and (iv) an Interest should not be treated as a "security" under Section 1031 of the Code.

Tax Counsel's Tax Opinion is based in part on Revenue Ruling 2004-86, 2004-2 C.B. 191. However, as described below, the transaction that is the subject of the Offering contains facts and terms that were not present in the transaction that is the subject of Revenue Ruling 2004-86. Moreover, Tax Counsel's Tax Opinion is not binding on the IRS and the Signatory Trustee will not apply for an IRS ruling. Thus, no assurance can be given that an Interest will qualify as a real property interest under Section 1031 of the Code. A Purchaser is not entitled to rely on statements of the Signatory Trustee, any of its Affiliates or its agents, any member of the selling group or the Trust's accountant or counsel (except for Tax Counsel's Tax Opinion) regarding such qualification. Each Purchaser must consult his own tax advisor regarding the qualification of the Interests as like-kind to real property under Code Section 1031 and state tax law.

If the Sponsor and the Trust were considered to be acting together in a partnership, the Beneficial Owners would not be considered to be acquiring a direct interest in Real Property and the acquisition of an Interest would not qualify as eligible replacement property in a like-kind exchange of real property. However, because the Trust will not request an IRS ruling about this issue, no assurance can be given that the IRS will not challenge such conclusion.

Replacement Property Identification. Code Section 1031 requires a taxpayer in a deferred like-kind exchange to formally identify replacement properties and to do so not later than 45 days after disposition of his relinquished property. Regulation §1.1031(k)-1(c)(4) permits a taxpayer to identify multiple replacement properties. A taxpayer may (i) identify three properties without regard to the fair market value of the properties (the "three-property rule") or (ii) identify multiple properties with a total fair market value not in excess of 200% of the value of the relinquished property (the "200% rule") or (iii) identify any number of properties if the taxpayer acquires at least 95% in value of the properties identified (the "95% rule"). The identification rules of Code Section 1031 are strictly construed and an exchange will be completely disqualified if the identification rules are violated. (The identification requirement is deemed to be satisfied if replacement property is acquired by the last day of the identification period.) A prospective Purchaser should obtain the advice of his tax advisor before subscribing for an Interest or identifying the Property as a possible replacement property.

True Lease. 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 may be recharacterized as a financing, deemed partnership, conditional sales contract or other arrangement for federal tax purposes. In this case, the IRS could take the position that the Master Lease is not a "true lease" and instead is a financing, deemed partnership or other arrangement. If such a position were taken, the Trust would not qualify as an investment trust and Interests would not qualify as real property for purposes of Code Section 1031.

For example, if the Master Lease were recharacterized as a financing, the Master Tenant would be treated as the owner of the Property for federal income tax purposes. As a result, a Purchaser attempting to participate in a 1031 Exchange would not be treated as having received qualified replacement property in relation to such Property when such Purchaser acquired their Interest because the Purchaser would be treated as having made a loan to the Master Tenant. As the owner of the Property for federal income tax purposes, the 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 Master Tenant. All of these consequences could have a significant impact on the tax consequences of an investment in the Property.

In recent federal income tax 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 (trust) 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. The business purpose test has been described as a subjective analysis examining the motivations for entering into a transaction, 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). If a transaction is shown not to be a sham, the lessor (trust) must additionally retain sufficient benefits and burdens of ownership to be regarded as the owner for federal income tax purposes. 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 2001-28 sets forth guidelines for obtaining an advance ruling from the IRS that a lease is a "true lease" rather than a financing for federal income tax purposes. The Sponsor has not sought, and does not expect to request, a ruling from the IRS under Revenue Procedure 2001-28. 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.

Further, if the Master Lease were recharacterized as a deemed partnership, such deemed partnership would be treated as the owner of the underlying Property for federal income tax purposes. As a result, Purchasers attempting to participate in 1031 Exchanges would not be treated as having received qualified replacement property when they acquired their Interests because the Purchaser would be treated as having purchased an equity interest in such deemed partnership. Because an investment in such equity interests would not constitute a qualifying investment for purposes of a 1031 Exchange, treatment of the Master Lease as a deemed partnership would have a significant impact on the tax consequences of an investment in the Property.

In determining whether a lease arrangement is a true lease, rather than an agency relationship, the IRS and the courts have generally engaged in a fact-intensive analysis which focuses on the following two factors: (i) who controls the use of the property and (ii) who bears the risk of loss in respect of such use.

In this case, the Master Tenant will pay Bonus Rent to the Trust equal to 75% of the amount by which the actual annual effective gross income of the Property (as more fully described in "SUMMARY OF THE MASTER LEASE") exceeds the annual Revenue Benchmark as provided in the Master Lease, calculated on a Lease Year basis. It is possible the Master Lease will not be treated as a true lease for income tax purposes due to the presence of the Bonus Rent feature. If the Master Lease fails to be treated as a true lease, the Master Tenant could be treated as an agent of the Trust, in which case the activities of the Master Tenant would be attributed to the Trust and the Trust could be treated as a partnership, and/or the Master Lease could be treated as a financing arrangement, either of which events would result in significant adverse tax consequences to Purchasers attempting to participate in 1031 Exchanges.

Delayed Closing; Inability to Close. Under Code Section 1031, closing on the acquisition of replacement property must occur on or before the earlier of (i) 180 days after the sale of the relinquished property or (ii) the due date (determined with regard to extension) for the taxpayer's return for the year in which transfer of the relinquished property occurred. See Code § 1031(a)(3)(B). The IRS is not authorized to extend any deadline or grant other relief from the deadline for acquiring replacement property.

Use of Exchange Funds. 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 various fees and costs of the Offering described herein. In addition, reserves may be established using a portion of the funds contributed by the Depositor and/or the Offering Proceeds paid by the Purchasers. Certain of these items may constitute the acquisition of property that is not "like-kind" to real estate for purposes of Code Section 1031 and, consequently, may represent taxable "boot." Any personal property that may be part of the Property, amounts used to establish reserves and impositions or other items that are not attributable to the purchase of real property might not be treated as an interest in real property and may be treated as "boot." In addition, the IRS could take the position that the increase in the purchase price of the Property paid by the Purchasers would not be considered as an interest in real property and may be treated as "boot." Also, to the extent that the portion of the debt acquired with the purchase of an Interest in the Property is less than the Purchaser's debt on its relinquished property, such difference will constitute "boot" and may be taxable depending on the Purchaser's basis in the applicable 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.

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, Tax Counsel cannot give any advice or opinion regarding the tax treatment of such costs and reserves, which may be considered taxable "boot" to a Purchaser who purchases his Interests as part of a 1031 Exchange. Furthermore, no opinion is being provided by the Trust, the Sponsor or their affiliates with respect to the amount of "boot" in the transaction. Prospective Purchasers must consult their own independent tax advisors regarding these items. A Purchaser may elect to pay such expenses from his own funds.

All Cash Purchase; No Mortgage Debt. The Property was purchased on an all cash basis, with no mortgage debt. Accordingly, Purchasers investing in the Trust as part of a Section 1031 Exchange under the Code that have mortgage debt on their relinquished property may incur relief of debt or mortgage "boot." A prospective Purchaser should obtain the advice of his tax advisor before subscribing for an Interest or identifying the Property as a possible replacement property.

State Law. The availability of tax-deferred like-kind exchanges under state law varies from state to state. Some states have adopted Code Section 1031 in whole, other states have adopted Code Section 1031 in part, and still other states have their own requirements for qualifying for such deferral. In addition, while many states follow federal tax law by treating the owner of an interest in a fixed investment trust as owning an interest in the assets held by the Trust, other state laws may differ and could result in the imposition of income or other taxes on such entities. Generally, the law of the state where the relinquished property was located and the law of the state where a Purchaser resides govern the state law tax consequences from the disposition of a Purchaser's relinquished property and the acquisition of an Interest. Each Purchaser should consult his own tax advisor regarding the qualification of the transaction for like-kind exchange treatment under state law.

Transfer Distribution to the Springing LLC. If a Transfer Distribution occurs, the Signatory Trustee will transfer title to the Property from the Trust to the Springing LLC and the Purchasers will acquire membership interests in the Springing LLC. Under current law, such a transfer generally would not be subject to federal income tax pursuant to Section 721 of the Code but could be subject to state or local income tax or transfer tax. In addition, no assurance can be given that such a transfer will not be taxable under federal income tax law at the time that the transfer occurs. Because a Transfer Distribution could occur in several situations, it is not possible to determine all of a Beneficial Owner's tax consequences from a Transfer Distribution. **A PURCHASER SHOULD CONSULT HIS OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF A TRANSFER DISTRIBUTION AND THE TAX CONSEQUENCES OF A SALE OF THE PROPERTY BY THE SPRINGING LLC RATHER THAN THE TRUST.**

No Deferral of Tax upon Sale of Springing LLC Membership Interests. Unlike an interest in the Trust, an interest in a Springing LLC is not considered an interest in real property for purposes of the like-kind exchange rules under Section 1031 of the Code but is considered a partnership interest. **Under current law, a partnership interest is not eligible for like-kind exchange treatment under Section 1031 of the Code. THUS, IF THE TRUST TRANSFERS THE PROPERTY TO A SPRINGING LLC IN A TRANSFER DISTRIBUTION, A BENEFICIAL OWNER WHO RECEIVES AN INTEREST IN THE SPRINGING LLC LIKELY WILL NOT BE ABLE TO DEFER GAIN FROM A FUTURE SALE OF SUCH INTEREST OR FROM THE SPRINGING LLC'S FUTURE SALE OF THE PROPERTY.**

721 UPREIT Contribution. As an alternative exit strategy, the Signatory Trustee may elect to facilitate a 721 UPREIT Contribution. Beneficial Owners who choose to participate in a 721 Exchange will likely lose their ability to continue any future 1031 Exchanges once they exchange their Interests into OP Units. **IN THE EVENT THE SIGNATORY TRUSTEE ELECTS TO FACILITATE A 721 UPREIT CONTRIBUTION, THE BENEFICIAL OWNERS ARE ENCOURAGED TO CONSULT WITH THEIR OWN INDIVIDUAL COUNSEL AND ADVISORS ABOUT THE POTENTIAL TAX AND OTHER RAMIFICATIONS OF A 721 EXCHANGE PRIOR TO MAKING THEIR ELECTION.**

Passive Activity Limitation. The ownership of an Interest will be considered a passive activity for each Purchaser and any income or loss that a Purchaser recognizes from the Property will be considered passive income and loss for purposes of the rules. The passive loss rules limit the amount of loss from operation of the Property that a taxpayer may deduct if the taxpayer is an individual, an estate, a trust or a certain kind of C corporation. Under the passive loss rules, a taxpayer may not use his passive losses to shelter wages, income from an activity in which the taxpayer is an active participant, or portfolio income. Portfolio income includes dividend and interest income, income from an annuity and certain capital gains.

Losses under the At-Risk Rules. A Purchaser that is an individual or a closely held corporation may not deduct taxable loss arising from the ownership of an Interest to the extent that such loss exceeds the amount by which the Purchaser is considered at-risk. Such disallowed losses may be carried forward and deducted in future years subject to the same limitation.

Taxable Income in Excess of Cash Receipts. It is possible that the income tax that a Purchaser owes each or any year from the ownership of an Interest will exceed the amount of the cash distribution that the Purchaser receives from the Property. This may occur because income from the Property may be used to fund nondeductible capital expenditures or reserves or applied to pay mortgage principal. Thus, in certain years a Purchaser may have to use funds from other sources to satisfy his tax liability associated with the Property.

Underpayment Penalties. The Code imposes a penalty of 20% on an underpayment of tax that is attributable to negligence, a substantial understatement of income tax or a valuation misstatement. See "Federal Income Tax Consequences – Penalties and Interest."

Variation Among Beneficial Owners. The tax consequences of an investment in an Interest could vary widely among Purchasers as a result of differences in their particular circumstances. The Memorandum describes only general consequences and does not address the effect of such consequences on particular situations. Therefore, each Purchaser must consult his own tax advisor to determine how the consequences of an investment in Interests will affect his particular situation.

Tax Disclosure Notice. The statements in this Memorandum are not intended to be used and may not be used for the purpose of avoiding penalties that might be imposed on a Purchaser as a taxpayer. The statements were written to support the marketing of the transaction described in this Memorandum. Each Purchaser should seek advice regarding his tax consequences from the purchase of an Interest from an independent tax advisor.

State Income Tax. Income from the Property may be subject to income tax in one or more states, including the state where the Property is located, and the state where a Purchaser resides (subject, possibly, to a credit for income tax paid in the state where the Property is located). Each Purchaser is solely responsible for filing tax returns and paying taxes attributable to the Interest owned by such Purchaser. Therefore, each Purchaser should consult his own tax advisor regarding the income tax consequences under the laws of the states, of owning an Interest. See FEDERAL INCOME TAX CONSEQUENCES - State and Local Taxes.

Tax Opinion; Avoiding Penalties. The Tax Opinion of Tax Counsel attached as Exhibit C to this Memorandum was 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 this transaction, and each Purchaser should seek advice based on the Purchaser's particular circumstances from an independent tax advisor.

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

Employee benefit plans such as governmental and non-United States plans, while not subject to ERISA, may be subject to laws regulating employee benefit plans that contain rules substantially similar to ERISA and may contain other rules relating to permissible investments. Such plans should conclude that an investment in the Interests would

satisfy all such laws before making such an investment (and, as indicated above, may be required to make certain assurances to the Trust).

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ESTIMATED USE OF PROCEEDS

The following table sets forth the estimated sources and uses of the proceeds of the Offering. The Sponsor, Signatory Trustee and their respective Affiliates will receive substantial compensation and fees in connection with the Offering and the acquisition of the Property, as described in this Memorandum. The figures below are based upon the sale of 100% of the Interests, equivalent to $37,350,000. The Sponsor may reallow (pay) some or all of its fees or compensation to third parties.

	Total Proceeds	Amount from Offering Proceeds	Percentage of Total Proceeds
Sources			
Offering Proceeds	$37,350,000	$37,350,000	100.00%
Total Sources	$37,350,000	$37,350,000	100.00%
Application			
Selling Commissions and Expenses			
Selling Commissions [1, 2]		$2,241,000	6.00%
Broker-Dealer Allowance [1, 2]		$373,500	1.00%
Wholesaling Fee [1]		$373,500	1.00%
Dealer Management Fee		$149,400	0.40%
Organization and Offering Expenses [1, 2, 5]		$466,875	1.25%
Total		$3,604,275	9.65%
Cost of Acquisition			
Total Acquisition Cost [4, 5]		$31,924,038	85.47%
Acquisition Fee and CapEx Due Diligence Fee [1]		$646,500	1.73%
Third Party Due Diligence Expenses [3]		$50,000	0.13%
Reserves and Escrows		$1,125,188	3.01%
Total Sources			
Offering Proceeds	$37,350,000	$37,350,000	100.00%
Total Application	**$37,350,000**	**$37,350,000**	**100.00%**

(1) The Trust will pay or reimburse some or all of these amounts to Affiliates of the Trust, as described in this Memorandum. The Sponsor may reallow (pay) some or all these amounts to third parties.

(2) Offers and sales of Interests will be made on a "best efforts" basis by broker-dealers ("Broker-Dealers," collectively the "Selling Group") who are members of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Broker-Dealers will receive: (i) a selling commission of up to 6.0% of the gross equity proceeds ("Gross Proceeds") of the Offering ("Selling Commissions"), and (ii) a non-accountable marketing and due diligence allowance of up to 2.25% of the Gross Proceeds ("Broker Dealer Allowance"), a portion of which may be paid out of the allowance for Organization and Offering Expenses (defined below) or other items of compensation payable to the Signatory Trustee or an Affiliate if elected by such Signatory Trustee or Affiliate in its sole discretion. The Manager expects that the Broker Dealer Allowance will average 1.00% of Gross Proceeds, as shown in the table above. WealthForge Distributors, LLC or an affiliate (the "Managing Broker-Dealer"), a member of FINRA, will act as Managing Broker-Dealer. The Managing Broker-Dealer will receive a managing broker-dealer fee of up to 0.40% of the Gross Proceeds for serving as Managing Broker-Dealer ("Dealer Management Fee"). In addition, a wholesaling fee of up to 1.0% of the Gross Proceeds may be paid to wholesalers ("Wholesaling Fee"), including employees and contractors of the Sponsor. The total aggregate amount of commissions and expense reimbursements (collectively, "Selling Commissions and Expenses") will not exceed 9.65% of the Gross Proceeds. The Sponsor reserves the right to reallocate items of compensation set forth herein, provided that the maximum shall not exceed 9.65% of the Gross Proceeds. An organization, marketing, and offering cost allowance (the "Organization and Offering Expenses") of 1.25% of the Gross Proceeds will be paid to the Signatory Trustee or an Affiliate as reimbursement for expenses incurred in connection with the Offering, including, but not limited to, the costs of organizing the Trust, marketing, legal, finance, and printing fees and expenses incurred in connection with this Offering, which it may reallow (in its sole discretion) to other members of the Selling Group on a nonaccountable basis. See "PLAN OF DISTRIBUTION - Marketing of Interests" and "ESTIMATED USE OF PROCEEDS." The Signatory Trustee, on a selective basis in its sole discretion, may accept purchases of Interests net (or partially net) of the Selling Commissions and Expenses and other items of compensation due to the Sponsor or an Affiliate in certain circumstances deemed appropriate by it, in its sole discretion, including by way of illustration, but not limitation, from Purchasers purchasing through a registered investment advisor, or from Purchasers who are Affiliates of the Signatory Trustee or a member of the Selling Group. For purposes hereof, an "Affiliate" of any person (i.e., a natural person,

corporation, partnership, trust, unincorporated association or other legal entity) shall be any person directly or indirectly controlling, controlled by, or under common control with, another person.

(3) The Trust will reimburse the expenses of third parties conducting a due diligence evaluation on behalf of third-party Broker-Dealers.

(4) The Total Acquisition Cost is comprised of: (a) the purchase price of the Property; (b) the acquisition closing costs, which include costs paid in connection with acquisition of the Property relating to title insurance, recording costs, insurance premiums, document taxes, escrow costs, tax review fees, prepaid taxes, document preparation and closing prorations, as set forth in the Projections attached as Exhibit F hereto, as supplemented; and (c) Trust administration, accounting and investor services expenses. The Total Acquisition Cost also includes an amount estimated to be sufficient to repay the Sponsor for the carrying costs, interest and fees associated with the funds it obtained from its credit facility with KeyBank to fund the equity contribution used to acquire the Property, including funds sufficient to establish an aggregate interest reserve to be held and maintained by the Depositor (the "Interest Reserve"). The funds in such Interest Reserve will be distributed to SPE Member and then to Sponsor to repay interest on the funds obtained from the credit facility, in accordance with the Sponsor's credit agreement with KeyBank. The Interest Reserve shall not exceed (or be less than) the amount set forth in the "Sponsor Credit Facility Carry" line item of the Projections attached hereto as Exhibit F.

(5) These costs have been estimated for purposes of this table and some figures have been rounded. If the actual costs and expenses exceed the estimates, the Sponsor will pay those costs and expenses. Conversely, if the estimates exceed the actual costs and expenses, the Sponsor will retain the difference as additional compensation. The Sponsor may reallow (pay) some or all of its fees or compensation to third parties.

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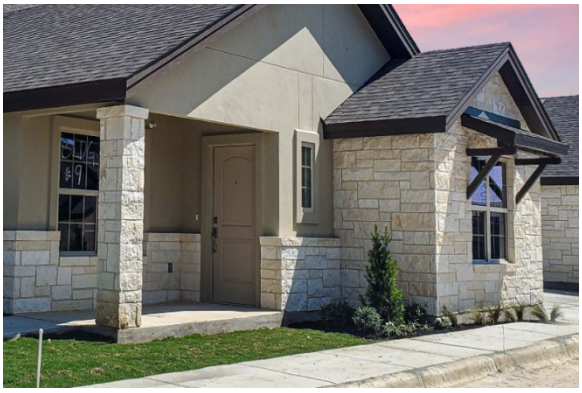
PHOTOS OF THE PROPERTY

Property Exterior



Clubhouse Exterior

Swimming Pool

Clubhouse Interior

Sample Unit Kitchen

Sample Unit Living Room

Sample Unit Bedroom

Sample Unit Bathroom

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INVESTMENT HIGHLIGHTS

Property Highlights

- The Property features 72 age-restricted (55+) cottage homes on an 11-acre site, completed in two phases between 2022 and 2024 as 17 single-story residential buildings plus a standalone clubhouse. The cottage homes feature a brick and stone façade and wood frame construction.[2]

- The Property is the largest community in the Emerald Cottages portfolio at 72 units, with high-quality design, large unit sizes, and quality finishes consistent with all Emerald Cottages communities.

- Every home is single-story with a private entrance and an attached garage. The Property has a total of 85 parking spaces, including 72 attached garage spaces and 13 paved open-surface parking spaces at the clubhouse, a ratio of approximately 1.2 parking spaces per unit.

- Interiors feature granite and stone countertops, wood and carpet flooring, a fully equipped kitchen with stainless steel appliances, in-unit washer and dryer, central HVAC, and accessibility features designed for the senior resident.

- Community amenities include an approximately 4,400 square foot clubhouse, fitness room, business center, dining room, swimming pool, and BBQ and picnic area.

- The community features an active social calendar of exercise classes, community events, and entertainment throughout the week.

- The Property provides residents with maintenance-free, pet-friendly, one- and two-bedroom cottage living with convenient access to shopping and dining.[3]

- The Property is in the late stages of its initial lease-up and is currently 87.5% occupied and 91.7% leased as of the date of this Memorandum.

- The Property features trailing 12-month resident retention of approximately 73% as of the date of this Memorandum.

Unit Mix and In-Place Rents

- The Property has 12 one-bedroom, one-bathroom homes averaging approximately 900 square feet, with in place rent of $2,950 per month.[4]

- The Property also has 60 two-bedroom, two-bathroom homes averaging approximately 1,350 square feet, with in place rent of $3,500 per month.

- The average in-place rent was $3,393, according to the September 2026 rent roll.

Market Overview

- The Property is located in Comal County, along the Interstate 35 corridor between San Antonio and Austin. San Antonio International Airport is roughly 28 miles away and the nearest interstate on ramp at Loop 337 is about two miles from the Property. Downtown San Antonio is an approximately 40 minute drive and downtown Austin is roughly 75 minutes away.[5]

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[2] The Appraisal.
[3] Emerald Cottages, New Braunfels community page, emeraldcottages.com/texas-new-braunfels/.
[4] The Appraisal and supporting documents; Emerald Cottages of New Braunfels rent roll, September 2026.
[5] The Appraisal (airport and interstate on-ramp distances); Homes.com, North New Braunfels Neighborhood Guide, accessed August 25, 2026 (drive times), homes.com/local-guide/new-braunfels-tx/north-new-braunfels-neighborhood/.

- The City of New Braunfels has a population of 122,492, up 35.5% since the 2020 census and one of the faster growth rates of any city its size in the country. Median household income is $86,021.[6]

- Comal County has a population of 209,166, up 29.6% since 2020. The county has a median household income of $101,889 and 65,657 jobs across 4,951 employers as of 2023.[7]

- The diversified local economy is anchored by Comal Independent School District, the City of New Braunfels, Rush Enterprises, and CHRISTUS Santa Rosa Hospital, with tourism a persistent demand driver through the Guadalupe and Comal Rivers, Canyon Lake, and the historic Gruene district.[8]

- The City is served by two full-service hospitals, CHRISTUS Santa Rosa at 590 employees and 132 beds and Resolute Baptist at 500 employees and 128 beds. In-city healthcare access is a meaningful differentiator for age-restricted product.[9]

- The San Antonio and New Braunfels metropolitan area is projected to grow from 2,782,334 residents in 2025 to 2,937,393 by 2030, a 5.6% increase, with metropolitan area median household income projected to rise 15.6% to $90,453 over the same period.

- The Property sits in the Oak Run and Vintage Oaks area of North New Braunfels, where the average home value is $669,277.[10] Owning at this price costs roughly $4,900 per month including principal and interest, property taxes, insurance, and routine maintenance. All-inclusive two-bedroom rent of $3,500 at the Property is far more affordable, at roughly 29% less than ownership.[11] Residents at the Property also gain professional management of exteriors, lawn care, and utilities.

- Active commercial development across the city includes:[12]

    - Mayfair, a master-planned community with 230 acres of shopping, dining, and office and more than 300 acres of parks, approximately 13 miles from the property, where a 158,000 square foot Costco opened in May 2026 as the development's first major commercial anchor;[13]

    - Solms Landing, a $500 million, 98-acre mixed-use development, approximately 10 miles from the property;

    - the Co-Op Marketplace downtown redevelopment, approximately four miles from the property;

    - the New Braunfels Town Center at Creekside with more than 18 dining options and 30 retailers, approximately 10 miles from the Property.

[6] U.S. Census Bureau, QuickFacts: New Braunfels City, Texas (vintage 2025 population estimate as of July 1, 2025; income from the 2020 to 2024 American Community Survey), census.gov/quickfacts/fact/table/newbraunfelscitytexas/PST045225.
[7] U.S. Census Bureau, QuickFacts: Comal County, Texas (same vintage and survey basis; employment from 2023 County Business Patterns), census.gov/quickfacts/fact/table/comalcountytexas/PST045225.
[8] The Appraisal.
[9] Berkadia Real Estate Advisors, New Braunfels, TX offering memorandum, July 2026 (broker-prepared marketing material; figures are as presented by the broker).
[10] Homes.com, North New Braunfels Neighborhood Guide, accessed August 25, 2026.
[11] Illustrative comparison. Assumes 20% down on a $669,277 purchase, a 30-year fixed mortgage at 6.65% (Freddie Mac Primary Mortgage Market Survey, August 20, 2026), property taxes at 1.13% of value annually (U.S. Census Bureau American Community Survey, Comal County), homeowners' insurance at the Texas statewide average annual premium of $3,291 (Texas Department of Insurance, 2024), and routine maintenance at 1% of value annually. Utilities are excluded from the ownership figure and included in the cottage rent.
[12] Berkadia Real Estate Advisors, New Braunfels, TX offering memorandum, July 2026. Distances are approximate driving distances from 3025 Oak Run Parkway.
[13] Community Impact, "Costco to open New Braunfels location this spring," April 6, 2026 (confirms the 235 Kohlenberg Road warehouse is located within the Mayfair development), communityimpact.com/san-antonio/new-braunfels/business/2026/04/06/costco-to-open-new-braunfels-location-this-spring/

DESCRIPTION OF THE PROPERTY

Property Overview

The Property is a recently constructed, boutique active adult community, consisting of 72 one-story single-family homes, located at 3025 Oak Run Parkway in New Braunfels, Texas. The Property was completed in 2024 and is a "build-for-rent" community situated on approximately 11 acres of land. The Property consists of 12 one-bedroom, one-bathroom units and 60 two-bedroom, two-bathroom units, with an average unit size of 1,275 square feet. See "DESCRIPTION OF THE PROPERTY" for a more detailed description of the unit breakdown. The Property has a total of 85 parking spaces, including 72 attached garage spaces and 13 paved open-surface parking spaces at the clubhouse, a ratio of approximately 1.2 parking spaces per unit.

The Property is in the process of completing its initial lease-up. As of the date of this Memorandum, the Property was approximately 87.5% occupied and 91.7% leased.

Property Highlights and Amenities

Community amenities center on the clubhouse, which houses a fitness room, business center, and dining room, and extends to a swimming pool and a BBQ and picnic area. On-site management maintains a regular social calendar of exercise classes, community events, and entertainment for residents

Unit Breakdown

Beds	***Baths***	***Unit Count***	***Percent of Total***	***Square Feet***
1	1	12	16.67%	900
2	2	60	83.33%	1,350
TOTAL/AVERAGE		**72**	**100.00%**	**1,275**

Interior Amenities

The cottages feature open floor plans with granite and stone countertops, wood and carpet flooring, a fully equipped kitchen with stainless steel appliances, dishwasher, disposal and microwave, an in-unit washer and dryer, central heating and cooling, and accessibility features throughout including zero-threshold showers. Each unit features a private entrance and an attached garage.

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PROPERTY SPECIFICATIONS

Year Completed:	2024.
Site Area:	Approximately 11 acres.
Buildings:	17 single-story four-plex and six-plex buildings and clubhouse building.
Foundation:	Poured concrete slab.
Frame:	Wooden frame.
Exterior Walls:	Brick and stone.
Windows:	Casement and fixed casement.
Roof Type:	Pitched roof slope.
Roof Cover:	Asphalt shingles.
Interior Floor Covering:	Carpet, linoleum and tile.
Interior Walls:	Painted drywall.
Interior Ceiling Cover:	Drywall.
Interior Lighting:	A mix of fluorescent and incandescent lighting.
Heating and Cooling:	HVAC.
Unit Features:	Washer/dryer in-unit, dishwasher, disposal, stainless steel appliances, refrigerator, stove/oven, microwave, fully equipped kitchen, carpets/drapes/blinds, central air conditioning, granite/stone countertops, handicapped accessible features.
Project Amenities:	Garages, parking lot, business center, fitness room, dining room, clubhouse/recreational building, swimming pool, BBQ/grill/picnic area, programming throughout the week for residents, including exercise classes, community events and various entertainment.
Parking:	The Property has a total of 85 parking spaces, including 72 attached garage spaces and 13 paved open-surface parking spaces at the clubhouse, a ratio of approximately 1.2 parking spaces per unit.
Flood Zone:	X (Unshaded): Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level. Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood.

The information supplied above is derived from information provided by the Seller and third-party reports, and is believed to be accurate, but has not been independently verified by the Sponsor and no assurance can be given as to the accuracy of such information.

Summary of Appraisal

AEI Valuation ("AEI") issued an Appraisal Report to the Sponsor dated September 17, 2026, for the Property (the "Appraisal"). According to the Appraisal, the Property is in excellent condition and had a "Current As Is Market Value" of the leased fee interest of $31,200,000 as of August 26, 2026, which is $125,000 more than the purchase price paid to the Seller, and a "Prospective As Stabilized Market Value" of the leased fee interest of $31,250,000 as of February 26, 2027, which is $175,000 more than the purchase price paid to the Seller, but less than the Investment Cost being paid by the Purchasers.

Summary of the Property Condition Report

Rimkus issued a Property Condition Assessment dated September 2, 2026 (the "PCA"). The PCA identified no immediate repairs and recommended approximately $188,639 (inflated) in total replacement/repair reserves over a 12-year period (the anticipated holding period of the Property is ten years). The Sponsor believes the $875,188 Capital Expense Reserves and Investor Reserves should be more than adequate to cover aggregate replacement reserves during the anticipated holding period for the Property. See "SUMMARY OF THE OFFERING – Reserves and Escrows" and the Projections attached hereto as Exhibit F.

Summary of Phase I Environmental Site Assessment

Rimkus has prepared a Phase I Environmental Assessment Report for the Property dated September 1, 2026 (the "ESA"). Rimkus did not identify evidence of any recognized environmental conditions (RECs), controlled recognized environmental conditions, significant data gaps, or historical recognized environmental conditions, and recommended no further investigation at this time. The ESA is in compliance with the ASTM E1527-21: Standard Practice for Phase I Environmental Assessments. The ESA has been addressed to the Sponsor and the Trust in order to have contractual rights against the preparer of the ESA. If losses arise from hazardous substance contamination that cannot be recovered from responsible parties, the financial viability of the Property may be substantially affected.

Summary of Zoning Report

AEI issued a Zoning Analysis Report dated August 27, 2026 and amended September 22, 2026 (the "Zoning Report"). According to the Zoning Report, the Property's use and improvements are considered to be Legal Conforming. The Zoning Report did not reveal any open zoning, building or fire code violations on the Property.

Each of the third party reports was either addressed to the Sponsor and the Trust or listed such parties as the intended users so that each party would have contractual rights against the preparers of the third-party reports. Copies of the third party reports are available for review upon request.

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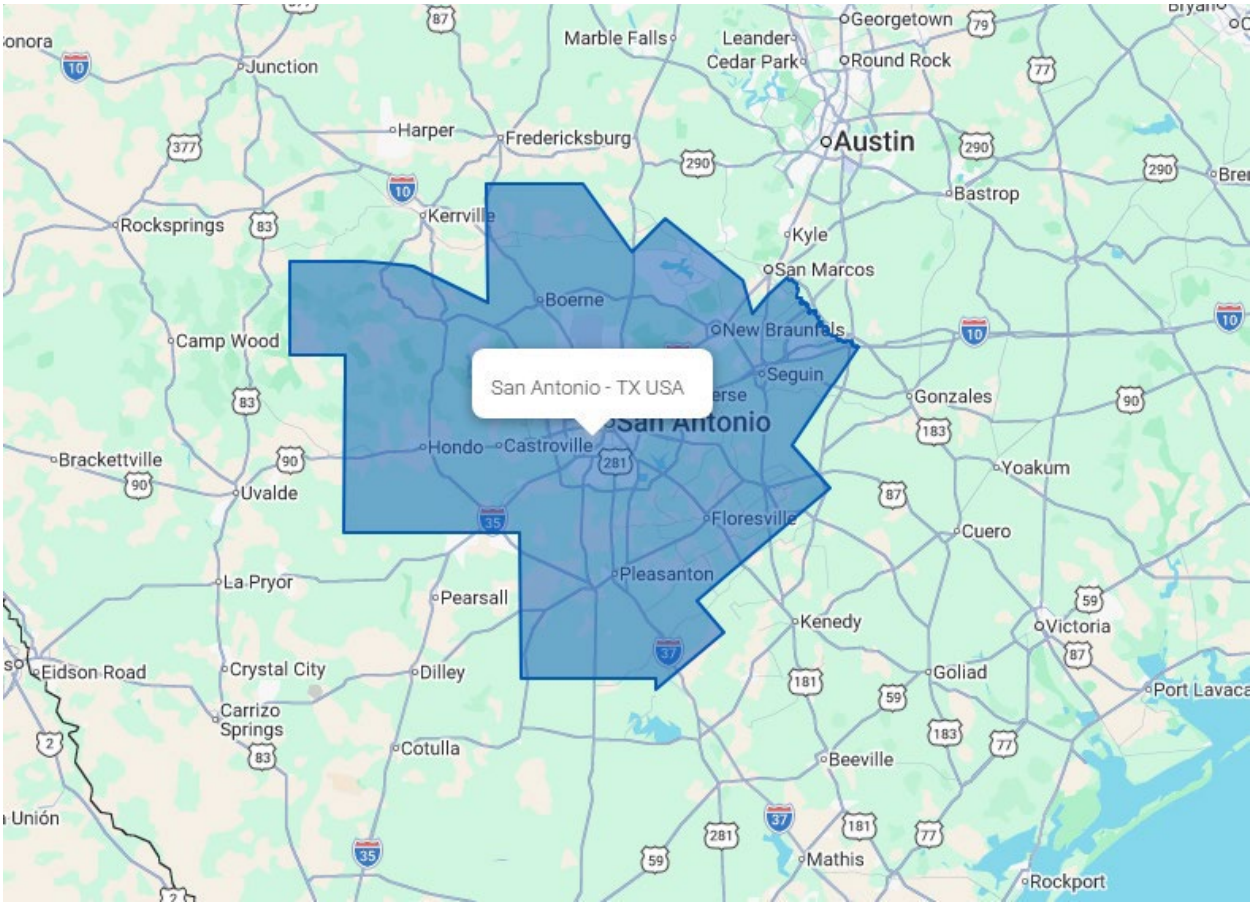
MARKET OVERVIEW

The information provided in this section is derived from information provided by the Seller and third-party reports, and is believed to be accurate, but has not been independently verified by the Sponsor and no assurance can be given as to the accuracy of such information.

Market Analysis

The Property is located in in the San Antonio market.

Market Boundary Map

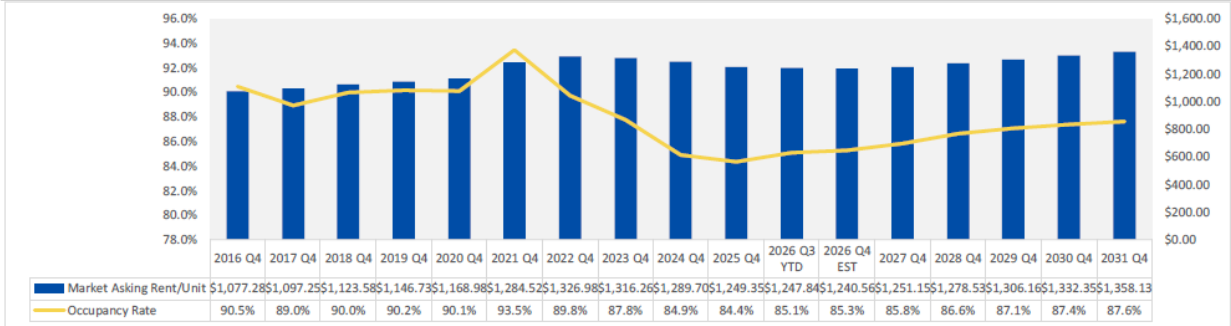


Supply and demand indicators, inventory levels, absorption, vacancy, and rental rates for all class cuts are presented in the following table.

San Antonio Multi-Family Trends								
Period	Inventory Units	Net Delivered Units	Demand Units	Occupancy Rate	Market Asking Rent/Unit	Market Effective Rent Growth 12 Mo	Market Cap Rate	Market Sale Price Per Unit
2016 Q4	169,068	5,047	152,992	90.5%	$1,077.28	1.77%	5.87%	$115,704.84
2017 Q4	175,661	6,593	156,273	89.0%	$1,097.25	0.87%	5.88%	$117,887.86
2018 Q4	181,033	5,372	162,925	90.0%	$1,123.58	3.04%	5.83%	$123,926.97
2019 Q4	185,796	4,763	167,518	90.2%	$1,146.73	3.66%	5.75%	$128,874.88
2020 Q4	193,791	7,995	174,696	90.1%	$1,168.98	0.65%	5.43%	$139,385.66
2021 Q4	197,968	4,177	185,056	93.5%	$1,284.52	11.90%	4.91%	$167,085.21
2022 Q4	203,953	5,985	183,110	89.8%	$1,326.98	2.52%	5.37%	$158,398.32
2023 Q4	211,029	7,076	185,261	87.8%	$1,316.26	-2.20%	6.13%	$141,842.35
2024 Q4	224,754	13,725	190,898	84.9%	$1,289.70	-3.88%	6.36%	$139,242.39
2025 Q4	231,547	6,793	195,362	84.4%	$1,249.35	-5.41%	6.57%	$135,238.72
2026 Q3 YTD	235,638	4,091	200,563	85.1%	$1,247.84	0.00%	6.67%	$135,728.37
2026 Q4 EST	235,978	4,431	201,291	85.3%	$1,240.56	-2.07%	6.58%	$137,727.81
2027 Q4	239,398	3,420	205,467	85.8%	$1,251.15	0.84%	6.45%	$142,726.39
2028 Q4	243,327	3,929	210,815	86.6%	$1,278.53	2.19%	6.37%	$148,863.09
2029 Q4	247,086	3,759	215,220	87.1%	$1,306.16	2.18%	6.35%	$153,417.66
2030 Q4	251,098	4,012	219,388	87.4%	$1,332.35	2.02%	6.34%	$157,295.80
2031 Q4	255,205	4,107	223,662	87.6%	$1,358.13	1.95%	6.34%	$160,480.47

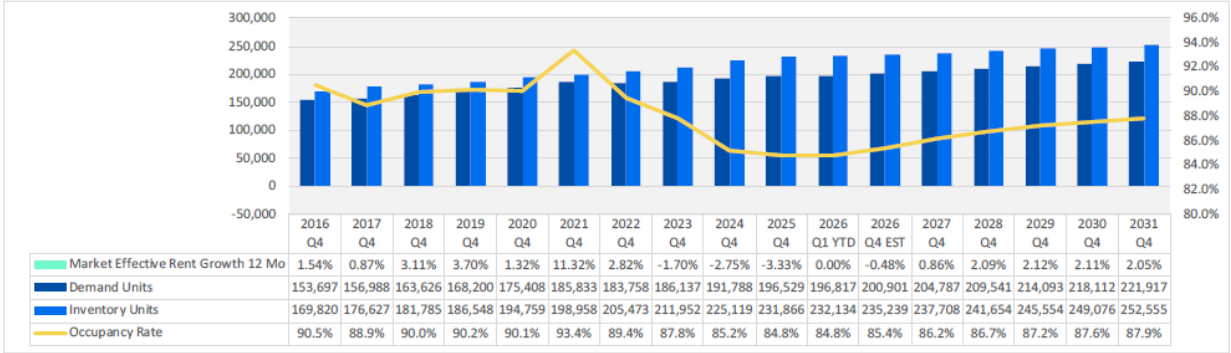
Source: CoStar

San Antonio Multi-Family Market Asking Rent/SF vs. Occupancy Rate



Source: CoStar

San Antonio Multi-Family Supply and Demand Trends



Source: CoStar

Market Overview: San Antonio | Multi-Family	
Key Indicators	
Occupancy Rate	84.37%
Inventory Units	231,547
Market Asking Rent/Unit	$1,249.35
Inventory Units	231,547
Demand Units	195,362
Net Delivered Units	6,793
Market Cap Rate	6.57%
Market Effective Rent Growth 12 Mo	-5.41%
Under Construction Units	6,172

Source: CoStar | 2025 Q4

The San Antonio multifamily market continues to absorb the effects of a prolonged development cycle that expanded inventory to approximately 235,600 units by the third quarter of 2026. While new supply remains elevated, the pace of deliveries has moderated significantly, with annual deliveries trending lower than the peak levels experienced in recent years. Demand growth has remained positive, with occupied units increasing to more than 200,500 units during 2026, supporting a gradual improvement in market fundamentals.

Market occupancy improved to approximately 85.1% as of third-quarter 2026, reflecting continued absorption of new units entering the market. Forecast data indicates occupancy is expected to improve modestly over the next several years as supply growth slows and demand continues to expand. This trend suggests that the market is progressing toward a more balanced supply and demand relationship following several years of substantial new development.

Rental rate growth has stabilized during 2026 after a period of downward pressure associated with elevated vacancy levels and aggressive lease-up activity. Market asking rents are approximately $1,248 per unit as of third-quarter 2026 and are forecast to remain relatively stable through year-end before returning to modest growth beginning in 2027. This stabilization suggests that rental market conditions are beginning to improve as absorption catches up with recent deliveries.

The Comal County submarket has demonstrated improving fundamentals during 2026. Occupancy increased to approximately 82.9% during the third quarter, supported by continued demand growth and a slowing pace of new construction. Inventory growth has moderated substantially, with only 462 units remaining under construction, indicating that future competitive supply pressure should be limited relative to prior years.

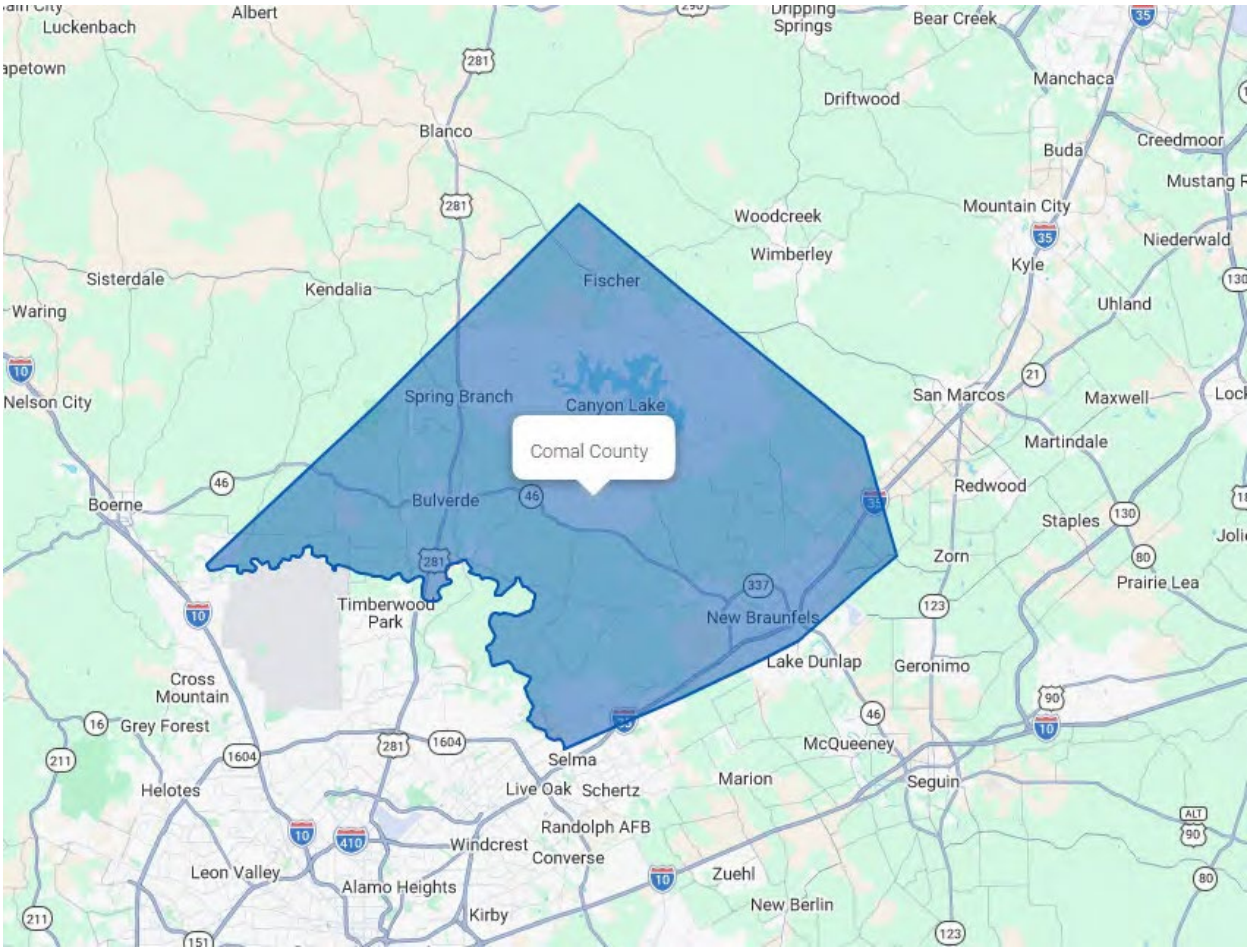
Asking rents within the Comal County submarket are approximately $1,407 per unit as of third-quarter 2026. While rental growth remains constrained by still-elevated vacancy levels, forecast data indicates that rents should stabilize in the near term and return to modest positive growth as occupancy continues to improve and new supply becomes less impactful on market conditions.

Investment market conditions remain generally stable. Market capitalization rates are currently in the mid-6% range for both the San Antonio market and the Comal County submarket, reflecting investor pricing expectations in the current interest rate environment. As construction activity moderates and occupancy trends improve, the outlook for multifamily investment properties in the New Braunfels and greater San Antonio market remains generally favorable over the long term.

Submarket Analysis

The Property is located in the Comal County Submarket.

Submarket Boundary Map

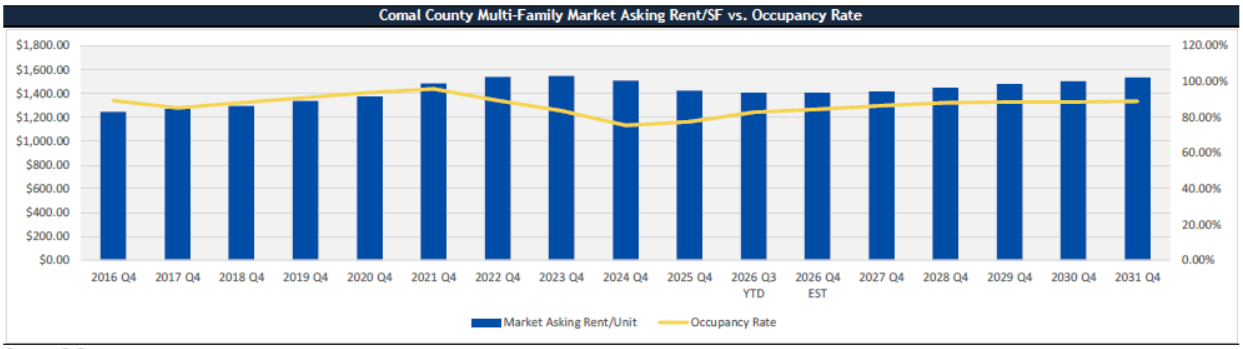


Supply and demand indicators, inventory levels, absorption, vacancy, and rental rates for all class cuts are presented in the following tables.

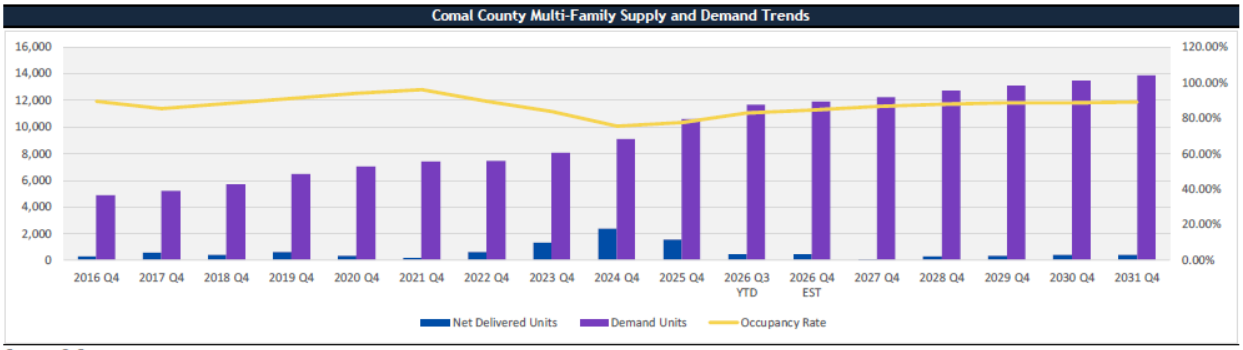
Comal County Multi-Family Trends

Period	Inventory Units	Net Delivered Units	Demand Units	Market Effective Rent Growth 12 Mo	Occupancy Rate	Market Asking Rent/Unit	Market Cap Rate	Market Sale Price Per Unit
2016 Q4	5,490	288	4,899	2.03%	89.23%	$1,244.77	5.65%	150,332
2017 Q4	6,084	594	5,201	1.43%	85.48%	$1,271.46	5.68%	152,145
2018 Q4	6,500	416	5,733	1.91%	88.20%	$1,292.25	5.67%	157,794
2019 Q4	7,127	627	6,489	4.72%	91.05%	$1,336.04	5.53%	168,038
2020 Q4	7,494	367	7,044	2.48%	94.00%	$1,375.37	5.17%	184,316
2021 Q4	7,684	190	7,385	9.60%	96.11%	$1,487.58	4.72%	217,380
2022 Q4	8,321	637	7,442	3.11%	89.43%	$1,541.77	5.20%	203,489
2023 Q4	9,658	1,337	8,076	-2.25%	83.62%	$1,545.19	5.94%	182,117
2024 Q4	12,032	2,374	9,090	-5.21%	75.55%	$1,508.18	6.17%	177,925
2025 Q4	13,607	1,575	10,570	-10.23%	77.68%	$1,421.01	6.37%	173,401
2026 Q3 YTD	14,069	462	11,666	0.00%	82.92%	$1,406.86	6.52%	171,250
2026 Q4 EST	14,068	461	11,873	-0.81%	84.40%	$1,403.83	6.43%	174,046
2027 Q4	14,164	96	12,243	0.85%	86.44%	$1,415.71	6.31%	180,528
2028 Q4	14,464	300	12,722	2.15%	87.95%	$1,445.97	6.23%	188,267
2029 Q4	14,827	363	13,113	2.07%	88.44%	$1,475.68	6.21%	193,870
2030 Q4	15,215	388	13,494	1.90%	88.69%	$1,503.62	6.20%	198,581
2031 Q4	15,613	398	13,892	1.86%	88.98%	$1,531.49	6.20%	202,453

Source: CoStar



Source: CoStar



Source: CoStar

Submarket Overview: Comal County | Multi-Family	
Key Indicators	
Occupancy Rate	77.68%
Inventory Units	13,607
Market Asking Rent/Unit	$1,421.01
Inventory Units	13,607
Demand Units	10,570
Net Delivered Units	1,575
Market Cap Rate	6.37%
Market Effective Rent Growth 12 Mo	-10.23%
Under Construction Units	462
Source: CoStar | 2025 Q4	

The Comal County submarket continued to show signs of stabilization during 2026 following several years of significant new multifamily development. As of third-quarter 2026, occupancy had improved to approximately 82.9%, up from 77.7% at year-end 2025. The improvement in occupancy reflects continued absorption of recently delivered units and growing renter demand, while the pace of new construction has moderated considerably. With only 462 units remaining under construction, future supply pressures appear substantially lower than in prior years.

Rental market fundamentals remain somewhat challenged but have begun to stabilize. Average asking rents were approximately $1,407 per unit as of third-quarter 2026, compared to $1,421 per unit at year-end 2025. Effective rent growth was generally flat during 2026, indicating that the sharp rent declines experienced during the recent supply expansion cycle have largely subsided. Forecast data suggests rental rates should remain stable through the near term and return to modest positive growth beginning in 2027 as market occupancy continues to improve.

Demand for multifamily housing within Comal County has remained strong throughout 2026. Demand increased to approximately 11,666 occupied units by third-quarter 2026, compared to 10,570 occupied units at year-end 2025. This continued growth in occupied units has helped absorb a portion of the inventory delivered over recent years and contributed to improving occupancy levels. Looking forward, slowing inventory growth combined with

continued demand expansion is expected to support further strengthening of market fundamentals over the forecast period.

Conclusion

As part of the valuation process for the Appraisal, an analysis of market conditions affecting the Property was conducted in accordance with the scope of work outlined in the Appraisal. The following conclusions are based on data collected from reliable sources, including CoStar, county records, interviews with market participants, and reflect conditions as of the effective date of August 26, 2026.

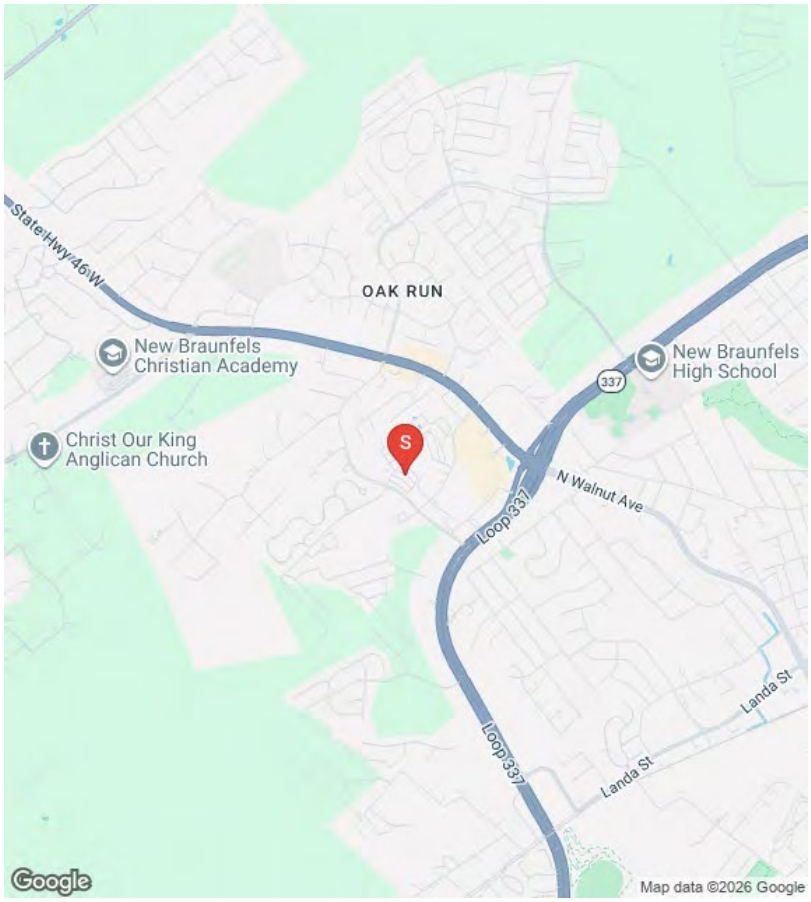
The real estate market in Comal County for Age Restricted properties exhibits stable trends. Occupancy rates in the subject's submarket are approximately 82.92%, derived from CoStar market report 2026 Q3, showing an increase from the previous period. Average asking rental rates, based on CoStar market report 2026 Q3, are currently $1,406.86 per unit, which represents a decrease compared to the previous quarter.

Analysis of recent sales transactions for comparable Multifamily properties in the market area reveals capitalization rates ranging from 5.41% to 8.56%, sourced from verified sales data and appraiser's files. This range reflects stabilization, influenced by prevailing interest rates, investor demand, and economic conditions, as supported by Federal Reserve rate trends and market participant feedback. Local market dynamics, including employment growth, infrastructure projects, and new supply, further inform the Property's position within this context.

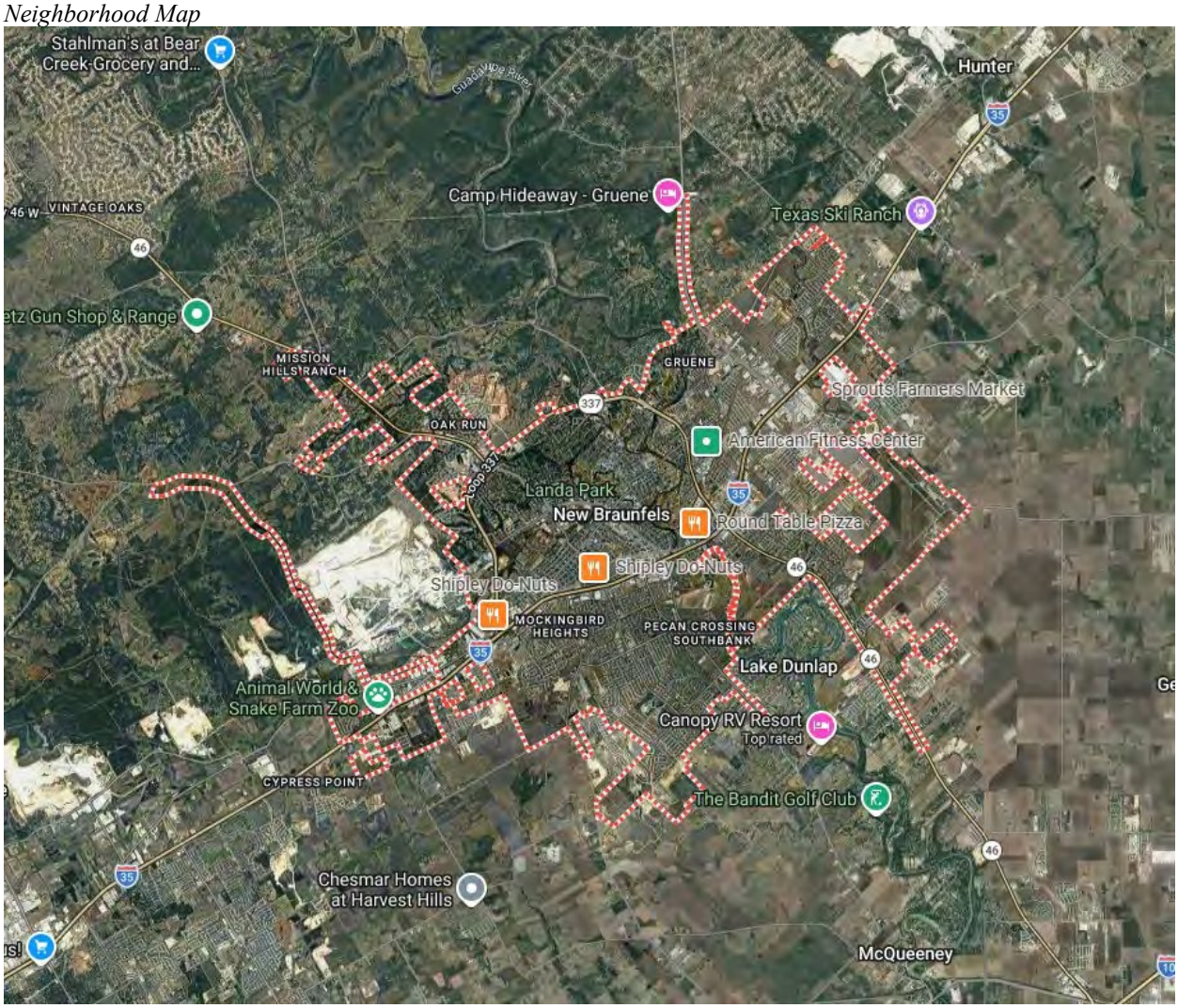
The market conditions analysis considers both historical trends and current data to provide a credible basis for the valuation. The Property's value is supported by sustained demand and limited competition. These findings are consistent with the market evidence analyzed and have been incorporated into the valuation approaches applied in this report. Any assumptions regarding future market trends are clearly identified in the reconciliation section and are based on the data available as of the effective date.

Area and Market Analysis

Location Map



Neighborhood Map



Area Description and Boundaries

Neighborhood:	Oak Run/Vintage Oaks Area/North New Braunfels Commercial District
Location:	Suburban

Neighborhood Boundaries	
North:	Interstate 35
South:	Canyon Lake Dam/Guadalupe River
East:	FM 306/Canyon Lake Drive
West:	Gruene Road/Hunter Road corridor

The neighborhood boundaries extend from Interstate 35 to Canyon Lake Dam/Guadalupe River on a north south axis and from FM 306/Canyon Lake Drive to Gruene Road/Hunter Road corridor on an east west axis.

Market Area and Property Characteristics

Access and Transit

Primary Access to Area	I 35 is the main access corridor		
Public Transportation Provider	Ride the Rio (local microtransit); ART (regional)		
Main Source of Transportation	Automobile		
Category	**Description**	**Distance from Subject**	
Nearest On-Ramp	Loop 337 onto I 35	2.00	(Miles)
Nearest Train Station	San Marcos Intermodal Station	15.00	(Miles)
Nearest Airport	San Antonio International Airport (SAT)	28.00	(Miles)

Housing and Income

Median Home Value	$362,777
Median Household Income	$77,522

Source: www.easidemographics.com

Major Employers

1.	Comal Independent School District
2.	Schlitterbahn
3.	City of New Braunfels
4.	Rush Enterprises
5.	CHRISTUS Santa Rosa Hospital

Source: veramenditx.com

Land Use Trends

AEI concluded that a change in land use is not likely. Land uses in the neighborhood consist of primarily residential and senior independent living developments, featuring a multifamily/cottage-style senior living community. This area lies within or adjacent to planned master-planned communities like Veramendi, featuring single-family residential subdivisions, mixed-use commercial and office spaces, and proximity to recreational amenities including golf courses. The surrounding neighborhood emphasizes suburban residential growth, with single-family homes, controlled-access communities, and supporting commercial elements, all in a Texas Hill Country setting focused on housing compatibility and access to parks, trails, and services north of central New Braunfels.

Adjacent Property Use

Adjacent property uses include master-planned residential development to the north, senior living cottages and clubhouse to the south, single-family homes to the east, and commercial/mixed-use parcels to the west.

Market Comparison

Arterial (Highway) Access	Average
Public Transit	Below Average
Governmental Services	Average
New Construction	Average
Amenities	Average
Market Sentiment	Average
Employment Trends	Average
Demand Generation	Average

Market Occupancy

The following chart summarizes the market occupancy of the overall market, the Property's submarket, and survey of competing properties used as rent comparables.

Occupancy Analysis	
Market Area	**Occupancy**
Overall Market	85.12%
Subject Submarket	82.92%
Subject Current Occupancy	87.50%
Concluded Stabilized Occupancy	95.00%

It is noted that the Property's immediate submarket displays a stabilized occupancy of 82.92%. However, due to the specialized property use and market position, an occupancy above the mean has been considered. Additionally, it is noted that the other four Emerald Cottages properties across the Texas market are all leased at 100% and have a substantial wait list. Therefore, a stabilized occupancy of 95.0% has been concluded herein, which also accounts for any frictional vacancy experienced.

Conclusion

The Oak Run/Vintage Oaks area, encompassing the North New Braunfels Commercial District in New Braunfels, Texas, is a master-planned residential and mixed-use community situated in the Texas Hill Country. Bounded by Interstate 35 to the north, the Canyon Lake Dam and Guadalupe River to the south, FM 306 and Canyon Lake Drive to the east, and the Gruene Road/Hunter Road corridor to the west, the neighborhood spans approximately 3,900 acres of rolling topography with mature oak trees, scenic vistas, and natural green spaces. Predominantly residential, it features a mix of single-family homes on medium to large lots, with supporting commercial developments along major corridors providing retail, dining, and service amenities. Accessibility is enhanced by proximity to major highways, offering convenient connections to San Antonio and Austin metropolitan areas, while recreational opportunities include nearby parks, trails, and river access.

Development in the area reflects ongoing master-planned growth, with active property owners' associations managing community standards and amenities such as pools, fitness centers, and open parkland exceeding 475 acres in some subdivisions. The neighborhood supports a range of housing styles from traditional to contemporary, with typical home sizes in the medium range and values influenced by lot size, views, and proximity to amenities. Economic drivers include tourism from nearby attractions like the Guadalupe River and Canyon Lake, as well as employment opportunities in retail, manufacturing, and professional services within the broader New Braunfels market. Infrastructure improvements, including road expansions and utility enhancements, continue to support moderate population and commercial expansion

Source of the information in the Market Overview: the Appraisal.

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BUSINESS PLAN

Property Summary

The Property is a 72-unit, age-restricted (55+) cottage community located at 3025 Oak Run Parkway in New Braunfels, Texas. The Property sits on 11.00 acres in the Oak Run and Vintage Oaks area to the northwest of downtown New Braunfels; one of the fastest growing cities in the country in 2026-27, according to U.S. News.14 The location positions the community along the Interstate 35 corridor between San Antonio and Austin. The community is designed for active adults who want a single-story, low-maintenance home with the privacy of a detached-style residence and the amenities and programming of a managed community.[15]

The community was completed in two phases between 2022 and 2024 and is comprised of 17 single-story residential buildings plus a standalone clubhouse with an outdoor pool. Fifteen of the residential buildings include four units and two of the residential buildings include six units.

With a total of 72 units, the Property is the largest community in the Emerald Cottages portfolio. The Property features the same unit sizes, design language, and finish quality as the rest of the platform. Homes average 1,275 square feet, are configured as one-bedroom / one-bathroom at approximately 900 square feet and two-bedroom / two-bathroom at approximately 1,350 square feet. Each unit has a private entrance and an attached garage.

Interiors are finished with the active adult resident in mind. Open floor plans feature granite and stone countertops, wood and carpet flooring, a fully equipped kitchen with stainless steel appliances, dishwasher, disposal and microwave, an in-unit washer and dryer, central heating and cooling, and accessibility features throughout including zero-threshold showers. Community amenities center on the clubhouse, which houses a fitness room, business center, and dining room, and extends to a swimming pool and a BBQ and picnic area. On-site management maintains a regular social calendar of exercise classes, community events, and entertainment for residents.[16]

Consistent with the rest of the Emerald Cottages platform, the community operates on an all-inclusive rent structure, which simplifies the resident relationship and removes fee income volatility from the revenue line.

As of the date of this Memorandum, the Property was approximately 87.5% occupied and 91.7% leased. Average contract rent was $3,393 per occupied home.[17] Trailing twelve-month retention is approximately 73%, calculated as the share of currently leased units occupied by residents in place since September 2025.

Market Summary

New Braunfels combines the demographic profile and cost structure of a Texas Hill Country retirement destination with the employment access of the San Antonio and Austin corridor. That combination is the core of the market case: residents get Hill Country quality of life, less congestion, access to world class healthcare, and a low tax burden, while benefitting from proximity to two major metros.

The population in New Braunfels reached 122,492 as of July 1, 2025, up 35.5% from the April 2020 census base.[18] Comal County reached 209,166 over the same period, a 29.6% increase. Comal County is an affluent area, with a median household income of $101,889 and a median owner-occupied home value of $427,200. The county supported 65,657 jobs across 4,951 employer establishments as of 2023.[19]

The local economy is diversified across education, healthcare, tourism, retail, and distribution. Major employers include Comal Independent School District, Schlitterbahn, the City of New Braunfels, Rush Enterprises,

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[14] https://realestate.usnews.com/places/rankings/fastest-growing-places
[15] The Appraisal.
[16] Emerald Cottages, New Braunfels community page, emeraldcottages.com/texas-new-braunfels/.
[17] Emerald Cottages of New Braunfels rent roll, September 2026.
[18] U.S. Census Bureau, QuickFacts: New Braunfels city, Texas. Population estimates as of July 1, 2025 (V2025); income and housing figures are 2020 to 2024 American Community Survey five-year estimates, census.gov/quickfacts/fact/table/newbraunfelscitytexas/PST045225
[19] U.S. Census Bureau, QuickFacts: Comal County, Texas. Population estimates as of July 1, 2025 (V2025); income and housing figures are 2020 to 2024 American Community Survey five-year estimates, census.gov/quickfacts/fact/table/comalcountytexas/PST045225.

and CHRISTUS Santa Rosa Hospital. Tourism is a persistent demand driver through the Guadalupe and Comal Rivers, Canyon Lake, and the historic Gruene district.[20, 21]

The employment base is deep relative to its size. New Braunfels supports 2,680 business establishments and approximately 35,740 full-time employees, with Schlitterbahn at roughly 3,000 employees, the Walmart Distribution Center at 1,200, Hunter Industries at 870, and TaskUS at 620. More relevant to this resident base, the city is served by two full-service hospitals, CHRISTUS Santa Rosa at 590 employees and 132 beds and Resolute Baptist at 500 employees and 128 beds. Residents can reach both without driving to San Antonio.[22]

At the metropolitan area level, the San Antonio and New Braunfels metropolitan area is projected to grow from 2,782,334 residents in 2025 to 2,937,393 by 2030, a 5.6% increase, with metro median household income projected to rise 15.6% to $90,453 over the same period.[23] Growth in New Braunfels itself has far outpaced the country. The city grew 35.5% between April 2020 and July 2025 and Comal County grew 29.6%, against 3.1% for the United States over the same period, roughly eleven and ten times the national rate.[24] The area's strong population growth supports healthy demand for the Property. While the target demographic is primarily retirees, they typically move to be near children and grandchildren, so sustained in-migration of working-age households and families is a direct driver of demand for age-restricted housing.

The City of New Braunfels is in the middle of a substantial commercial build-out. The Co-Op Marketplace, four miles from the Property, is redeveloping a downtown industrial site into restaurants, retail, and park space. Ten miles east, Solms Landing is a $500 million, 98-acre mixed-use development with office, retail, restaurants, and a boutique hotel, and the New Braunfels Town Center at Creekside carries more than 18 dining options and 30 retailers and is in its final phase. Mayfair, a 1,900-acre master-planned community eleven to thirteen miles from the Property, includes 230 acres of shopping, dining, and office and more than 300 acres of parks, and a 158,000 square foot Costco opened there in May 2026 as the development's first major commercial anchor.[25] Retail and service depth of this kind is what makes a market work for residents who no longer commute.[26]

The Immediate Neighborhood

The Property sits in the Oak Run and Vintage Oaks area of North New Braunfels.

The average home value in the immediate neighborhood is $669,277.[27] Owning at this price costs roughly $4,900 per month including principal and interest, property taxes, insurance, and routine maintenance. All-inclusive two-bedroom rent of $3,500 at Emerald Cottages is roughly 29% less than ownership, and cottage residents also gain professional management of exteriors, lawn care, and utilities rather than carrying those obligations themselves.[28]

Residents benefit from convenient access to local and regional points of interest. with the nearest interstate on ramp at Loop 337 roughly two miles from the Property. San Antonio International Airport is approximately 28 miles away.[29] Downtown San Antonio is roughly a 40-minute drive and downtown Austin approximately 75 minutes from the Community. The Property is immediately adjacent to Veramendi, the city's first master-planned community,

[20] The Appraisal.
[21] Homes.com, North New Braunfels Neighborhood Guide, accessed August 25, 2026, homes.com/local-guide/new-braunfels-tx/north-new-braunfels-neighborhood/.
[22] Berkadia Real Estate Advisors, Creekside Terrace Offering Memorandum, New Braunfels, TX, July 2026. This is a broker-prepared marketing material for a separate property; figures are as presented by the broker.
[23] Berkadia Real Estate Advisors, Creekside Terrace Offering Memorandum, New Braunfels, TX, July 2026. The figure is for the San Antonio and New Braunfels, TX metropolitan statistical area, not the city of San Antonio.
[24] U.S. Census Bureau, Vintage 2025 Population Estimates. National change of 3.1% from April 1, 2020 to July 1, 2025; New Braunfels and Comal County figures from QuickFacts, same vintage.
[25] Community Impact, "Costco to open New Braunfels location this spring," April 6, 2026 (confirms the 235 Kohlenberg Road warehouse is located within the Mayfair development), communityimpact.com/san-antonio/new-braunfels/business/2026/04/06/costco-to-open-new-braunfels-location-this-spring/.
[26] Berkadia Real Estate Advisors, Creekside Terrace Offering Memorandum, New Braunfels, TX, July 2026.
[27] Homes.com, North New Braunfels Neighborhood Guide, accessed August 25, 2026.
[28] Illustrative comparison. Assumes 20% down on a $669,277 purchase, a 30-year fixed mortgage at 6.65% (Freddie Mac Primary Mortgage Market Survey, August 20, 2026), property taxes at 1.13% of value annually (U.S. Census Bureau American Community Survey, Comal County), homeowners' insurance at the Texas statewide average annual premium of $3,291 (Texas Department of Insurance, 2024), and routine maintenance at 1% of value annually. Utilities are excluded from the ownership figure and included in the cottage rent.
[29] The Appraisal.

which is adding Del Webb Veramendi, a dedicated 55 and over section. The presence of a national active adult brand next door validates the need in this location for the Active Adult product type rather than threatening the Propertys. Del Webb offers for-sale, 55+ housing which serves a different housing need than the maintenance-free rental cottage offered at the Property.[30]

Active Adult Market

The demographic case for age-restricted housing is well documented, and the current supply picture has sharpened it. The population aged 80 and over is expected to grow by more than 4 million between 2025 and 2030, reaching 18.8 million. At the current pace of development, the United States will add roughly 191,000 senior housing units by 2030 against an estimated 560,000 units needed to keep pace with demand, leaving a gap of nearly 370,000 units.[31]

Supply is not responding. Units under construction across NIC MAP primary markets fell to roughly 17,000 as of the third quarter of 2025, the lowest level since 2012, and nearly 60% of the 140 markets NIC MAP tracks currently have no senior housing development projects underway. Elevated construction costs, limited capital availability, and tighter financing conditions have kept developers on the sidelines even as fundamentals have strengthened.[32]

The operating result is visible in the data. Senior housing occupancy across the 31 NIC MAP primary markets reached 88.7% in the third quarter of 2025, the seventeenth consecutive quarter of improvement, with independent living surpassing 90% occupancy for the first time since 2019. Same-store asking rent growth has normalized above 4% annually, at 4.3% in the third quarter of 2025, above the pre-pandemic trend of roughly 3.0% to 3.5%. NIC MAP projects industry-wide occupancy reaching 90% in 2026 and potentially stabilizing near 93% by 2028.

Operational Strategy

The Sponsor's plan is to complete the initial lease-up of the Property and capitalize on strong supply and demand fundamentals as well as on the high resident retention rate for the active adult asset class. The Property was built between 2022 and 2024, and no significant capital needs are anticipated during the hold period. The Sponsor is establishing capital expenditure reserves of $10,000 per unit to address routine wear and tear and preserve the asset.

Conventional multi-family and BFR communities average 45% to 55% annual resident turnover while active adult communities typically experience 10% to 20% annual turnover. This translates to steadier and more predictable cash flow while creating a healthy environment for steady rent growth.

Platform and Property Management

The Emerald Cottages platform was created by Carbon Shepherd, LLC, a Texas-based developer and operator specializing in active adult communities. The Texas based platform includes Emerald Cottages locations in McKinney, Waco, Kerrville, New Braunfels, and Round Rock, as well as the Woodland Cottages communities in Fredericksburg, Belton, College Station, San Antonio, Sherman, and Waxahachie. The Sponsor plans to retain Carbon Shepherd as the on-site property manager.

Strong demand for active adult living and limited supply of rental housing options creates a favorable supply and demand environment for the long-term hold strategy. This dynamic, combined with the Sponsor's acumen in operations of residential real estate and the unique expertise of the property manager in relation to active adult communities, provides a favorable outlook for a successful investment.

[30] Homes.com, North New Braunfels Neighborhood Guide, accessed August 25, 2026, homes.com/local-guide/new-braunfels-tx/north-new-braunfels-neighborhood/.
[31] NIC MAP, "Senior Housing Industry's Next Challenge: A Demand Surge Without the Supply to Match," published February 21, 2025, updated May 21, 2026, nicmap.com/blog/senior-housing-industrys-next-challenge-a-demand-surge-without-the-supply-to-match/.
[32] NIC MAP, "Senior Housing: Five Key Trends to Watch in 2026," published December 1, 2025, updated April 16, 2026, nicmap.com/blog/senior-housing-five-key-trends-to-watch-in-2026/.

Exit Strategies

The Trust intends to sell or otherwise dispose of the Property within approximately ten years. For the avoidance of doubt, the Signatory Trustee plans to dispose of the Property in a single disposition of the homes comprising that Property and not by individual home. However, the Signatory Trustee reserves the right to sell the Property separately rather than as a single portfolio disposition. See "RISK FACTORS – Tax Risks – Separate Sale of the Property Could Affect a Purchaser's Subsequent 1031 Exchange."

As an alternative exit strategy, the Signatory Trustee may elect to facilitate a 721 UPREIT Contribution. In a 721 UPREIT Contribution, the Signatory Trustee will provide each Beneficial Owner with the option of either (i) exchanging its Interests for an equivalent value of OP Units of a Sponsor-affiliated REIT (such exchange is referred to as a "721 Exchange") or (ii) in lieu of participation in the 721 Exchange, receiving a fair market value cash buy-out of its Interests.

Beneficial Owners who elect to receive a cash buy-out of their Interests will be free to (a) structure a 1031 Exchange (to the extent permitted by applicable law at that time and provided that they comply with all 1031 Exchange requirements), or (b) cash out on a taxable basis.

The fair market value of a Beneficial Owner's Interests at the time of the 721 UPREIT Contribution will be determined by the greater of two fair market values of the Property, each as determined by a separate independent appraisal firm selected by the Signatory Trustee in its sole discretion. However, if the quotient equal to (A) the difference between the fair market values determined by the two independent appraisal firms pursuant to the preceding sentence, divided by (B) the greater of the two fair market values determined by the independent appraisal firms pursuant to the preceding sentence, is greater than 20%, then the Signatory Trustee shall select a third independent appraisal firm in its sole discretion to determine the fair market value of the Property. Under such circumstances, the Signatory Trustee shall average the two highest of the three appraisal values determined by the three independent appraisal firms and use such averaged amount for purposes of determining the fair market value of a Beneficial Owner's Interests. Such appraisals shall have been completed within three (3) months of the date that the Signatory Trustee gives notice to the Beneficial Owners that it has elected to facilitate a 721 UPREIT Contribution. No discounts for lack of liquidity or minority interests shall be considered in determining the fair market value of such Interests.

The Sponsor-affiliated REIT will also obtain a fairness opinion of value from an independent expert selected by the REIT's Independent Directors.

This 721 UPREIT Contribution exit strategy aims to provide Beneficial Owners with (a) access to a diversified portfolio of institutional-quality real estate, (b) further deferral of capital gains taxes, (c) realization of the economic benefits of the REIT's entire portfolio, including potential capital appreciation and distributions of operating income, (d) convertibility of the OP Units into REIT shares (at each Beneficial Owner's discretion at the time of exit or needing liquidity), (e) management of tax gain through partial conversion and liquidation of the OP Units over time, (f) full divisibility of the OP Units, and (g) upon death, receipt by each Beneficial Owner's heirs of a stepped-up basis in the OP Units. While there can be no guarantee that the Beneficial Owners will receive any of these targeted benefits or that a liquidity or exit transaction will take place within the Trust's targeted timeframe, the Signatory Trustee intends to pursue such an exit or liquidity event if it believes that it will be in the best interests of the Beneficial Owners and will provide them with enhanced liquidity and value. See "RISK FACTORS – Delaware Statutory Trust Structure Risks – Sale of the Property; Exit Strategies", "RISK FACTORS – Tax Risks – 721 UPREIT Contribution" and "CONFLICTS OF INTEREST."

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SUMMARY OF THE MASTER LEASE

General

The Trust, as landlord, and the Master Tenant, as tenant, entered into a Master Lease for the Property in its entirety in substantially the form attached as Exhibit B to this Memorandum, effective as of the date of the acquisition of the Property. The basic terms and conditions of the Master Lease are summarized below, which is qualified in its entirety by reference to the full Master Lease.

Term

The Master Lease is for an original term of ten years commencing as of the date the Trust acquired the Property. The Master Tenant will have the right, in its sole discretion, to exercise three successive renewal terms of five years each (each a "Renewal Term"; together with the Original Term, the "Term"). The Master Tenant is required to give the Trust 60 days' prior written notice of its intention to exercise a Renewal Term. However, the Master Tenant cannot exercise a Renewal Term if it is then in default of the Master Lease. During the Term, the Master Tenant is obligated to pay the Rent (as described below and generally bear all costs of operating, maintaining, repairing, and leasing the Property, other than Capital Expenses as defined in the Master Lease or expenses relating to restoration after a casualty or condemnation). The Master Lease may be terminated prior to the end of a Term in the following circumstances: (a) by the Trust in the event of a default by the Master Tenant; (b) by the Master Tenant, in the event of a default by the Trust, but only if a person not affiliated with the Master Tenant is the Signatory Trustee of the Trust; or (c) in the event of a material casualty and neither the Trust nor the Master Tenant elect to cause such repair, or in the event of a permanent taking of all the Property (or a permanent taking of less than all of the Property, but it is impractical to rebuild the Property), in which case the Master Lease terminates automatically. The Master Lease terminates automatically upon the sale or other disposition of the Property. Upon the termination of the Master Lease, (i) the Master Tenant's rights and obligations in and under all the underlying space leases will automatically vest in the Trust and the Trust will be deemed to have assumed all of the Master Tenant's obligations under the space leases from and after the effective date of the termination, and the Master Tenant shall transfer all security deposits to the Trust and (ii) the Trust also shall indemnify and hold the 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 space lease to the extent that they relate to facts occurring from or after the effective date of the termination of the Master Lease. Termination of the Master Lease may cause the Trust to be converted into an LLC, which would be likely to cause adverse tax consequences to the Beneficial Owners. See "RISK FACTORS – Delaware Statutory Trust Structure Risks – Exit Strategies; Sale of the Property," "RISK FACTORS – Delaware Statutory Trust Structure Risks – Transfer to the Springing LLC," and "Summary of the Trust Agreement – Termination Upon Risk of Default."

Rent

Total rent ("Rent") consists of (i) an amount equaling a percentage (see table below) per annum of the Purchasers' equity (assuming the Maximum Offering Amount is sold) paid in arrears to the Trust in equal monthly installments (the "Annual Rent") and (ii) beginning after the first Lease Year of the Master Lease term, the Master Tenant will pay bonus rent to the Trust equal to 75% of the amount by which the actual annual effective gross income of the Property exceeds the annual Revenue Benchmark, as provided in the Master Lease, calculated on a Lease Year basis (the "Bonus Rent").

All additional payments made by the Master Tenant for tax, insurance and other escrow payments (other than Capital Expense Reserve Account escrow payments) will be treated as assets due from the Trust. When tax, insurance and other operating expense payments are paid from the Trust escrow for benefit of the Master Tenant, this asset will be reduced by the Master Tenant. At disposition of the Trust, the Master Tenant is entitled to any excess of the monthly tax, insurance and other escrow payments made over the tax, insurance and other operating expenses paid from the Trust escrow.

Generally, Bonus Rent equals 75% of the amount by which the actual annual effective gross income of the Property (which shall be calculated on a basis consistent with the "Effective Gross Income" line item set forth in the Projections attached as Exhibit F) exceeds the annual Revenue Benchmark, computed on a Lease Year basis. Effective gross income will include all income collected by the Master Tenant from rents, license fees and/or assessments and other items arising from the use of the Property, but exclude amounts paid by or on behalf of a resident, whether by application of a security deposit or otherwise, for (i) returned check and/or insufficient funds charges; (ii)

reimbursement of costs to repair damages to the interior or exterior of any unit, common areas or grounds of the Property; (iii) reimbursement of costs to replace missing or destroyed items, including, but not limited to, appliances, furnishings, fixtures, flooring or floor coverings; (iv) reimbursement of costs of utilities, excess cleaning or waste hauling; (v) pest control reimbursement, and (vi) reimbursement of legal fees or collection costs in connection with a collection action, eviction or other legal action against a resident; and with respect to any commercial or retail subtenant at the Property, Effective Gross Income shall additionally also exclude any reimbursements paid by a subtenant for common area maintenance, taxes, and insurance. For purposes of the computation of Bonus Rent, the first Lease Year commenced on the Commencement Date of the Master Lease. Any Bonus Rent will be paid by the Master Tenant to the Trust in arrears no later than the end of the first full calendar quarter that immediately follows the end of each Lease Year. Notwithstanding the foregoing, no annual installment of Bonus Rent shall be due or paid unless all reserve deposits required to be paid under the Loan Documents and all Annual Rent have been fully paid by the Master Tenant.

Lease Year	Annual Rent	% of Equity (Annual Rent Only)	Revenue Benchmark
Lease Year 1	$1,661,815	4.45%	$2,874,000
Lease Year 2	$1,732,107	4.64%	$3,069,000
Lease Year 3	$1,774,233	4.75%	$3,161,000
Lease Year 4	$1,805,275	4.83%	$3,256,000
Lease Year 5	$1,861,716	4.98%	$3,354,000
Lease Year 6	$1,918,728	5.14%	$3,455,000
Lease Year 7	$1,977,290	5.29%	$3,558,000
Lease Year 8	$2,037,441	5.45%	$3,665,000
Lease Year 9	$2,099,220	5.62%	$3,775,000
Lease Year 10	$2,162,666	5.79%	$3,888,000

Option Term 1 (Lease Years 11-15)	The annual rent for Option Term 1 will be equal to the Annual Rent for Lease Year 10.
Option Term 2 (Lease Years 16-20)	The annual rent for Option Term 2 will be equal to the Annual Rent for Lease Year 10.
Option Term 3 (Lease Years 21-25)	The annual rent for Option Term 3 will be equal to the Annual Rent for Lease Year 10.

The Master Tenant may defer payment of up to one-half of the Annual Rent payable each month as long as all other Property expenses are timely paid by the Master Tenant, and all other Master Tenant cash flow received during such period is applied to the Annual Rent. Any deferred Annual Rent would bear interest at three percent (3%) annually until paid, must be paid on the next succeeding due date for Annual Rent to the extent of available cash flow, and would be payable in full no later than ninety-one (91) days after the end of the applicable Master Lease Term. See "RISK FACTORS – Real Estate Risks – Limited Capital of the Master Tenant" and "RISK FACTORS – Accrual of Annual Rent."

Property Expenses

The Trust is financially responsible for casualty and condemnation restoration and all "Capital Expenses" of the Property, which means all costs and expenses incurred in connection with the Property that are normally capitalized under generally accepted accounting principles, including but not limited to repairs and replacements to roofs, chimneys, parking lots, paving, balconies, porches, patios, foundations, exterior walls and all load bearing walls, exterior doors and doorways, windows, elevators, and exterior painting.

The Master Tenant is financially responsible for all costs and expenses incurred in connection with the Property that are not Capital Expenses (including without limitation real estate taxes, insurance, utilities, HVAC equipment, water heaters, plumbing fixtures, electrical fixtures and repairs and replacements of personal property that are normally not capitalized under generally accepted accounting principles) or related to restoration after casualty or condemnation.

The Master Tenant will be fully responsible for performing all maintenance and repairs to the Property and will be reimbursed for any Capital Expenses paid by the Master Tenant on behalf of the Trust to the extent funds are available in the Capital Expense Reserve Account (as defined in the Master Lease) and the Trust shall not be required to actually perform any maintenance of the Property. If funds are not available in the Capital Expense Reserve Account to reimburse the Master Tenant for any Capital Expenses that are the obligations of the Trust, the Master Tenant may, but is not obligated to, pay for such Capital Expenses and may recover the difference by a setoff against Annual Rent.

The Master Tenant may charge the Trust a construction management fee of five percent (5%) in connection with the Master Tenant's performance of repairs related to casualty, condemnation, and Capital Expenses. If such repair becomes necessary, the Trust may be required to convert into an LLC, which may have adverse consequences to the Beneficial Owners. See "RISK FACTORS – Delaware Statutory Trust Exchange Risks – Transfer to the Springing LLC."

Taxes, Utilities, and Insurance

The Master Lease provides that the Master Tenant is required to pay the real estate taxes and similar impositions, utility costs and insurance costs (collectively, the "Uncontrollable Costs") for each Lease Year of the Master Lease (prorated for any partial Lease Year) up to the amount of projected Uncontrollable Costs for each Lease Year as set forth in the Projections attached hereto as Exhibit F (the "Projected Uncontrollable Costs"). To the extent the actual Uncontrollable Costs for a Lease Year exceed Projected Uncontrollable Costs for such Lease Year, the Master Tenant is responsible for the payment of such excess, but is entitled to a reimbursement by offsetting such amount against Annual Rent and, if necessary, Bonus Rent, beginning with the first month that begins on or after the expiration of the Lease Year-end until the full amount of such excess amount incurred for the applicable period has been reimbursed to the Master Tenant.

Casualty and Condemnation

In the event of a casualty or condemnation, the Master Tenant will, to the extent permitted by law, restore such Property using the insurance proceeds or award, as applicable. If the condemnation award exceeds the cost to restore such Property, then the Trust will retain the excess; if the insurance proceeds exceed the cost to restore such Property, then whichever party maintained the applicable policy will retain the excess.

Reserve Accounts

So long as the Capital Expense Reserve Account has not been totally depleted, the funds in the Capital Expense Reserve Accounts will be available to and may be withdrawn by the Master Tenant, to pay for costs and expenses in connection with Capital Expenses and non-capital expenses that are currently budgeted in or allocated to the Capital Expense Reserve Account in the Projections attached as Exhibit F, costs incurred in connection with restoring the Property to leasable condition, any restoration required after a casualty or condemnation, and for other costs and expenses that are the responsibility of the Trust. Master Tenant may also withdraw funds from the Capital Expense Reserve Account to pay for costs and expenses which are the responsibility of the Master Tenant.

If the Capital Expense Reserve Account is not available for any reason and funds of the Master Tenant are used to pay for expenses for which the Trust is responsible, such amounts will be treated as a non-interest-bearing loan from the Master Tenant to the Trust, which the Master Tenant may recover, in the Master Tenant's sole discretion,

out of the Capital Expense Reserve Account (if not depleted), by set off against Annual Rent, or from proceeds of a sale of the Property. If funds held in the Capital Expense Reserve Account is used by the Master Tenant to pay for expenses for which the Master Tenant is responsible under the Master Lease, such amounts will be treated as a non-interest-bearing loan from the Trust to the Master Tenant, which the Master Tenant shall reimburse to the Trust as soon as practicable thereafter, and in no event later than the expiration or earlier termination of the Master Lease. See "RISK FACTORS – Real Estate Risks."

Upon the expiration or earlier termination of the Master Lease, any funds remaining in the Capital Expense Reserve Account shall be disbursed to the Trust or its designee.

Master Tenant Capitalization

The Master Tenant is a newly formed Delaware limited liability company and indirect wholly owned by Sponsor. See "MANAGEMENT". The Master Tenant's capitalization will be provided by rents received from the Master Tenant. See "RISK FACTORS – Real Estate Risks – Limited Capital of the Master Tenant."

Duties of Master Tenant

The duties of the Master Tenant generally include, but are not limited to, the operation, repair, replacement, maintenance and management of the Property, except that, generally, the Master Tenant is not financially responsible for "Capital Expenses" as defined in the Master Lease or costs relating to restoration after casualty or condemnation. See "SUMMARY OF THE MASTER LEASE – Property Expenses." See also "RISK FACTORS – Risks Relating to the Management of the Property."

Property Management

The Master Tenant entered into a property management agreement with Capital Square Asset Management, LLC, a Virginia limited liability company, an Affiliate of the Master Tenant ("CSAM"). CSAM then subcontracted with Carbon Shepherd Management, LLC, a Texas limited liability company (the "Property Manager" or "Carbon Shepherd"), to serve as the initial on-site property manager for the Property.

Carbon Shepherd is a Dallas-based property management and real estate development firm specializing in multifamily and mixed-use communities across Texas. Formed through a strategic partnership between Carbon Development LLC and Shepherd Development LLC, the company brings together decades of combined experience in real estate investment, construction, and asset management. Operating under the umbrella of The Carbon Companies, Carbon Shepherd is part of a vertically integrated platform that has developed over 35,000 apartment units and manages a portfolio exceeding $2.6 billion in assets.

The property management fee that is payable to CSAM pursuant to its property management agreement with the Master Tenant will flow through to the Property Manager. The Master Tenant shall be responsible for payment of all property management fees payable under any such property management agreements. The Master Tenant may replace the Property Manager from time to time at Master Tenant's sole discretion. Such replacement property manager may or may not be affiliated with Sponsor. See "RISK FACTORS – Risks Relating to the Management of the Property," including, without limitation, the subsection titled "Conflicts of Interest."

ACQUISITION TERMS

The Property. The Trust acquired the Property, at the direction of the Depositor, from the Seller, on September 23, 2026, for a total purchase price of $31,075,000.

The Interests will be sold to the Purchasers as described herein for a total cost (the "Investment Cost") of $37,350,000. The Investment Cost consists of the costs described herein, including: (i) the total purchase price of $31,075,000 paid to the Seller, (ii) selling commissions and due diligence allowances, (iii) Organization and Offering Expenses, (iv) closing costs, including title insurance, acquisition fees, escrow fees, prorations, document preparation fees, miscellaneous recording fees and charges and legal fees, and (v) certain reserves. See "ESTIMATED USE OF PROCEEDS" and "COMPENSATION OF THE SPONSOR AND AFFILIATES."

The Sponsor's Equity Contribution. The Sponsor obtained funds from its credit facility with KeyBank in the approximate amount of $31,496,613, which were used to make an equity contribution to the SPE Member and the

Depositor to pay a portion of the purchase price for the Property. The Property was purchased by the Trust on an all cash basis, with no mortgage debt, and the equity contribution from the Sponsor. As the holder of unsold Interests, the Depositor will use all of the net proceeds from the sale of Interests to first repay the Sponsor for the funds it obtained from its credit facility to fund the equity contribution used to acquire the Property.

Closing Costs. The Depositor or an Affiliate shall be reimbursed from the proceeds of this Offering for all closing costs, including title insurance premiums, escrow fees, prorations, document preparation fees, miscellaneous recording fees and charges and legal fees. See "ESTIMATED USE OF PROCEEDS."

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PLAN OF DISTRIBUTION

Capitalization

The Offering is for a maximum of $37,350,000 of Interests in the Trust. A minimum purchase of a 0.13386% Interest, or $50,000 of equity is required, except that the Signatory Trustee, in its sole discretion, may permit certain Purchasers to purchase a lesser Interest. Interests will be sold on an individual basis, and the net proceeds from the sale of Interests will be used for the purposes set forth in this Memorandum.

The Signatory Trustee intends to continue the Offering until the earlier of (i) 100% of the Interests have been sold or (ii) August 31, 2027, which date may be extended in the sole and absolute discretion of the Signatory Trustee.

Qualifications of Purchasers

The Interests may be purchased only by Purchasers who satisfy certain Investor Suitability Requirements. See "WHO MAY INVEST."

Marketing of Interests

Offers and sales of Interests will be made on a "best efforts" basis by broker-dealers ("Broker-Dealers," collectively the "Selling Group") who are members of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Broker-Dealers will receive: (i) a selling commission of up to 6.0% of the gross equity proceeds ("Gross Proceeds") of the Offering ("Selling Commissions"), and (ii) a non-accountable marketing and due diligence allowance of up to 2.25% of the Gross Proceeds ("Broker Dealer Allowance"), a portion of which may be paid out of the allowance for Organization and Offering Expenses (defined below) or other items of compensation payable to the Signatory Trustee or an Affiliate if elected by such Signatory Trustee or Affiliate in its sole discretion. The Signatory Trustee expects that the Broker Dealer Allowance will average 1.00% of Gross Proceeds, as shown in the Estimated Use of Proceeds table. WealthForge Distributors, LLC or an affiliate (the "Managing Broker-Dealer"), a member of FINRA, will act as Managing Broker-Dealer. The Managing Broker-Dealer will receive a managing broker-dealer fee of up to 0.40% of the Gross Proceeds for serving as Managing Broker-Dealer ("Dealer Management Fee"). In addition, a wholesaling fee of up to 1.0% of the Gross Proceeds may be paid to wholesalers ("Wholesaling Fee"), including employees and contractors of the Sponsor. The total aggregate amount of commissions and expense reimbursements (collectively, "Selling Commissions and Expenses") will not exceed 9.65% of the Gross Proceeds. The Sponsor reserves the right to reallocate items of compensation set forth herein, provided that the maximum shall not exceed 9.65% of the Gross Proceeds. An organization, marketing, and offering cost allowance (the "Organization and Offering Expenses") of 1.25% will be paid to the Signatory Trustee or an Affiliate as reimbursement for expenses incurred in connection with the Offering, including, but not limited to, the costs of organizing the Trust, marketing, legal, finance, and printing fees and expenses incurred in connection with this Offering, which it may reallow (in its sole discretion) to other members of the Selling Group on a nonaccountable basis. If the actual total organization, marketing and offering costs is less than budgeted, the excess funds will be retained by the Sponsor. See "PLAN OF DISTRIBUTION - Marketing of Interests" and "ESTIMATED USE OF PROCEEDS."

Pursuant to the Managing Broker-Dealer Agreement (the "Managing Broker-Dealer Agreement") between the Trust, through the Signatory Trustee, and the Managing Broker-Dealer, the Managing Broker-Dealer will pay various types of sales compensation to broker-dealers who are members of the Selling Group, including reimbursement for certain expenses associated with the Offering as described in this Memorandum. Registered representatives of such Broker-Dealers typically receive only a portion of the compensation that is payable to the Broker-Dealer in connection with the transaction and the amount of that compensation is subject to negotiation between the registered representative and the Broker-Dealer. Purchasers can ask their registered representative how he/she will be compensated for the transaction.

The Managing Broker-Dealer may also pay override payments, expense allowances and reimbursements, bonuses, wholesaler fees, and training and marketing allowances. Such payments may offset the Broker-Dealer's expenses in connection with activities that it is required to perform, such as educating personnel and maintaining records. Registered representatives may also receive non-cash compensation such as expense-paid educational or training seminars involving travel within and outside the U.S. or promotional merchandise.

The compensation described in this section and elsewhere in this Memorandum, and other compensation or benefits provided by the Signatory Trustee or the Managing Broker-Dealer, may be more or less than the overall

compensation on similar or other products. This may influence a registered representative or Broker-Dealer to present the Interests over other investment options available in the marketplace. Purchasers may ask their registered representative about these conflicts of interest, how he/she is personally compensated and how his/her Broker-Dealer is compensated for soliciting purchases for the Interests.

The Managing Broker-Dealer Agreement and the Soliciting Dealer Agreement between the Managing Broker-Dealer and the Members of the Selling Group for the sale of Interests require the Signatory Trustee to indemnify such parties under certain circumstances stated therein with respect to certain liabilities, including certain civil liabilities under the Securities Act, which may arise from the use of this Memorandum in connection with the Offering of the Interests. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Signatory Trustee pursuant to the foregoing provisions, or otherwise, the Signatory Trustee has been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. Further limitations on indemnification are provided in the Managing Broker-Dealer Agreement for the Offering, a copy of which may be obtained upon written request of the Signatory Trustee.

Registered Broker-Dealers may join the Selling Group by executing a Soliciting Dealer Agreement with the Managing Broker-Dealer either before or after the effective date of this Memorandum. As described above with respect to the Managing Broker-Dealer Agreement, the Soliciting Dealer Agreement contains cross-indemnity provisions with respect to certain liabilities, including liabilities under the Securities Act. In addition, Selling Group members may be deemed "underwriters" as that term is defined in the Securities Act.

The Managing Broker-Dealer and/or the Signatory Trustee, on a selective basis in their sole discretion, may accept purchases of Interests net (or partially net) of the Selling Commissions and Expenses and other items of compensation due to the Sponsor or an Affiliate in certain circumstances deemed appropriate by them, in their sole discretion, including by way of illustration, but not limitation, from Purchasers purchasing through a registered investment advisor, or from Purchasers who are Affiliates of the Signatory Trustee, the Depositor, the Trust, the Property Manager, or a member of the Selling Group.

The Managing Broker-Dealer maintains a privacy policy which is available on their website located at https://www.wealthforge.com/privacy-policy.

Inquiries regarding subscriptions should be directed by telephone to (888) 818-1031 or by email to closings@capitalsq.com. Subscriptions must be delivered to CS1031 Texas Active Living New Braunfels, DST, c/o Capital Square Realty Advisors, LLC, 4851 Lake Brook Drive, Glen Allen, Virginia 23060, Attn: DST Closing Department, by fax to 804-964-1444, or by email to closings@capitalsq.com.

Subscription Procedures

Purchasers desiring to purchase Interests must carefully read this Memorandum (including the exhibits hereto). Then, prospective Purchasers must follow the instructions set forth in "HOW TO SUBSCRIBE" in this Memorandum.

Ownership by Affiliates

In their sole discretion, Affiliates of the Signatory Trustee may purchase any number of the Interests in the Trust. The ownership of the Interests by such Affiliates involves certain risks that potential Purchasers should consider, including, but not limited to, the following:

(1) Affiliates will receive distributions as Beneficial Owners.

(2) Affiliates may have a conflict of interest, for example, because Affiliates may have an interest in disposing of the Property at an earlier date than other Purchasers, so as to recover their investments in the Interests.

(3) Purchases of the Interests by Affiliates will mean that the Maximum Offering Amount will not have been invested by disinterested Purchasers after an assessment of the merits of the Offering.

(4) There are additional tax risks associated with purchases of the Interests by Affiliates.

The Sponsor has represented to Tax Counsel that neither it nor its Affiliates has any plans to acquire and hold any Interests other than with respect to the beneficial interests issued to the Depositor, which are anticipated to be entirely redeemed in connection with the sale of the Interests.

Limitation of Offering

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

MANAGEMENT

Capital Square Realty Advisors, LLC ("Sponsor")

Capital Square Realty Advisors, LLC ("Capital Square" or the "Sponsor") is a national real estate firm headquartered in Richmond, Virginia. Capital Square specializes in sponsoring tax-advantaged real estate offerings, including Delaware statutory trusts ("DST"), qualified opportunity zone funds and a real estate investment trust, and development funds. The investor-centric firm has completed more than $8.99 billion in transaction volume and has overseen more than 170 real estate assets nationally. The firm is a leading sponsor of DST offerings for investors seeking replacement property as part of a Section 1031 exchange and other investors seeking cash flow and appreciation. The firm provides a range of services on a turn-key basis, including due diligence, acquisition, loan sourcing, property/asset management, and disposition, for over 6,500 high net worth investors, private equity firms, family offices and institutional investors nationwide. Capital Square strategically focuses on multifamily, healthcare, industrial and office properties for most of its DST offerings. Capital Square sponsors turn-key real estate investment offerings with low investment minimums to provide investors greater access to real estate investments. Since 2017, Capital Square has been recognized by Inc. 5000 as one of the fastest growing companies in the nation for nine consecutive years. In 2017, 2018 and 2020, the company was also ranked on Richmond BizSense's list of fastest growing companies. Additionally, Capital Square was listed by Virginia Business on their "Best Places to Work in Virginia" report in 2019 and their "Fantastic 50" reports in 2019 and 2020. In 2023, Capital Square was recognized by the Richmond Times-Dispatch as one of the region's "Top Workplaces." In 2024, the firm was ranked #54 among the Top Inspiring Workplaces in North America.

Build-for-rent ("BFR") homes, comprised of communities of single-family homes built for renting, have become an increasingly popular investment option among institutions and individual investors. Demand for this rental option continues to grow among residents who seek a single-family lifestyle, the financial and leasing flexibility of a rental with the amenities and convenience of a professionally managed property. As of September 2026, Capital Square is the sponsor of fifteen BFR communities, comprising over 1,000 units: Valley Ridge in Rossville, Georgia, a suburb of Chattanooga, Tennessee; Sidbury Station in Wilmington, North Carolina; Summit Townhomes in Knoxville, Tennessee; Brighton Townhomes in Atlanta, Georgia; Ashford Townes in Raleigh, North Carolina; Aspen Vista in Reno, Nevada; Creekside Terrace in San Antonio, Texas; Perch Denton in Dallas, Texas; Ironwood Homes at Rosefield in Phoenix, Arizona; Woodland Cottages Fredericksburg, located in Fredericksburg, Texas; Villages at Miami Gardens in Miami Gardens, Florida; Emerald Cottages of Stonebridge in McKinney Texas; Emerald Cottages of Waco in Waco, Texas; Emerald Cottages of Kerrville in Kerrville, Texas; and Emerald Cottages of Round Rock in Round Rock, Texas.

In addition, this Offering is the sixth offering sponsored by Capital Square involving active-adult communities, and the third offering involving the Emerald Cottages platform.

The Audited Full-Cycle Multifamily DST Track Record is attached hereto as Exhibit H, the Audited Track Record of Capital Square-Sponsored Investment Offerings is attached hereto as Exhibit I, and the Sponsor's audited balance sheet is available upon request.

The principal members of the Sponsor's management team and their roles are:

Louis J. Rogers, Co-Chief Executive Officer and Founder – Mr. Rogers is the founder and Co-Chief Executive Officer of the Sponsor and member of the executive management team. He was Managing Director – Private Programs at a national real estate sponsor and the former CEO of that sponsor's FINRA-licensed broker-dealer. As the former President and Board Member of Triple Net Properties, LLC, Mr. Rogers assisted in the

formation of Triple Net in 1998 as outside legal counsel, founding member and President from 2004-2007. Under Mr. Rogers' leadership, Triple Net became the nation's largest Tenant In Common (TIC) sponsor and syndicated in excess of $5 billion of real estate in over 100 offerings, including TIC offerings, Real Estate Investment Trusts (REITs) and real estate funds. Triple Net was reorganized as NNN Realty Advisors and, subsequently, merged with Grubb & Ellis Co. Prior to becoming President of Triple Net in 2004, Mr. Rogers was an influential tax, securities, and real estate attorney. He was a partner with the Hirschler Fleischer law firm in Richmond, Virginia (1987-2004), where he founded and led the firm's Real Estate Securities Practice Group. Mr. Rogers was responsible for billions of dollars of DST, TIC, REIT and fund offerings as an attorney and executive officer. Mr. Rogers earned a B.S. from Northeastern University in 1979 (with highest honors), a B.A. (with honors) in 1981 and M.A. in 1985 in Jurisprudence from Oxford University, and a J.D. in 1984 from University of Virginia School of Law. He is a former Adjunct Professor of Law at the Marshall-Wythe School of Law at the College of William and Mary and Lecturer at the University of Virginia School of Law. In 2017, Mr. Rogers was a finalist for the 2017 EY Entrepreneur of the Year Mid-Atlantic. In 2020, 2021, 2022 and 2024, he was listed as one of the most powerful and influential leaders on the Virginia 500 Power List by Virginia Business, in 2025, he received an Icon Honors Award by Virginia Business for lifetime achievement of Virginia leaders over the age of 60 whose track records of success, visionary leadership and commitment to excellence have left a lasting impact, he was awarded Real Estate Forum's Best Bosses 2020 by GlobeSt. and in 2022 was recognized as an Influencer in Multifamily Real Estate by GlobeSt Real Estate Forum. He was honored by the Virginia-West Virginia chapter of the National MS Society as the 2022 recipient of the Frank N. Cowan Silver Hope Award. In 2025, Mr. Rogers was inducted into the VCU Real Estate Circle of Excellence and became a published author of *Section 1031 Exchanges: How to Swap Till Ya' Drop, Building Family Wealth While Minimizing Taxes*. Mr. Rogers is a founding member of the Alternative & Direct Investment Securities Association ("ADISA"), the trade association for DSTs and other alternative investments. Mr. Rogers is the 2025 recipient of ADISA's ACE (A Champion of Excellence) Award, the highest honor bestowed on an ADISA member given to those who have reached a pinnacle in their career and have brought credit to themselves and ADISA through distinguished accomplishments in all of the following areas: business and professional life, community affairs at local, state or national affairs levels, and support of the advancement and continued excellence of ADISA.

Whitson Huffman, Co-Chief Executive Officer and Chief Investment Officer – Mr. Huffman is responsible for sourcing and acquiring a wide variety of mixed-use multifamily, office and retail properties at Capital Square. Prior to Capital Square, Mr. Huffman was an Associate at JBG Smith (formerly The JBG Companies), a NYSE-listed REIT and Fund Manager with a $4.5 billion market capitalization. While at JBG Smith, he developed 1,300 residential units and over 210,000 square feet of retail with a total capitalized value of over $650 million. He also sought entitlements for over 1,500 residential units and 350,000 square feet of retail, with a projected capitalized value of over $400 million. Prior to joining JBG Smith, he was employed as a consultant in the financial services group at Ernst & Young, working on multifaceted banking and capital markets projects for systemically important financial institutions. He earned a B.S. from Miami University Farmer School of Business, Finance and a Master of Real Estate, Finance from Georgetown University. He is very active in a number of programs, including ULI Young Leaders Program; NAIOP; Chairman, National Capital Chapter Ducks Unlimited; and Juvenile Diabetes Research Foundation, Real Estate Games Committee Member. In 2020, Mr. Huffman was listed on Connect Media's Next Generation Awards and in 2023, he was listed by Virginia Business as one of the 100 people to meet. In 2024, he was listed as one of the most powerful and influential leaders on the Virginia 500 Power List by Virginia Business.

Jay Olander, President and Chief Financial Officer – Mr. Olander is President and Chief Financial Officer of Capital Square and Chief Financial Officer and Treasurer of Capital Square Apartment REIT, Inc. Mr. Olander brings over 40 years of real estate experience to the firm. Prior to joining Capital Square, Mr. Olander was an independent director on the board of directors of Capital Square Apartment REIT, Inc. and the managing partner of Cornerstone Realty Advisors, LLC. Previously, he was a founder, chief executive officer and a member of the board of directors of Landmark Apartment Trust, Inc., a real estate investment trust with over 24,000 apartments until its sale in January 2016 for approximately $1.9 billion. From December 2005 until November 2010, he served as chief executive officer of Grubb & Ellis REIT Advisor. From December 2007 until November 2010, he served as the executive vice president of the multifamily division of Grubb & Ellis Company. He also served in various capacities within this organization from December 2005 until November 2010, including serving as chief executive officer, president and chairman of the board of directors of Grubb & Ellis Residential Management, Inc. from August 2007 until November 2010. From 1994 until April 2005, he served as president and chief financial officer and a member of the board of directors of Cornerstone Realty Income Trust, Inc., a publicly traded apartment REIT listed on the New York Stock Exchange with a market capitalization of $1.5 billion. In 2005, he oversaw the sale of Cornerstone REIT. Mr. Olander has been responsible for the acquisition and financing of approximately 75,000 apartment units during his career. Mr. Olander also holds the position of president on the board of the Virginia Museum of Fine Arts Foundation and serves as a board member for Greater Richmond SCAN. He earned a bachelor's degree in business

administration from Radford University, a master's degree in real estate and urban land development from Virginia Commonwealth University and completed the Harvard Business School Executive Education leadership program.

Jeffrey A. Gregor, Chief Legal Officer – Prior to joining the Sponsor, Mr. Gregor served as General Counsel and Executive Vice President for Daymark Realty Advisors (formerly known as Grubb & Ellis Realty Investors and Triple Net Properties), a wholly owned subsidiary of Grubb & Ellis Company, serving more than 5,200 clients and overseeing a nationwide portfolio of commercial property totaling approximately 33 million square feet, including over 8,700 apartment units. In this role, Mr. Gregor was responsible for managing the company's legal department, including all material contracts, corporate compliance, entity maintenance, structured finance and loan modifications/workouts, acquisitions and dispositions of real estate, real estate finance, leasing, joint ventures and strategic acquisitions, risk management, investor relations, litigation and outside counsel management, and employment matters. He was responsible for the structuring, drafting and implementation of all private placement offerings for real estate securities and fund investments. Mr. Gregor left that position upon the sale of Daymark by Grubb & Ellis Company. Prior to Daymark Realty Advisors, Mr. Gregor served as Senior Corporate and Securities Counsel for Grubb & Ellis Company for nearly four years. In this role, Mr. Gregor managed the private real estate securities legal department, which had a portfolio of assets valued in excess of $5.7 billion located throughout 30 states and completed acquisition and disposition volume totaling approximately $10 billion on behalf of program investors. Prior to Grubb & Ellis Company, Mr. Gregor was a senior associate and member of a nationally recognized real estate securities practice group at Hirschler Fleischer, a Richmond, Virginia based law firm, where he had a broad-based business, finance and securities practice representing sponsors, borrowers, sellers and purchasers in various business, real estate and securities transactions ranging from $100,000 to more than $100,000,000. Mr. Gregor is a graduate of The University of Richmond School of Law (J.D., cum laude, 2000) and St. Mary's College of Maryland, a public honors college (B.A., philosophy, 1993).

Jacqueline Rogers, Chief Communications and Operating Officer – Ms. Rogers built her career at several of the most influential companies in the nation, with an emphasis on cutting-edge technology, branding and marketing. She recently served as Chief Communications Officer of the Sponsor, where she oversaw branding, marketing, investor relations, communications, strategy and implementation, and as the head of brand program management at Amazon Music. During her time there, Ms. Rogers spearheaded the organization's largest strategic initiative, the development of a new Amazon Music global brand platform and design refresh that serves as the customer-facing expression of the organization. Previously, she was the director of design operations and program management for Lyft, where she developed strategically aligned programs and processes across the company's product design team. Throughout her career, Ms. Rogers has created impactful advertising and marketing campaigns across an array of brands, including BMW, Hilton Hotels & Resorts, Lincoln Motor Company, Marriott International, Four Seasons Hotels, Soul Cycle and The Ritz-Carlton. She began her career by co-founding the marketing team at Tumblr, where she helped shape the startup brand into a world-renowned social networking brand. Ms. Rogers earned a bachelor's degree in communications studies and English, with an emphasis in journalism, from Christopher Newport University, a master's degree in advertising and brand strategy from The Brandcenter at Virginia Commonwealth University, and an MBA from the University of Virginia's Darden School of Business. In 2024, Ms. Rogers was recognized by GlobeSt as a "Woman of Influence" within the humanitarian category, and by Richmond Times Dispatch as one of the "Women Who Drive Richmond." In 2022, she was recognized among the "Top 10 Inspiring Women Leaders of 2022" by Industry Era Women Leaders Magazine.

Angela Inge, Chief Accounting Officer – Ms. Inge joined the Sponsor in 2021 and is primarily responsible for the oversight of the company's accounting function with specific focuses on REITs, DSTs, development and private equity. With over 15 years of experience in the accounting field, Ms. Inge has an advanced knowledge of US GAAP, internal controls and SEC reporting, as well as technical accounting issues, such as business combinations/asset acquisitions, debt and equity transactions, consolidation, leases and revenue recognition. Previously, Ms. Inge was a senior manager at Ernst & Young in the assurance practice, serving a variety of both public and private clients in numerous industries, including real estate, consumer products and healthcare. Ms. Inge earned a bachelor's degree in accounting and economics from the College of William and Mary. She is a Certified Public Accountant (CPA).

Donna Quick, Executive Vice President, Investor Relations – As Executive Vice President of Investor Relations, Ms. Quick is responsible for all aspects of investor relations and reporting, including managing communications and relationships with investors and their financial advisers, as well as overseeing the Capital Square's investor relations team, which services over 10,000 investor accounts representing over $3 billion in equity. Ms. Quick, who has more than 30 years of customer service, database and process development experience, joined the Capital Square investor relations team in 2016. She has led her team through the implementation of Capital

Square's investor portal and ongoing elevations of the reporting and distribution processes. Moreover, under her lead, the Capital Square investor relations team won the gold medal as "Customer Service Team of the Year" in the United States at the 2024 Titan Women in Business Awards

Jessica Correnti, Executive Vice President, Distribution & National Accounts – Mrs. Correnti serves as executive vice president, distribution and national accounts, at Capital Square, where she leads the sales team, oversees the support and nurturing of Capital Square's existing relationships with broker-dealers and registered investment advisors, and spearheads the company's pursuit of new relationships nationwide. For over a decade, Mrs. Correnti has specialized in the sale of private real estate and credit alternative investments offerings. Prior to joining Capital Square, she led national accounts for Peachtree Group, where she expanded relationships with selling member firms in the independent broker-dealer channel. Previously, she was a senior vice president with Waypoint Real Estate Investments. Mrs. Correnti began her career with Morgan Stanley in 2013 before transitioning into investment product distribution as a senior internal sales associate with C-III Capital Partners. Mrs. Correnti earned a master of science in business analytics from Texas A&M University's Mays Business School and a bachelor of science in business administration and business economics from Rider University. In addition, she holds a Certified Financial Planner® certification from the CFP Financial Planner Board of Standards and FINRA Series 7 and 66 licenses. Mrs. Correnti was selected as one of the 2025-2027 Institute for Portfolio Alternatives (IPA) Rising Leaders and as an honoree in the 2025 Connect Money Next Generation Wealth Management Awards. She is a frequent speaker on the potential of alternative investments, including DSTs for 1031 Exchanges, qualified opportunity zone funds for tax deferral and exclusion, and REITs.

Mark Mercado, Executive Vice President, Investment Programs & Operations – Mr. Mercado serves as Executive Vice President, Investment Programs and Operations at Capital Square. His specialties include product development, closing, investor relations, acquisitions, key accounts, operations, and due diligence. Mr. Mercado came to Capital Square after his time as vice president of private offerings at SmartStop Asset Management, where he headed operations and assisted with the launch of private REIT and DST offerings. Earlier in his career, Mr. Mercado acted as product manager of private offerings with a national real estate sponsor and as a tenant-in-common closing manager with Grubb & Ellis and its predecessor, Triple Net Properties. In the past 20 years, Mr. Mercado has closed more than $3.5 billion in investor equity.

Natalie Mason, Executive Vice President, Co-Head of Development – Ms. Mason brought 13 years of real estate experience to her role at the Sponsor, with a majority of those years spent overseeing development projects in San Francisco. Prior to joining the firm, she was senior director at Tishman Speyer, where she oversaw the financing, construction, delivery and sale of more than 1,200 residential units. In this role, Ms. Mason led the internal project team, implemented a residential sales and marketing strategy, and was responsible for overall financial performance, coordination with design and construction professionals and the hiring of critical vendors. While at Tishman Speyer, Ms. Mason's many accomplishments included MIRA, a 392-unit condominium development in downtown San Francisco. Ms. Mason helped shepherd the project through the COVID-19 pandemic, delivering the project in June 2020. Ms. Mason also led the development process for LUMINA, a 647-unit condominium project in downtown San Francisco. LUMINA delivered in four phases beginning in 2015, and set a new watermark at the time for price per square foot in San Francisco. Prior to her tenure at Tishman Speyer, Ms. Mason spent time as project manager for the Office of the Deputy Mayor for Planning and Economic Development for the Government of the District of Columbia. Ms. Mason graduated from Princeton University with a bachelor's degree, with honors, in Slavic Languages and Literatures with a certificate in Russian Studies. She earned an MBA from The Wharton School with a focus on real estate as well as a Master of International Studies degree with a focus on Russian from the Lauder Institute of Management & International Studies at the University of Pennsylvania.

Michael Ollinger, Executive Vice President, Co-Head of Development – Mr. Ollinger oversees all aspects of design and construction for both existing assets and new development projects at Capital Square. Prior to joining Capital Square, Mr. Ollinger was managing director and partner at Northpoint Services, a leading third-party development and construction management firm. He has had broad experience in all facets of commercial real estate development, construction and design management, operations and marketing, including the supervision of the design and construction of more than 5 million square feet of commercial space across the country, ranging from infill multifamily and mixed-use, to high-end hospitality, office, retail, educational, healthcare and industrial. Mr. Ollinger's specialty is in residential development, and within the last decade alone, he has delivered thousands of multifamily residential units and a number of high-end, single-family home projects. Mr. Ollinger earned a bachelor's degree from the University of Virginia and a master's in professional studies in real estate from Georgetown University. He is a licensed Class-A (Residential Building Construction) contractor in Virginia.

Chris Hirth, Executive Vice President, Asset Management – Mr. Hirth focuses on asset management for the Sponsor, where he oversees a portfolio of office, retail and multifamily properties. He has eight years of experience in the management of both multifamily and commercial real estate. Mr. Hirth joined the Sponsor from CBRE | Richmond, where he managed a portfolio of over 1 million square feet of space, consisting of 25 office and flex properties in the Richmond area. Prior to his time at CBRE | Richmond, Mr. Hirth managed several multifamily properties in Richmond and Virginia Beach for PRG Real Estate. Mr. Hirth holds a bachelor's degree in business management from Virginia Tech in Blacksburg, Virginia.

Jorge Figueiredo, Executive Vice President, Acquisitions – Mr. Figueiredo is a real estate professional with over a decade of experience. Mr. Figueiredo was most recently a Partner with Cornerstone Realty Advisors, LLC. In his role with Cornerstone, he was responsible for acquisitions, from sourcing targeted real estate to due diligence, financing, and settlement. He was also tasked with aiding in the effort to raise private equity. From January 2015 through the sale of Landmark Apartment Trust to Starwood Capital Group and Milestone Management in January 2016, Mr. Figueiredo was the Vice President of Management Services for Landmark Apartment Trust. In this role, Mr. Figueiredo was responsible for risk management, ancillary income, national vendor partnerships, and construction. Mr. Figueiredo worked closely with the operations team to analyze and track current programs as well as implement new strategic initiatives in order to minimize risk and maximize value. Mr. Figueiredo joined Landmark in 2007 and prior to his current role he has held titles including Acquisition Associate, Asset Manager, and Director of Ancillary Income. In addition to his experience in management of Landmark's 33,000-unit apartment portfolio, Mr. Figueiredo has gained extensive experience in acquisitions and dispositions by participating in over $1 billion in multifamily real estate transactions. Prior to joining Landmark, Mr. Figueiredo was a Realtor involved in single-family real estate transactions. Mr. Figueiredo earned his B.S. degree from James Madison University in 2005.

Seth Harris, Executive Vice President, Portfolio Management – Mr. Harris has more than a decade of experience in multifamily acquisitions and financing. Prior to joining Capital Square, he spent 11 years with Landmark Apartment Trust, ultimately as vice president of financial services. During his tenure, Mr. Harris completed approximately $1.3 billion in multifamily refinance and disposition transactions, purchased 56 multifamily properties with an aggregate value of $1.3 billion, and closed $900 million in multifamily financing from agencies, banks, insurance companies, and CMBS lenders. Mr. Harris earned a bachelor's degree in economics and a master's degree in real estate with a concentration in finance and investment from New York University.

Jerad Nielsen, Senior Vice President, Asset Management – In his position as Vice President, Asset Management, with the Sponsor, Mr. Nielsen is primarily responsible for net-leased medical, office, industrial and retail properties across the nation. Prior to joining Capital Square, Mr. Nielsen was a senior portfolio manager and team leader at Cushman & Wakefield | Thalhimer for eight years, where he worked with institutional and private real estate companies. During his tenure, Mr. Nielsen oversaw a team of portfolio managers and managed a diverse portfolio over 5 million square feet. Mr. Nielsen holds a bachelor's degree in business, majoring in real estate and urban land development, from Virginia Commonwealth University in Richmond, Virginia. He is designated as a Certified Commercial Investment Member (CCIM) by the CCIM Institute, as well as a Certified Property Manager (CPM) by the Institute of Real Estate Management.

Ware Smalley, Senior Vice President, Acquisitions – Mr. Smalley focuses on the underwriting, financing and due diligence of new investments for the Sponsor. Mr. Smalley has over five years of commercial real estate experience spanning acquisitions, lending and asset management. Prior to joining Capital Square, he served as an Analyst with American Capital, in Bethesda, Maryland, where he originated bridge loans and managed a portfolio of CMBS B-notes. Prior to joining American Capital, Mr. Smalley launched an Asset Management division for the Calkain Companies, of Reston, Virginia. Mr. Smalley received a Bachelor of Science from the University of Virginia and a Master of Business Administration from UVA, Darden School of Business.

Alyssa Haun, Senior Vice President, Associate General Counsel – Ms. Haun has over 20 years of experience as a commercial real estate lawyer. She regularly provided counsel to investors, developers, non-traded REITs, and other clients on the acquisition, development, financing, leasing, and disposition of various types of commercial real estate. She also represented lenders in the documentation and negotiation of real estate loans and has advised clients on loan restructuring and foreclosure issues. Prior to joining Capital Square, Ms. Haun was a partner in the real estate and finance practice group of Moran Reeves & Conn, a Richmond, Virginia-based law firm. Previously, she was an attorney in the real estate practice groups of several Virginia law firms, including Kaplan Voekler Cunningham & Frank and McGuireWoods. Ms. Haun earned a Juris Doctorate degree from the George Washington University Law School, where she graduated with honors, and a bachelor's degree with honors from the College of William and Mary.

Colleen Nichols, Vice President, Associate General Counsel – Prior to joining the Sponsor, Ms. Nichols was an associate attorney with the real estate and securities practice groups of several Richmond, Virginia law firms, including Kaplan Voekler Cunningham & Frank, PLC, Moran Reeves & Conn PC and most recently, Peake Law Group, PC. Throughout her time in private practice, Ms. Nichols represented clients in commercial real estate transactions, wherein she negotiated and drafted purchase and sale agreements, leases, loan documents and other documents related to commercial real estate acquisitions, dispositions and development. In this role, Ms. Nichols also drafted private placement memoranda and subscription documentation for private securities offerings under Rules 506(b) and (c) of Regulation D of the Securities Act, with a particular emphasis on real estate-related securities and tax-advantaged transactions, including Delaware statutory trusts, real estate funds and offerings of undivided TIC interests in real estate, and oversaw SEC and state-level securities compliance reporting, including compliance with blue sky filing laws and state regulatory commissions. In addition, Ms. Nichols regularly advised clients on general business, corporate and securities matters, including entity formation and dissolution, mergers and acquisitions and ongoing corporate governance. Ms. Nichols is a graduate of William & Mary Law School (J.D., cum laude, 2013) and the University of Virginia (B.A. with distinction in English and American Studies, 2010).

Key Employees

As the Sponsor is indirectly the sole member of the Signatory Trustee, the officers, senior management, and key employees of the Sponsor are charged with responsibility for managing the Signatory Trustee.

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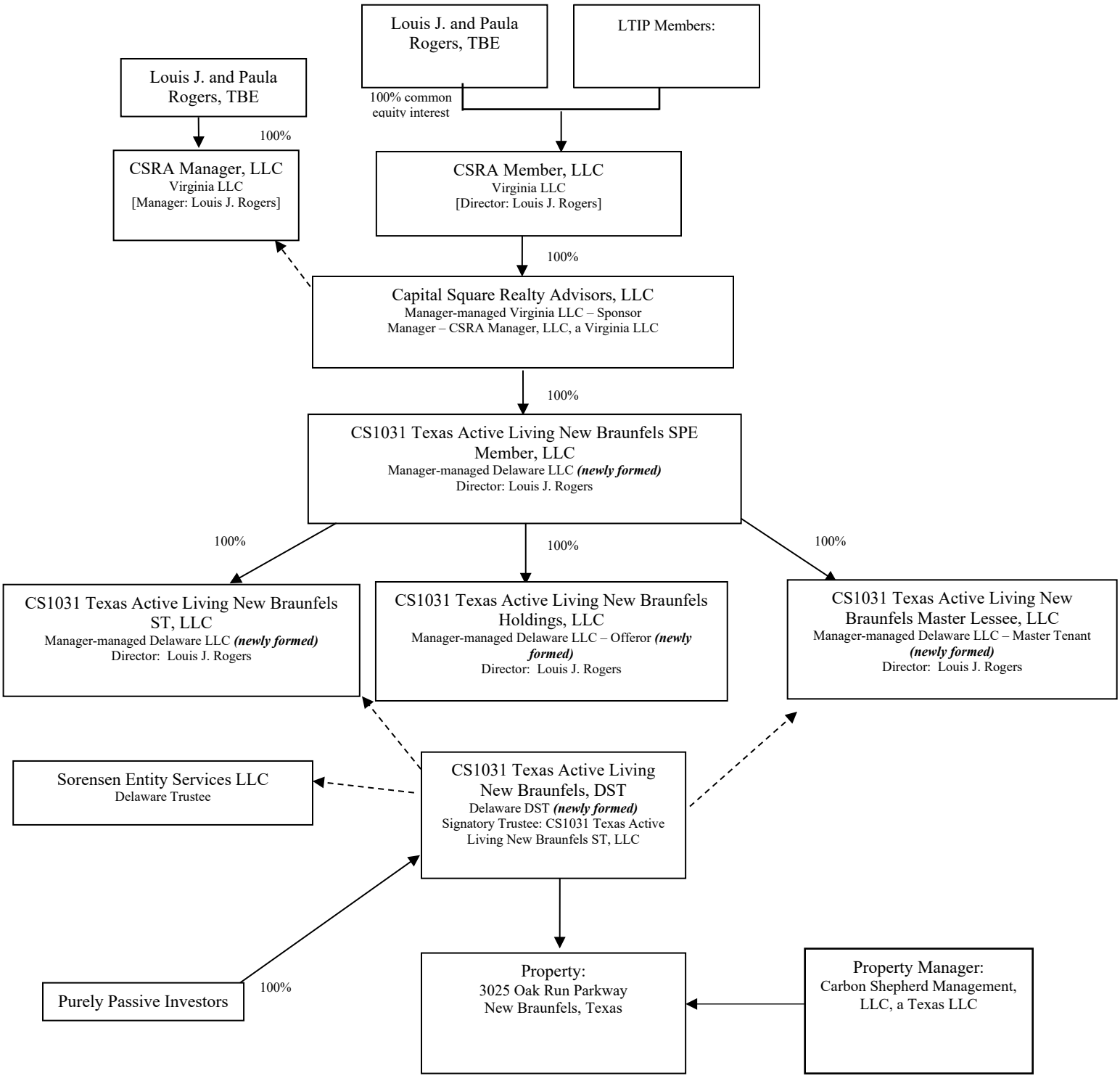
ORGANIZATION CHART



506(e) Disclosure

As of the date of this Memorandum, neither Sponsor nor any director, executive officer or other officer of the Sponsor participating in any offering of securities of a private placement program sponsored by the Sponsor is subject to any of the "Bad Actor" disqualifications described in Rule 506(d) and (e) under the Securities Act of 1933, as amended.

FIDUCIARY DUTIES OF THE TRUSTEE

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

The Trust Agreement provides that the Signatory Trustee will not be liable to the Trust or the Beneficial Owners for any act or omission performed or omitted by it in good faith, but will be liable only for fraud, bad faith, gross negligence or willful misconduct. Beneficial Owners may, accordingly, have a more limited right of action against the Signatory Trustee than they would have absent such an exculpatory provision in the Trust Agreement.

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

CONFLICTS OF INTEREST

The Property Manager and its Affiliates have the right to serve as property manager of other properties, some of which may compete with the Property.

The Sponsor and its Affiliates act, and will continue to act, as the trustee, beneficial owner, member or manager of other Delaware statutory trusts, limited liability companies and other entities from time to time. The Sponsor and the Property Manager will act as the sponsor of the Offering of Interests and Property Manager of the Property, respectively, which creates a conflict of interest between the various roles they fulfill. The Sponsor and its Affiliates have existing responsibilities and may have additional responsibilities in the future to provide management and services to a number of other entities. The Purchasers will not have any interest whatsoever in any such future entities or properties by virtue of their investment in the Trust.

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

Obligations to Other Entities

Conflicts of interest will occur with respect to the obligations of the Sponsor, the Property Manager, the Depositor, the Signatory Trustee, and their Affiliates to the Trust, the Purchasers and similar obligations to other entities. Moreover, neither the Trust nor the Property Manager will have independent management, as they will rely on the Sponsor and its Affiliates for all management decisions. Other investment entities in which the Sponsor and its Affiliates participate, for example, other investment programs sponsored by the Sponsor or its Affiliates, may compete for the time and resources of the Sponsor and its Affiliates. Therefore, the Sponsor and its Affiliates will have conflicts of interest in allocating management time, services, and functions among the Property Manager, Depositor, the Trust, the Signatory Trustee, and other existing companies and businesses, as well as the various companies or business entities with which they are currently engaged and others that may be organized in the future.

Interests in Other Activities

The Sponsor and its Affiliates may engage for their own account, or for the account of others, in other business ventures, including title agencies that might provide title services to the Property and/or other properties, and no Purchaser shall be entitled to any interest therein, or any share of the compensation received by the Sponsor and its Affiliates in connection therewith, solely by reason of an investment in this Offering. Some of these other business activities may compete directly with the Property.

Receipt of Compensation by the Sponsor and its Affiliates

The payments to the Sponsor, Signatory Trustee, and their Affiliates set forth under "COMPENSATION OF THE SPONSOR AND AFFILIATES" have not been determined by arm's-length negotiations.

721 UPREIT Contribution

As an alternative exit strategy, the Signatory Trustee may elect to facilitate a 721 UPREIT Contribution. the option of either (i) exchanging its Interests for an equivalent value of OP Units of a Sponsor-affiliated REIT (such exchange is referred to as a "721 Exchange") or (ii) in lieu of participation in the 721 Exchange, receiving a fair market value cash buy-out of its Interests. This exit strategy will benefit the Sponsor and its Affiliates by allowing the Sponsor-affiliated REIT to create a diversified portfolio of institutional-quality real estate without having to negotiate the sales prices for such real estate with third-party sellers.

In order to ensure that the price paid to the Beneficial Owners for the Property reflects its then-fair market value, the fair market value of a Beneficial Owner's Interests at the time of the 721 UPREIT Contribution will be determined by the greater of two fair market values of the Property, each as determined by a separate independent appraisal firm selected by the Signatory Trustee in its sole discretion. However, if the quotient equal to (A) the difference between the fair market values determined by the two independent appraisal firms pursuant to the preceding sentence, divided by (B) the greater of the two fair market values determined by the independent appraisal firms pursuant to the preceding sentence, is greater than 20%, then the Signatory Trustee shall select a third independent appraisal firm in its sole discretion to determine the fair market value of the Property. Under such circumstances, the Signatory Trustee shall average the two highest of the three appraisal values determined by the three independent appraisal firms and use such averaged amount for purposes of determining the fair market value of a Beneficial Owner's Interests. Such appraisals shall have been completed within three (3) months of the date that the Signatory Trustee gives notice to the Beneficial Owners that it has elected to facilitate a 721 UPREIT Contribution. No discounts for lack of liquidity or minority interests shall be considered in determining the fair market value of such Interests.

The Sponsor-affiliated REIT will also obtain a fairness opinion of value from an independent expert selected by the REIT's Independent Directors.

Each Beneficial Owner electing to receive a cash buy-out will receive its *pro rata* share of the net purchase price for the Property in cash based on the fair market value of the Property and the Beneficial Owners electing a 721 Exchange will receive an equivalent value of OP Units.

Legal Representation

Special tax counsel, Sands Anderson PC ("Tax Counsel") has been retained by the Sponsor and the Trust solely as U.S. federal income tax counsel with respect to the Offering. Tax Counsel may represent additional entities formed by the Sponsor and its Affiliates in the future. Tax Counsel does not represent the Purchasers and Purchasers are encouraged to consult their own legal counsel and tax advisors regarding an investment in Interests.

Resolution of Conflicts of Interest

None of the Sponsor, the Signatory Trustee, the Trust, the Master Tenant or the Property Manager has developed, and does not expect to develop, any formal process for resolving conflicts of interest. While the foregoing conflicts could materially and adversely affect the Purchasers, the Sponsor and its Affiliates, in their sole discretion, will attempt to mitigate such potential adversity by the exercise of their business judgment. There can be no assurance that such an attempt will prevent adverse consequences resulting from the numerous conflicts of interest described above.

COMPENSATION OF THE SPONSOR AND AFFILIATES

The following is a description of compensation that may be received by the Sponsor and its Affiliates from the Purchasers or in connection with the proceeds of the Offering of Interests. Other than as specified herein, no compensation will be paid to the Sponsor or its Affiliates. These compensation arrangements have been established by the Sponsor and its Affiliates and are not the result of arm's-length negotiations.

Form of Compensation	Description and Entity Receiving	Estimated Amount of Compensation
Offering and Organization Stage:		
Organization and Offering Expenses and Wholesaling Fee:	An organization, marketing, and offering cost allowance (the "Organization and Offering Expenses") of 1.25% of the Gross Proceeds will be paid to the Signatory Trustee or an Affiliate as reimbursement for expenses incurred in connection with the Offering. A Wholesaling Fee of up to 1.0% of the Gross Proceeds will be paid to wholesalers, including employees and contractors of the Sponsor.	Estimated to be up to $840,375 for the Maximum Offering Amount. The Signatory Trustee has agreed to be responsible for any costs in excess of this sum. Any such funds not expended, and not otherwise used to satisfy deficiencies in other closing related expenses will be retained by the Sponsor.
Acquisition Fee:	In connection with the acquisition of the Property, the Sponsor or an Affiliate will be entitled to an Acquisition Fee in the amount of $621,500 or approximately 2.00% of the unloaded purchase price for the Property.	Estimated to be $621,500.
CapEx Due Diligence Fee:	The Sponsor or an Affiliate will be entitled to receive a CapEx Due Diligence Fee in connection with the Sponsor's construction management team's (i) onsite visits to and inspections of the Property to assess the capital needs of the Property and determine future capital expenditures; (ii) review and analysis of all inspection and engineering reports; and (iii) preparation of plans and a budget for capital expenses and projects during the holding period, and a feasibility analysis.	$25,000.

Operating Stage:

Asset Management Fee:	The Asset Management Fee will be earned by the Signatory Trustee or an Affiliate on an annual basis in accordance with the Projections attached hereto as Exhibit F, in an amount of up to $93,375 per year for the holding period.	The Asset Management Fee that is earned by the Signatory Trustee or an Affiliate varies depending on the year but will not exceed the maximum amount of $93,375 per annum. See the Projections attached hereto as Exhibit F.
	In addition, if the Springing LLC refinances the Property in connection with a Transfer Distribution, the Sponsor or an Affiliate thereof will receive a fee equal to 1.00% of the principal amount of any new loan, plus reimbursement of any out-of-pocket expenses incurred in connection with the refinancing, including but not limited to: expenses incurred in connection with third party reports; legal fees; application fees; and mortgage brokerage fees to both non-Affiliate and Affiliate mortgage brokers.	Any such fees and reimbursements payable to the Sponsor or an Affiliate in connection with a Transfer Distribution are impracticable to determine at this time.
Property Management Fee:	The initial Property Manager will be Carbon Shepherd. However, during the holding period for the Property, the Sponsor may elect to designate Capital Square Living, LLC ("CS Living"), an Affiliate of the Sponsor, as the property manager, in which case CS Living will receive a property management fee pursuant to a property sub-management agreement.	Impracticable to determine at this time.
Signatory Trustee Annual Fee:	The Signatory Trustee will receive an annual fee of up to $1,800.	Up to $1,800 annually.
Master Lease Operating Profit:	The Master Tenant will retain operating revenues from the Property that exceed the total Rent due to the Trust under the Master Lease.	Impracticable to determine at this time. See the Projections attached as Exhibit F.
Master Lease Construction Management Fee:	The Master Tenant will be entitled to a construction management fee in connection with any Capital Expenses at the Property, up to five percent (5%) of the cost of the Capital Expenses.	Impracticable to determine at this time.
Reimbursement of Expenses to the Signatory Trustee or an Affiliate:	Reimbursement of reasonable and necessary expenses paid or incurred by the Signatory Trustee or an affiliate in the future in connection with the operation of the Trust, including any legal and accounting costs, allocated office and administration overhead	Impracticable to determine at this time.

	expenses, and interest on any funds advanced by Capital Square at a rate equal to Capital Square's actual cost of funds, all of which will be paid from operating revenue.	
DST Administration and Accounting Fee:	The Signatory Trustee or an Affiliate will receive an annual fee for providing Trust administration, accounting and investor services in an amount of $27,500 at the acquisition of the Property to cover expenses for the first year and up to $25,000 per year thereafter for the holding period ("DST Administration and Accounting Fee").	$27,500 for the first year and up to $25,000 per year thereafter for the holding period.
Liquidation Stage:		
Disposition Fee:	The Signatory Trustee or an Affiliate will be entitled to a disposition fee (the "Disposition Fee") equal to the net amount of 2.95% of the gross proceeds generated from the disposition of the Property for the Trust, as such fee may be increased to include any commissions or fees payable by the Signatory Trustee or an Affiliate to any third party in connection with the disposition of the Property. However, such Signatory Trustee or Affiliate will subordinate the payment of the Disposition Fee until the Beneficial Owners receive a return of 100% of their capital invested in the Offering from any special distributions and final distributions upon sale of the Property, but excluding monthly distributions of Annual Rent and annual distributions of Bonus Rent.	Impracticable to determine at this time. The amount paid will depend on the sale price of the Property and the amount of any fees payable to third parties. See the Projections attached as Exhibit F.

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SUMMARY OF THE PURCHASE AGREEMENT

General

Each Purchaser will be provided and will be required to execute a Purchase Agreement in the form attached as Exhibit E. Each prospective Purchaser should review the entire Purchase Agreement with his own independent legal counsel before submitting an offer to purchase. The following description 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.

Deposit; Liquidated Damages

Purchasers may be required, within five days of executing and returning the Purchase Agreement, to fund a $5,000 earnest money deposit ("Deposit") by check or wire funds payable to CS1031 Texas Active Living New Braunfels, DST. The Signatory Trustee may waive this Deposit requirement in its sole discretion. Upon the closing, the Deposit will be credited against the purchase price for the Interests or refunded, at the Purchaser's election. The Signatory Trustee may elect to retain the Deposit of a Purchaser who is in default under the Purchase Agreement.

The Signatory Trustee will review the signed Purchaser Questionnaire and the Purchase Agreement and attempt to verify the Purchaser's investment qualification. The Signatory Trustee will have the right, in its sole discretion, to accept or reject any prospective Purchaser's subscription. The Signatory Trustee will notify each prospective Purchaser in writing whether its subscription has been accepted or rejected. If the Purchaser's subscription has been rejected, the Signatory Trustee will immediately return the Deposit to the Purchaser, subject to its rights to retain the Deposit as liquidated damages if the Purchaser has defaulted under the Purchase Agreement.

Submission of Offer to Purchase

A summary of how to submit an offer for purchase of the Interests is set forth in the section entitled "HOW TO SUBSCRIBE." Purchasers should read that section in its entirety.

"As-Is" Purchase

Except as to any specific representations and warranties contained therein, the Purchase Agreement provides limited representations and warranties to the Purchasers. Consequently, the Purchasers must rely on their own investigations and analysis of the Trust and the Property and are encouraged to seek the advice of their own independent legal counsel, accountant or real estate advisor. As described in "ADDITIONAL INFORMATION," each Purchaser is encouraged to ask questions about the Trust, the Property and related matters and to request and review any additional information to the extent the Signatory Trustee possesses such information or can acquire such information without unreasonable effort or expense.

No Tax Advice

The Purchasers also will acquire their Interests without any representations from the Signatory Trustee and its Affiliates regarding tax implications of the transaction. Each Purchaser should consult his own independent attorneys and other tax advisors regarding the tax implications of the acquisition of the Interests, including whether or not such acquisition will qualify as part of a tax-deferred exchange under Section 1031 of the Code, if one is contemplated. See "FEDERAL INCOME TAX CONSEQUENCES."

Termination of the Purchase Agreement

The Purchase Agreement may be terminated if the conditions to the closing are not satisfied as set forth in the Purchase Agreement. The conditions include the Purchaser's approval of the physical and financial condition of the Property, payment of the purchase price by Purchaser, compliance with the 1031 Exchange requirements in order for the Purchaser to complete its exchange, and the absence of any defaults or events that could mature into a default under the Master Lease. If the Purchase Agreement is terminated, the Purchaser will have no right to acquire any portion of the Property and will have no claims against the Depositor, the Signatory Trustee or the Trust for damages, expenses, lost profits or otherwise. However, the Deposit will be returned to the Purchaser if the Purchase Agreement is terminated for any reason other than the Purchaser's default.

Rescission Rights

The Purchase Agreement contains a provision allowing each prospective Purchaser to rescind his subscription if he receives, subsequent to the date he submits the Purchase Agreement, an appraisal, environmental assessment, engineering report or modifications or amendments of any of such documents that, in such prospective Purchaser's sole discretion, contains information that indicates that the purchase of the Interests is no longer appropriate for such person.

Closing Procedure

At the closing, the Signatory Trustee will convey the Interests to each Purchaser by delivery of a countersigned Purchase Agreement and shall record each Purchaser's Interests in the Trust's Ownership Records (as defined in the Trust Agreement).

Indemnity

The Purchase Agreement contains an indemnity provision whereby each Purchaser will be required to indemnify, defend and hold harmless, the Sponsor, the Signatory Trustee, the Depositor, the Property Manager and certain other parties 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 Purchaser's failure to fulfill all of the terms and conditions of the Purchase Agreement or untruth or inaccuracy of any of the representations, warranties, covenants or agreements contained therein. Each prospective Purchaser should review Section 7.5.11 of the Purchase Agreement prior to subscribing for the Interests.

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SUMMARY OF THE TRUST AGREEMENT

The Beneficial Owners will take Interests in the Trust subject to the Trust Agreement. The rights and obligations of the Beneficial Owners will be governed by the Trust Agreement. The Trust will hold the Property. Each prospective Purchaser should review the entire Trust Agreement before investing. The following is a summary of some of the significant provisions of the Trust Agreement. It is qualified in its entirety by reference to the full text of the agreement.

Beneficial Owners

The Beneficial Owners will be the Purchasers who purchase Interests in the Trust. The Depositor initially acquired all of the beneficial interests in the Trust for its assignment of its rights to acquire the Property. All cash contributed by the Beneficial Owners in exchange for Interests will reduce the Depositor's ownership of the beneficial interests in the Trust. With respect to each purchase of Interests by a Beneficial Owner and the related purchase from the Depositor by the Trust, the reduction of the percentage share of the beneficial interests held by the Depositor will be equal to the percentage share purchased from the Trust by the Beneficial Owner.

Term

The Trust is expected to remain in effect until such time as the Property is sold or a Transfer Distribution has occurred, either of which is expected to occur within ten years of the closing, or until such time that it is dissolved and wound up in accordance with the Delaware Statutory Trust Act. In no event shall the Trust continue beyond the term permitted by law. The death, incapacity, dissolution, termination, or bankruptcy of any Beneficial Owner will not result in the termination or dissolution of the Trust.

The Delaware Trustee

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

The Delaware Trustee will receive compensation for its services under the Trust Agreement and will be reimbursed for out-of-pocket expenses, fees and disbursements, counsel fees and expenses, and services of an unanticipated or extraordinary nature. The Delaware Trustee may resign at any time by giving written notice to the Signatory Trustee. The Beneficial Owners will indemnify the Delaware Trustee for all actions taken on behalf of the Trust except for willful misconduct, bad faith, fraud, and gross negligence of the Delaware Trustee. The Signatory Trustee may at any time remove the Delaware Trustee for cause by providing written notice to the Delaware Trustee, such removal to be effective upon the acceptance of appointment by a successor Delaware Trustee as provided therein. Cause shall only result from the willful misconduct, bad faith, fraud or gross negligence of the Delaware Trustee.

The Signatory Trustee

The Signatory Trustee has the power and authority to manage the investment activities and affairs of the Trust as permitted under the Trust Agreement. The Signatory Trustee has the primary responsibility for performing the administrative actions set forth in the Trust Agreement, including collecting rents and making distributions. The Signatory Trustee may, at its election, enter into one or more service agreements with third parties, including its Affiliates, to assist it in providing such services. The Signatory Trustee has the sole power to determine when it is appropriate to sell the Property. Even though the Beneficial Owners will be canvassed prior to the Signatory Trustee entering into a binding contract to sell the Property or facilitating a 721 UPREIT Contribution, and even though the Signatory Trustee will take the opinions of the Beneficial Owners concerning such prospective sale or transaction into account in good faith, the Signatory Trustee is under no obligation to make its decision with respect to such prospective sale or transaction in accordance with the wishes of the Beneficial Owners. The Signatory Trustee shall not have any liability to any Person except for its own willful misconduct, bad faith, fraud or gross negligence. The Signatory Trustee will receive fees for its services under the Trust Agreement. The Signatory Trustee may resign at any time by giving written notice to the Delaware Trustee. The Beneficial Owners will indemnify the Signatory Trustee for all actions taken on behalf of the Trust except for willful misconduct, bad faith, fraud, and gross negligence of the

Signatory Trustee. The Delaware Trustee may remove the Signatory Trustee at any time, but only for the willful misconduct, bad faith, fraud or gross negligence of the Signatory Trustee.

Power of Delaware Trustee and Signatory Trustee

The Trust Agreement expressly prohibits the Delaware Trustee and the Signatory Trustee from taking a number of actions, including the following: (a) selling, transferring or exchanging the Property except as required or permitted under the Trust Agreement; (b) reinvesting any monies of the Trust, except to make permitted modifications or repairs to the Property or in short-term liquid assets; (c) entering into any financing, except in the case of the Master Tenant's bankruptcy or insolvency; (d) renegotiating the Master Lease on the Property or entering into a new lease, except in the case of the Master Tenant's bankruptcy or insolvency; (e) making modifications to the Property (other than minor nonstructural modifications) unless required by law; (f) accepting any capital from a Beneficial Owner except funds contributed by the Depositor or by the Purchasers in connection with the purchase of the Beneficial Interests that will be distributed to redeem the beneficial interests held by the Depositor or fund any reserves in connection with the Offering or fund Offering-related expenses; or (g) taking any other action that would in the opinion of Tax Counsel to the Trust cause the Trust to be treated as a business entity for federal income tax purposes if the effect would be that such action or actions would constitute a power under the Trust Agreement to "vary the investment of the certificate holders" under applicable tax law.

As a result, the Trust may be required to effectuate a Transfer Distribution in order to take the actions necessary to preserve and protect the Property. While the Property will remain subject to the Master Lease 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 Property.

Transfer Rights

Each Beneficial Owner may transfer, assign, encumber or pledge its Interests, subject to the terms of the Trust Agreement and applicable securities laws. The consent of the Signatory Trustee and/or the Delaware Trustee is not required. It is expected that the Trust will not be permitted to have more than 1,950 Beneficial Owners. Any permitted assignee of a Beneficial Owner may become a Beneficial Owner upon such assignee's execution and delivery to the Signatory Trustee of an acceptable assumption agreement, a copy of which is attached to the Trust Agreement as an exhibit. In addition, the Signatory Trustee may charge a reasonable administrative fee to process any transfer requests.

Waivers

Except as expressly provided in the Trust Agreement, no Beneficial Owner (i) has an interest in the Property or (ii) shall have any right to demand and receive from the trust an in-kind distribution of the Property or any portion thereof. Each Beneficial Owner expressly waives its rights, if any, under the Delaware Statutory Trust Act to seek a judicial dissolution of the Trust, to terminate the Trust, or, to the fullest extent permitted by law, to partition the Property. 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, aids, supports, solicits or otherwise cooperates in the filing of an involuntary bankruptcy proceeding involving the Trust.

Distributions

The Signatory Trustee will distribute all available cash to the Beneficial Owners on a monthly basis, after paying or reimbursing the Signatory Trustee for any fees or expenses paid by the Signatory Trustee on behalf of the Trust and retaining such additional amounts as the Signatory Trustee determines are necessary to pay anticipated ordinary current and future Trust expenses. The first monthly distribution of distributable cash, if any, will be paid to the Beneficial Owners no later than the 15th day of the second month following the date of the Trust's acquisition of the Property. Reserves shall be invested by the Signatory Trustee 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 Signatory Trustee will furnish reports annually to the Beneficial Owners as to the receipts, expenses, and reserves of the Trust.

Termination of the Trust to Protect the Property

If the Signatory Trustee determines that the Master Tenant has defaulted in paying the Rent or in certain other circumstances, the Signatory Trustee may determine to terminate the Trust and title to the Property will transfer to the Springing LLC. The Beneficial Owners shall become members in the Springing LLC and own membership interests in proportion to their ownership of Interests. See "SUMMARY OF THE LIMITED LIABILITY COMPANY AGREEMENT" below. The Trust termination and transfer to the Springing LLC is referred to as a "Transfer Distribution."

Disposition of the Property

The Trust will dispose of the Property at any time upon receipt of a notice from the Signatory Trustee that the Signatory Trustee has determined (in its sole discretion) that a disposition of the Property is appropriate. The Signatory Trustee shall be responsible for (i) determining the fair market value of the Property (provided that the Signatory Trustee will obtain certain third-party valuations of the Property if it is facilitating a 721 UPREIT Contribution, as discussed in the section of the Memorandum entitled "BUSINESS PLAN – Exit Strategies), (ii) providing notice to the Delaware Trustee that the Property should be disposed, (iii) conducting the disposition of the Property, and (iv) after paying all amounts due to the Delaware Trustee, if any, distributing the balance of the proceeds (net of any closing costs payable by the Trust including any fee due to the Signatory Trustee) to the Beneficial Owners. The Signatory Trustee and the Delaware Trustee shall take all reasonable action that would enable a sale to qualify, with respect to each Beneficial Owner, as a like-kind exchange within the meaning of Section 1031 of the Code. Any disposition of the Property shall be on an "as is, where is" basis and without any representations or warranties by the Delaware Trustee or the Signatory Trustee (other than as to ownership of the Property and authority to enter into the sale).

Fees

The Signatory Trustee or an Affiliate shall be entitled to receive a Disposition Fee from the Trust equal to the net amount of 2.95% of the gross proceeds generated from the disposition of the Property for the Trust, as such fee may be increased to include any commissions or fees payable by the Signatory Trustee to any third party in connection with the disposition of the Property. However, the Signatory Trustee or Affiliate will subordinate the payment of the Disposition Fee until the Beneficial Owners receive a return of 100% of their capital invested in the Offering from any special distributions and final distributions upon sale of the Property, but excluding monthly distributions of Annual Rent and annual distributions of Bonus Rent. The payment of the Disposition Fee shall expressly survive the transfer of the Property to the Springing LLC. The Signatory Trustee shall be entitled to an annual management fee, in an amount up to $1,800 (the "Signatory Trustee Fee"). The Signatory Trustee shall also earn an annual Asset Management Fee in an amount of up to $93,375 per year for the holding period. In addition, the Delaware Trustee shall be entitled to receive an initial acceptance fee of $700 and an annual fee of $700 for each year it acts as Delaware Trustee thereafter. The Master Lease provides that, as a matter of convenience, the Master Tenant shall pay, on the Trust's behalf, from operating revenue of the Property, the DST Administration and Accounting Fee, Asset Management Fee, Signatory Trustee Fee and, if requested by the Trust, any other Non-Operating Expenses set forth in the Projections, directly to such designee(s) at such address(es) as shall be specified, in writing, from time to time by the Trust.

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SUMMARY OF THE LIMITED LIABILITY COMPANY AGREEMENT

The following is a summary of some of the more significant provisions of the Limited Liability Company Agreement to be entered into with respect to the Springing LLC upon a Transfer Distribution. A form of the Limited Liability Company Agreement is attached to the Trust Agreement and should be referred to for a complete statement of the rights and obligations of the members. A prospective Purchaser should carefully review the Limited Liability Company Agreement before subscribing for Interests.

Management

The Springing LLC will be formed upon the occurrence of a Transfer Distribution and the Signatory Trustee, or an entity controlled by the Signatory Trustee, will become the manager of the Springing LLC upon a Transfer Distribution. The manager will have exclusive discretion in the management and control of the business and affairs of the Springing LLC. The Limited Liability Company Agreement will grant to the manager broad authority in the exercise of the management and control of the Springing LLC. The manager will have complete power to do all things necessary or incident to the management and conduct of the Springing LLC's business.

Rights of Members

The members will not have the right to take part in the management or control of the business or affairs of the Springing LLC, to transact any business for the Springing LLC, or to sign for or bind the Springing LLC. The members, however, will have the right to receive information required for federal income tax reporting and certain other financial information and to inspect certain Springing LLC records. The members will be entitled to vote on the following matters, and the vote of a majority interest shall be required to undertake any such actions: (i) entering into an agreement to sell the Property, (ii) entering into an agreement to modify, amend, extend or terminate the Master Lease, (iii) entering into an agreement to borrow any funds, (iv) admitting new members to the Springing LLC, (v) dissolving or winding up the Springing LLC, or (vi) amending the Limited Liability Company Agreement of the Springing LLC (other than with respect to the admission of a new member or the resignation or withdrawal of an existing member).

Limited Liability

No member will be liable for the Springing LLC's debts or other obligations, except to the extent of such member's share of undistributed profits, if any, and the amount of any distributions made to such member by the Springing LLC constituting a return of such member's capital contribution.

Transfer of Membership Interests

No transfer of a membership interest or any interest therein may be made unless the manager, 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 the Springing LLC to be classified as a publicly traded partnership for federal income tax purposes or that would otherwise result in the loss of an applicable securities exception or result in the Springing LLC having to register as an investment company or an investment advisor under the Investment Advisors Act of 1940. Further, no assignment of any membership interests 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 the Springing LLC, result in the termination of the 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, if any. A Person to whom a transfer is to be made will not become a substituted member in the 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 the Limited Liability Company 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 the Springing LLC and to preserve the Springing LLC's status.

Termination and Winding Up

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

(i) the happening of any event of dissolution specified in the Certificate of Formation;

(ii) a determination by the manager and members holding a majority interest to terminate the Springing LLC; or

(iii) the sale of the Property held by the Springing LLC.

The bankruptcy, death, dissolution, liquidation, termination or adjudication of incompetency of a member will not cause the termination or dissolution of the Springing LLC and the business of the Springing LLC will continue.

In the event of the Springing LLC's dissolution, (a) the Springing LLC's affairs will be terminated and wound up, (b) an accounting will be made, (c) the Springing LLC's liabilities will be paid or adequately provided for, (d) a reserve will be established to satisfy any legal requirements, and (e) the Springing LLC's remaining assets will be distributed to the members as provided for in proportion to their membership interests.

Meetings

The manager may call a meeting of the members at any time with respect to any matter. Members whose combined membership interests constitute 25% or more of all membership interests then outstanding may request the manager to call a meeting to vote and take action with respect to any issue on which the members may vote pursuant to the Limited Liability Company Agreement. Upon receiving a proper written request stating the purpose of the meeting, the manager will be required to mail, within 10 days after receipt of such request, written notice to all members of the meeting, stating the purpose of such meeting.

Resignation of Manager

The manager may not be removed by the members. The manager may, at its election, resign as manager.

Amendment of the Limited Liability Company Agreement

The manager shall have the right to modify and amend the Limited Liability Company Agreement of the Springing LLC to admit new members and to reflect the removal of existing members. The Limited Liability Company Agreement of the Springing LLC may be modified and amended upon the vote of a majority in interest of the members.

Books and Records

The Limited Liability Company Agreement will require the manager to distribute to each member, within 90 days following the close of the Springing LLC's fiscal year on December 31, annual information necessary for tax purposes.

Indemnification and Exoneration

Subject to certain conditions, the Springing LLC will indemnify the manager against certain claims or lawsuits arising out of the Springing LLC's activities or operations of the Springing LLC. The foregoing notwithstanding, the manager will not be relieved from liability resulting from any act or omission of the manager due to willful misconduct, intentional wrongdoing, or gross negligence.

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SUMMARY OF THE AGREEMENT OF CONTRIBUTION

General

The Depositor and the Trust executed an Agreement of Contribution to accomplish the assignment to the Trust of the right of the Depositor to purchase the Property. The Trust recorded a special warranty deed to establish record title in the Trust. Each prospective Purchaser should review the entire Agreement of Contribution with their own independent legal counsel before submitting an offer to purchase Interests. The following is merely a summary of some of the significant provisions of the Agreement of Contribution and is qualified in its entirety by reference thereto.

Closing

At Closing, the Depositor assigned to the Trust the rights to acquire the Property (including any and all related or ancillary property or property rights) and transferred all its rights and obligations with respect to the Property to the Trust. Closing of the purchase of the Property occurred on September 23, 2026. The consideration the Depositor received from the Trust is 100% of the beneficial interests in the Trust. At the closing, the Trust (or the Delaware Trustee on behalf of the Trust) received from the Seller a special warranty deed with limited grantor warranties and subject to all title exceptions. The Depositor delivered at the closing to the Trust signed copies of the Master Lease, amended escrow instructions, closing statements, as well as signed copies of the Trust Agreement.

Master Lease

At the closing, the Trust is expected to enter into the Master Lease upon the direction of the Depositor.

Assignment of Additional Rights

The Agreement of Contribution includes a general assignment provision, which provision survived closing, pursuant to which the Depositor transferred and assigned, and the Trust assumed, the Depositor's rights in and to any and all personal property, intangible property and other property related to the Property. Such assignment shall be subject to the rights therein of the residents under their leases.

"As-Is" Purchase

The Agreement of Contribution provides that the Trust accepted the Property in an "as-is" condition. The Depositor provided only limited representations and warranties to the Trust regarding the condition of the Property, including a representation that the Depositor is unaware of any current, outstanding breaches of any warranties from the Seller under the Purchase and Sale Agreement, as amended. The Depositor, however, delivered to the Trust, as part of the Trust's investigation regarding the Property, copies of various documents, leases, reports, tax bills, and related materials, all of which shall be likewise available to any Purchaser of Interests at its request. The Depositor made no representation or warranty regarding such materials. Consequently, the Trust (and the Beneficial Owners) must rely on their own independent investigation and analysis of the Property and any Beneficial Owner acquiring Interests in the Trust is encouraged to seek the advice of their own independent legal counsel or real estate advisor as to the condition of the Property. See "RISK FACTORS - Real Estate Risks." Nevertheless, the Trust is entitled to enforce any representations, warranties or claims against the Seller that are available under the Purchase and Sale Agreement, as amended, pursuant to which the Trust purchased the Property from the Seller.

Title Policy

The Agreement of Contribution provides that the Trust received, at the Depositor's sole expense, an owner's policy of title insurance insuring the Trust's ownership of fee title to the Property. Title shall be subject to all existing exceptions; provided that the Depositor shall be obligated to cure mortgage liens mechanics or judgment liens affecting the Property.

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RESTRICTIONS ON TRANSFERABILITY

There are restrictions on the transferability of the Interests imposed by state and federal securities laws. The Interests offered hereby have not been registered under the Securities Act or by the securities regulatory authority of any state. The Interests may not be resold unless they are registered under the Securities Act and registered or qualified under applicable state securities laws or unless exemptions from such registration and qualification are available. There currently is no market for the Interests and none is expected to develop. Prospective Purchasers should view the Interests as being a long-term investment. In addition, a sale of the Interests must be consummated in accordance with the Trust Agreement.

Each prospective Purchaser who or which purchases an Interest shall be required, as a condition to such purchase, to execute and deliver to the Sponsor a Purchase Agreement. The Purchase Agreement provides, among other things, that a Purchaser represents and warrants that the Purchaser is purchasing the Interests for the Purchaser's own account for investment only, and without any view to the distribution thereof or resale to others and that such Purchaser will not sell or transfer any or all of the Interests without registration under the Securities Act and registration or qualification under applicable state securities laws unless exemptions from such registration or qualification requirements are available. The Sponsor and its Affiliates have no obligation to affect such registration or qualification. Generally speaking, an exemption from the registration requirements of the Securities Act would not be available to a Purchaser attempting to resell its Interests except pursuant to Rule 144 under the Securities Act. The Interests will be "restricted securities" as that term is defined in Rule 144.

In general, under Rule 144, a person (or persons whose securities are aggregated), including an "affiliate," who has beneficially owned securities of an issuer that is not a public reporting company for at least one year (including the holding period of any prior owner except an "affiliate") is entitled to sell in "broker's transactions" or to market makers, within any three-month period, a number of securities that does not exceed the greater of (i) 1% of the then outstanding securities or (ii) generally, the average weekly trading volume of the securities during the four calendar weeks preceding the filing of a notice with respect to such sale. Certain other limitations, restrictions, and requirements apply, including the requirement that certain information about the securities and the Trust be publicly available. The Trust has no present intention of making such information publicly available. In addition, a person who is not deemed to have been an "affiliate" of the Trust at any time during the three months preceding a sale and who has beneficially owned the securities proposed to be sold for at least one year would be entitled to sell such securities under Rule 144 without regard to the limitations described above. An "affiliate" is defined in Rule 144 as "a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the issuer of the securities." The foregoing is intended only as a brief summary of Rule 144 and does not address a number of important aspects of the exemption provided thereunder. Purchasers are encouraged to seek additional information about Rule 144 and the characterization of the securities as "restricted securities" thereunder from qualified securities counsel.

Moreover, even if Rule 144 is available, sales and transfers of Interests are restricted by the Trust Agreement.

The foregoing descriptions of the Purchase Agreement and the Trust Agreement are qualified by reference to the complete terms and conditions thereof, copies of which are set forth elsewhere in this Memorandum.

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FEDERAL INCOME TAX CONSEQUENCES

This section of the Memorandum addresses whether an Interest qualifies as a real property interest for purposes of completing a like-kind exchange of real property under Code Section 1031. This section also contains a summary of the federal income tax principles applicable to the ownership of an Interest. The statements in this section are based on law in effect on the date of this Memorandum. A Purchaser's actual tax consequences from owning an Interest will depend on facts about the Property's operations and on the Purchaser's personal circumstances. Such consequences also may be affected by a change in the law or the IRS's disallowance of one or more tax positions that a Purchaser may take. The summary addresses only income tax principles that are generally applicable to the ownership of an Interest. Factors that may apply and be of material significance to a particular Purchaser may not be addressed herein. Therefore, this summary is not intended as a substitute for careful individual tax planning by a Purchaser. Each Purchaser must consult his own tax advisor about such income tax consequences before making an investment in Interests.

Tax Disclosure Notice. Purchasers are hereby notified that: (1) any description of tax issues in the Memorandum is not intended or written to be used, and cannot be used, by Purchasers for the purpose of avoiding penalties that may be imposed on them under the Code; (2) such description is written in connection with the Trust's promotion or marketing of the Interests; and (3) Purchasers should obtain advice based on their particular circumstances from an independent tax advisor.

Section 1031 of the Code provides that a taxpayer shall not recognize gain (or loss) from a disposition of qualifying property if the taxpayer acquires like-kind property in exchange. A taxpayer must meet numerous requirements to be eligible for the tax deferral provided by Code Section 1031. This section of the Memorandum addresses only one such requirement. A Purchaser must consult his own tax advisor regarding the other requirements of Code Section 1031. In order to purchase an Interest, a Purchaser must represent and warrant the following matters:

(i) he has consulted his own independent tax advisor regarding an investment in the Interests and the qualification of the transaction under Section 1031 of the Code and applicable state tax laws;

(ii) except for the Tax Opinion attached as Exhibit C, he is not relying on any statement of the Sponsor, the Signatory Trustee or any of their Affiliates or agents, including Tax Counsel and their accountants, or any member of the Selling Group for tax advice regarding the qualification of the Interests under Section 1031 of the Code or any other matter;

(iii) except for the Tax Opinion attached as Exhibit C, which is based on numerous assumptions, he is not relying on any statements made in this Memorandum regarding the qualification of an Interest as real property under Section 1031 of the Code;

(iv) he understands that the Tax Opinion is Tax Counsel's view of the anticipated tax treatment and there is no guarantee that the IRS will agree with such opinion;

(v) he is aware that the IRS has issued Revenue Ruling 2004-86, 2004-2 C.A. 191 addressing Delaware statutory trusts and that the Revenue Ruling constitutes authority only for the specific facts contained therein. Because the Trust will not obtain an IRS letter ruling, no assurance can be given that an Interest will qualify as a real property interest for federal income tax purposes; and

(vi) he shall report the purchase of an Interest pursuant to the Purchase Agreement as the purchase of a direct interest in the Property for federal income tax purposes.

Real Property Interests Under Code Section 1031

In order to qualify for nonrecognition under Code Section 1031, a Purchaser who has disposed of real property must acquire other real property in exchange. If the replacement property that such a Purchaser acquires is considered a partnership interest, a security or some other form of property interest other than a real property interest, the Purchaser will not be eligible to defer gain under Code Section 1031.

Tax Counsel has issued a Tax Opinion, a copy of which is attached to the Memorandum as Exhibit C. Tax Counsel's Tax Opinion contains the conclusion that, if challenged and litigated, an Interest should be considered a direct interest in the Trust's assets for purposes of the like-kind exchange rules under Code Section 1031. Such Tax

Opinion is based on Tax Counsel's related opinions that for federal income tax purposes (i) the Trust should be classified as a "trust" (and not a partnership or corporation) under Treasury Regulation Section 301.7701-4, (ii) the Trust should be considered a grantor trust and a Beneficial Owner should be considered a "grantor" of the Trust under Section 671 of the Code, and (iii) as a "grantor," a Beneficial Owner should be considered to own a direct undivided fractional interest in the Trust's assets. Tax Counsel also has opined that for purposes of Section 1031 of the Code, an Interest should not be considered an ineligible "security."

Tax Counsel's Tax Opinion concludes, first, that the Trust will be considered a "trust" rather than a partnership or a corporation for federal income tax purposes. Despite its designation as a trust for state law purposes, an arrangement will not qualify as a trust for tax purposes unless (a) the trust is recognized as an entity, (b) the trustee's power is limited to the role of preserving and protecting the trust's property and (c) the beneficiaries have no power to participate in the trustee's responsibilities. Treasury Regulation 301.7701-4 provides that for tax purposes a trust is an arrangement whereby a trustee takes title to property for the purpose of protecting it or conserving it for the beneficiaries. An arrangement will not be classified as a trust if the trustee has the power under the trust agreement to vary the investment of the beneficiaries. If an entity is created by the beneficiaries themselves, it will be considered a trust for tax purposes only if it can be shown that the purpose of the arrangement is to vest in the trustee the responsibility to protect and conserve property for beneficiaries and if the beneficiaries lack the power to share in the discharge of the trustee's responsibility and are not associates in a joint enterprise for the conduct of business. *Commissioner v. North American Bond Trust*, 122 F.2d 545 (2d Cir.1941). (An arrangement is not a trust where the trustee has the power to vary the trust's investment property.) Revenue Ruling 78-371, 1978-2 C.B. 344. (An arrangement is not a trust where the trustee has the power to purchase property, construct and raze a building and borrow money. *Elm Street Realty Trust v. Commissioner*, 76 T.C. 803 (1981)). (Where beneficiaries lack the power to share in the trustee's responsibilities, an arrangement is recognized as a trust for tax purposes.) In Revenue Ruling 2004-86, 2004-2 C.B. 191, the IRS ruled that an arrangement involving a Delaware statutory trust (the "DST") that held title to real property was a trust for tax purposes because the trustee's power was limited to the collection and distribution of income and the beneficiaries lacked the power to participate in the discharge of the trustee's responsibilities. Based on the foregoing authority, Tax Counsel's Tax Opinion is that the Trust should be respected as a trust for tax purposes.

Tax Counsel also has concluded that the Trust should be characterized as a grantor trust under Section 671 of the Code. Under Section 671, if a trust's income may be held for the benefit of the grantor (that is, the person who contributes money or other property to the trust) and the grantor possesses a reversionary interest in the trust, the trust will be considered a grantor trust. Section 671 further provides that the grantor of a trust that is considered a grantor trust will be considered the direct owner of the trust's property for income tax purposes. In Revenue Ruling 2004-86, the IRS ruled that because the grantors of a DST possessed the right to receive the DST's income and the proceeds from a sale of the DST's property, the trust would be considered a grantor trust and the trust beneficiaries would be considered the grantors and the direct owners of the DST's real property even though such property was titled in the DST's name. Accordingly, th**e** IRS ruled that beneficiaries' DST interests would qualify as real property in a like-kind exchange of real property under Section 1031 of the Code. Based on Section 671 and Revenue Ruling 2004-86, Tax Counsel has concluded that a Beneficial Owner should be considered a grantor of the Trust because the Beneficial Owner transferred cash to the Trust in exchange for an Interest. Because each Beneficial Owner will have the sole and exclusive right to receive his share of the Trust's income and its corpus, Tax Counsel has concluded that a Beneficial Owner should be considered to directly own the Property for federal income tax purposes.

The Trust has been structured to be substantially similar to the DST described in Revenue Ruling 2004-86. However, the transactions that are part of the Offering contain certain facts and terms that were not present in the transaction that was the subject of Revenue Ruling 2004-86, including the following: (i) the Trust will be a party to the Master Lease although the Depositor negotiated the terms of such documents and the Trust will execute them solely at the Depositor's direction; (ii) the Signatory Trustee or its Affiliate will have an ongoing role as signatory trustee of the Trust (but will not have powers other than those that the Trust Agreement allows the Trustee to exercise), (iii) the Trust may terminate as the result of a Transfer Distribution, (iv) the Trust is expected to receive multiple contributions over time rather than a single contribution, although the Trust will not retain such multiple contributions (except to fund reserves) and (v) under limited circumstances, the Signatory Trustee will have the discretion to cause a transfer of the Property to a Springing LLC. Such terms were not part of the transaction that is the subject of the Revenue Ruling. However, Tax Counsel has concluded that based on applicable authority, such differences will not alter Tax Counsel's Tax Opinion.

Tax Counsel's Tax Opinion is based on the Code, the Treasury Regulations, cases, rulings and in particular, Revenue Ruling 2004-86. Tax Counsel's Tax Opinion is subject to qualifications and is based on the assumptions

stated therein that depend on representations and covenants that the Sponsor has made to Tax Counsel. Any one or more of such representations and covenants may prove to be inaccurate. In addition, the IRS will not be bound by the Tax Counsel's Tax Opinion and the Trust will not obtain a ruling from the IRS on this matter. Therefore, no assurance is given that an Interest will be considered a real property interest for purposes of Code Section 1031.

Role of Sands Anderson PC as Tax Counsel. Sands Anderson PC has acted solely as U.S. federal income tax counsel ("Tax Counsel") with respect to the Offering, and has not acted as securities counsel, real estate counsel, finance counsel, or in any other capacity with respect to the Offering. As Tax Counsel, Sands Anderson PC has not conducted any due diligence or reviewed any of the reports or other due diligence materials with respect to the Property, the financing of the Property, or any financial projections or similar information with respect to the Property or the Offering. Tax Counsel's Tax Opinion and advice to the Sponsor and the Trust relates solely to U.S. 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.

THE ABOVE IS A SUMMARY OF THE TAX OPINION FROM TAX COUNSEL. PURCHASERS SHOULD REVIEW THE ATTACHED TAX OPINION IN ITS ENTIRETY.

Significant Tax Costs If Interests Do Not Qualify as Real Property. If the IRS successfully claimed that a Purchaser has acquired an interest in a partnership or other asset type rather than real property, a Purchaser would not be eligible to defer gain in a like-kind exchange of real estate under Section 1031 of the Code and immediately would recognize such gain and be subject to federal income tax thereon. Because the IRS would not make such a determination until after such a Purchaser had acquired his Interest, the Purchaser would have no cash sale proceeds from the disposition of his relinquished real property to use to pay the tax. Given the illiquid and long-term nature of an investment in an Interest, a Purchaser would not be able to obtain sufficient cash from an Interest to pay the tax. In such a case, a Purchaser would have to use funds from other sources to satisfy his tax liability.

Code Section 1031 Nonrecognition 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").

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 Property as "replacement property" for a 1031 Exchange.

True Lease. 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 may be recharacterized as a financing, deemed partnership, conditional sales contract or other arrangement for federal tax purposes. In this case, the IRS could take the position that the Master Lease is not a "true lease" and instead is a financing, deemed partnership or other arrangement. If such a position were taken, the Trust would not qualify as an investment trust and Interests would not qualify as real property for purposes of Code Section 1031.

For example, if the Master Lease were recharacterized as a financing, the Master Tenant would be treated as the owner of the Property for federal income tax purposes. As a result, a Purchaser attempting to participate in a 1031 Exchange would not be treated as having received qualified replacement property in relation to such Property when

such Purchaser acquired their Interest because the Purchaser would be treated as having made a loan to the Master Tenant. As the owner of the Property for federal income tax purposes, the 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 Master Tenant. All of these consequences could have a significant impact on the tax consequences of an investment in the Property.

In recent federal income tax 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 (trust) 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. The business purpose test has been described as a subjective analysis examining the motivations for entering into a transaction, 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). If a transaction is shown not to be a sham, the lessor (trust) must additionally retain sufficient benefits and burdens of ownership to be regarded as the owner for federal income tax purposes. 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 2001-28 sets forth guidelines for obtaining an advance ruling from the IRS that a lease is a "true lease" rather than a financing for federal income tax purposes. The Sponsor has not sought, and does not expect to request, a ruling from the IRS under Revenue Procedure 2001-28. 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.

Further, if the Master Lease were recharacterized as a deemed partnership, such deemed partnership would be treated as the owner of the underlying Property for federal income tax purposes. As a result, Purchasers attempting to participate in 1031 Exchanges would not be treated as having received qualified replacement property when they acquired their Interests because the Purchaser would be treated as having purchased an equity interest in such deemed partnership. Because an investment in such equity interests would not constitute a qualifying investment for purposes of a 1031 Exchange, treatment of the Master Lease as a deemed partnership would have a significant impact on the tax consequences of an investment in the Property.

In determining whether a lease arrangement is a true lease, rather than an agency relationship, the IRS and the courts have generally engaged in a fact-intensive analysis which focuses on the following two factors: (i) who controls the use of the property and (ii) who bears the risk of loss in respect of such use.

In this case, the Master Tenant will pay Bonus Rent to the Trust equal to 75% of the amount by which the actual annual effective gross income of the Property (as more fully described in "SUMMARY OF THE MASTER LEASE") exceeds the annual Revenue Benchmark as provided in the Master Lease, calculated on a Lease Year basis. It is possible the Master Lease will not be treated as a true lease for income tax purposes due to the presence of the Bonus Rent feature. If the Master Lease fails to be treated as a true lease, the Master Tenant could be treated as an agent of the Trust, in which case the activities of the Master Tenant would be attributed to the Trust and the Trust could be treated as a partnership, and/or the Master Lease could be treated as a financing arrangement, either of which events would result in significant adverse tax consequences to Purchasers attempting to participate in 1031 Exchanges.

Other Requirements of Section 1031 of the Code. Section 1031 of the Code provides for nonrecognition of gain or loss only if property held for use in a trade or business or for investment is exchanged for other 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 nonrecognition under Section 1031 of the Code. 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 Section 1031 of the Code.

Treatment as a "Security." Section 1031 of the Code expressly excludes a "security" from the categories of property that may qualify for nonrecognition. Thus, if the IRS were to classify the Interests as "securities" for

federal income tax purposes, the Interests would not qualify as replacement property for a 1031 Exchange. The term "security" is not defined in Section 1031 of the Code 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 Section 1031 of the Code even though an Interest may be a "security" under applicable federal and state securities laws.

Other Tax Consequences

Taxation of the Trust. Tax Counsel's opinion that a Purchaser should be treated as a grantor of the Trust means that the Trust will not be subject to tax on its income. Instead, each Purchaser will be required to take into account, in computing his income tax liability, his proportionate share of all items of the Trust's income, gain, loss, deduction and credit and a Purchaser's separately computed depreciation. The following discussion assumes that the Trust is a grantor trust and that each Purchaser is a grantor of the Trust for federal income tax purposes.

Tax Basis. Each Purchaser will have a tax basis in his Interest. Generally, a tax basis for purchased property equals the property's cost. However, if a property has been acquired in a like-kind exchange, such tax basis is determined instead by reference to the tax basis of the property disposed of, the additional cash invested and the debt (if any) incurred to purchase the replacement property and the amount of gain recognized from the actual or constructive receipt of boot. All mortgage and other liabilities incurred by the Trust will be allocated, for federal income tax purposes, to the Beneficial Owners in proportion to their Interests. For purposes of determining the purchase price of replacement property in a 1031 Exchange, each Purchaser will be able to include his proportionate share of the liabilities that encumber the Property at the time of the acquisition of an Interest.

Allocation of Purchase Price. Each Purchaser will be required to allocate the purchase price that it pays to acquire an Interest, or his basis as otherwise determined under the like-kind exchange rules, between depreciable personal property (if any), buildings and nondepreciable land based on their relative values. If an asset is depreciable, the purchase price allocated to such asset is recoverable through deductions over the asset's recovery period as prescribed in the Code, and such deductions will reduce and effectively shelter a taxpayer's taxable income but may be subject to recapture on a sale as described below. The recovery period for property acquired as replacement property in a like-kind exchange generally carries over from the relinquished property. To the extent of cash in excess of exchange proceeds invested, the taxpayer is considered to have acquired new property for purposes of the depreciation rules.

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 nonrecourse liabilities to which the Property is subject are in excess of the fair market value of the Property, a Purchaser will not be entitled to take depreciation deductions to the extent deductions are derived from such excess. Each Purchaser will have to compute his own depreciation.

Passive Activity Limitation. The ownership of an Interest will be considered a passive activity for a Purchaser and any income or loss that a Purchaser recognizes from the Property will be considered passive income and loss for purposes of the rules. The passive loss rules limit the amount of loss from operation of the Property that may be deducted by an individual, an estate, a trust and certain C corporations. Under the passive loss rules, a taxpayer may not use his passive losses to shelter wages, income from an activity in which the taxpayer is an active participant, or portfolio income. Portfolio income includes dividend and interest income, income from an annuity and certain capital gains. A taxpayer may use passive losses only to offset income realized (in the same or future years) from the same or other passive activities. Unused passive losses from an activity may be deducted in full without regard to their passive nature only when a taxpayer disposes of all of his property interest in a fully taxable transaction to an unrelated taxpayer.

Payments to the 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 Property, it is possible the IRS may claim that the amount by which the price of the Interests exceeds the price that the Trust paid to purchase the Property may not be treated as part of the purchase price of the Property but instead represents a nondeductible item. Real estate brokerage commissions (whether or not paid to Affiliates of the Sponsor) will be considered capital expenditures that must be added to the basis of the Property.

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 various fees and costs of the Offering described herein. In addition, reserves may be established using a portion of the funds contributed by the Depositor and/or the Offering Proceeds paid by the Purchasers. Certain of these items may constitute the acquisition of property that is not "like-kind" to real estate for purposes of Code Section 1031 and, consequently, may represent taxable "boot." Any personal property that may be part of the Property, amounts used to establish reserves and impositions or other items that are not attributable to the purchase of real property might not be treated as an interest in real property and may be treated as "boot." In addition, the IRS could take the position that the increase in the purchase price of the Property paid by the Purchasers would not be considered as an interest in real property and may be treated as "boot." Also, to the extent that the portion of the debt acquired with the purchase of an Interest in the Property is less than the Purchaser's debt on its relinquished property, such difference will constitute "boot" and may be taxable depending on the Purchaser's basis in the applicable 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.

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, Tax Counsel cannot give any advice or opinion regarding the tax treatment of such costs and reserves, which may be considered taxable "boot" to a Purchaser who purchases his Interests as part of a 1031 Exchange. Furthermore, no opinion is being provided by the Trust, the Sponsor or their affiliates with respect to the amount of "boot" in the transaction. Prospective Purchasers must consult their own independent tax advisors regarding these items. A Purchaser may elect to pay such expenses from his own funds.

Deductibility of Trust's Fees and Expenses. In computing his federal income tax liability, a Purchaser will be entitled to deduct, consistent with his method of accounting, the Purchaser's share of reasonable administrative fees, trustee fees and other fees, if any, paid or incurred by the Trust as provided in Section 162 or 212 of the Code. Deductions under Section 212 may be subject to the limitations applicable to miscellaneous itemized deductions.

Transfer to the Springing LLC. If a Transfer Distribution occurs, the Signatory Trustee will transfer the Property to the Springing LLC and the Purchasers will acquire membership interests in the Springing LLC. Under current law, such a transfer generally would not be subject to federal income tax pursuant to Section 721 of the Code but could be subject to state or local income or transfer taxes. No assurance can be given that such transfer will not be taxable under federal income tax law at the time such a transfer occurs. Because a Transfer Distribution could occur in several situations, it is not possible to determine all of the tax consequences to a Beneficial Owner in the event of a Transfer Distribution. **EACH PURCHASER SHOULD CONSULT HIS OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF A TRANSFER DISTRIBUTION.**

No Deferral of Tax upon Sale of Springing LLC Membership Interests. Unlike interests in the Trust, interests in a Springing LLC are not considered interests in real property for federal income tax purposes (including for purposes of a like-kind exchange under Section 1031 of the Code). **THUS, IF THE TRUST TRANSFERS THE PROPERTY TO THE SPRINGING LLC IN A TRANSFER DISTRIBUTION, A BENEFICIAL OWNER WHO RECEIVES AN INTEREST IN THE SPRINGING LLC LIKELY WILL NOT BE ABLE TO DEFER THE RECOGNITION OF GAIN UNDER SECTION 1031 OF THE CODE WHEN DISPOSING OF SUCH SPRINGING LLC INTEREST.**

721 UPREIT Contribution. As an alternative exit strategy, the Signatory Trustee may elect to facilitate a 721 UPREIT Contribution. Beneficial Owners who choose to participate in a 721 Exchange will likely lose their ability to continue any future 1031 Exchanges once they exchange their Interests into OP Units. **IN THE EVENT THE SIGNATORY TRUSTEE ELECTS TO FACILITATE A 721 UPREIT CONTRIBUTION, THE BENEFICIAL OWNERS ARE ENCOURAGED TO CONSULT WITH THEIR OWN INDIVIDUAL COUNSEL AND ADVISORS ABOUT THE POTENTIAL TAX AND OTHER RAMIFICATIONS OF A 721 EXCHANGE PRIOR TO MAKING THEIR ELECTION.**

Purchasers Determine Taxable Income and Loss. The Signatory Trustee will keep records and provide the Purchasers information about out-of-pocket expenses and revenues of the Property. However, each Purchaser will be required to separately compute and report his own taxable income or loss from the Property. Certain expenses, such as depreciation, will be different for different Purchasers.

Taxation of Tax-Exempt Investors. Certain tax-exempt entities, including qualified employee pension and profit-sharing trusts, individual retirement accounts and annuities, and charitable remainder trusts, are subject to

taxation on their UBTI. Generally, a tax-exempt entity that incurs UBTI is taxed on such income at the regular rate, or in the case of some entities corporate federal income tax rates. Because Interests in the Trust are treated for tax purposes as direct interests in the Property, tax-exempt Purchasers will be deemed to be carrying on the activities of the Trust for purposes of determining whether the tax-exempt Purchasers' income is UBTI.

UBTI is income that is derived by a tax-exempt entity from an unrelated trade or business that it regularly carries on, less the deductions directly connected with that trade or business.

If a tax-exempt Purchaser incurs additional debt in connection with its investment in the Trust, it may give rise to UBTI. Therefore, each prospective Purchaser should consult its own advisors regarding the use of debt to invest in the Trust.

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

Limitation on Losses under the At-Risk Rules. A Purchaser that is an individual or closely held corporation may not deduct taxable loss arising from the ownership of an Interest to the extent that such loss exceeds the amount by which the Purchaser is considered at-risk. Such disallowed losses may be carried forward and deducted in future years subject to the same limitation. A Purchaser's initial amount at risk generally equals the sum of (1) the amount of cash contributed to acquire the Interest, (2) the amount, if any, of recourse financing that the purchaser obtained to acquire his Interest, and (3) the amount of any qualified nonrecourse indebtedness encumbering the Property. 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. In the case of a like-kind exchange of property, it is expected that a Purchaser's initial amount at risk will be computed by reference to the ending amount at risk in the Purchaser's relinquished property. Losses not allowed under the at-risk provisions may be carried forward to subsequent taxable years and used when the amount at risk increases. Because the computation of the amount that a taxpayer is at risk will entail computations arising as a result of a taxpayer's substituted tax basis in like-kind exchange replacement property, each Purchaser should consult his own tax advisor about the amount that a taxpayer will be considered at risk with regard to the holding of an Interest.

Disposition of Interest. If a Purchaser sells his Interest, he will recognize gain equal to the excess of the amount received over the Purchaser's tax basis in his Interest. Generally, gain from the disposition of an Interest is considered capital gain (except in the case of an owner who held his interest for sale to customers in the ordinary course of his business). For a Purchaser who is an individual (or an estate or a trust) capital gain may be taxed at reduced rates if the Interest (and in the case of a like-kind exchange, to the extent of a carryover basis, the combined interest in the relinquished and replacement property) has been held for more than one year. However, a Purchaser's prior tax depreciation deductions on personal property (if any) are subject to tax at ordinary income rates to the extent that such prior deductions claimed do not exceed the Purchaser's total gain from the disposition of personal property. If a Purchaser has claimed building depreciation on his Interest or his relinquished property, the lesser of the gain recognized or that portion of the amount realized from such a sale that is attributable to the Purchaser's prior building depreciation will give rise to capital gain that is taxed at a 25% rate compared to the maximum 15% rate that applies to other capital gain income. Gain or loss from the disposition of property used in a trade or business (and not constituting inventory) is considered "Section 1231" gain or loss. A taxpayer must combine his Section 1231 gain or loss with any other Section 1231 gain or loss recognized during the year. The net Section 1231 gain or loss recognized in any year is taxed as capital gain or ordinary loss, as the case may be although Section 1231 gain is recaptured as ordinary income to the extent that the taxpayer has unrecaptured Section 1231 losses for any of the preceding five years. It is uncertain whether an Interest in the Property would be considered an asset held in a trade or business for purposes of Section 1231 and thus available for potentially favorable ordinary loss treatment. In determining the amount realized on the sale of an Interest or the Property, a Purchaser must include the Purchaser's share of the mortgage indebtedness on the Property. As a result, it is possible that the gain realized upon the sale of an Interest or the Property may exceed the cash proceeds from the sale or even the income tax payable from the gain recognized.

Foreclosure. In the event of a foreclosure of a mortgage on the Property, a Purchaser would realize gain in an amount equal to the excess (if any) of the Purchaser's share of the outstanding mortgage over the Purchaser's adjusted tax basis in the Property, even though the Purchaser might realize an economic loss upon such a foreclosure. The Purchaser could be required to pay income taxes with respect to such gain even though the Purchaser likely would not receive any cash distribution as a result of such foreclosure.

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 a Purchaser's share of the Property's nonrecourse indebtedness exceeds a Purchaser's adjusted tax basis in his Interest, the Purchaser may recognize gain for income tax purposes upon the transfer. The gifts of an Interest also may be subject to a gift tax.

Tax Elections. As a direct owner of real property, each Purchaser will be required to make his own tax elections with regard to the Property.

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

Activities Not Engaged in for Profit. Under Section 183 of the Code, 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. Section 183 of the Code 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 Property, 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.

Interest Incurred to Carry Tax-Exempt Securities. Section 265(a)(2) of the Code 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 Section 265(a)(2) of the Code turns on each Purchaser's purpose for acquiring an Interest. Thus, Section 265(a)(2) of the Code might be applied to a Purchaser whose purpose for investing in an Interest rather than in a non-leveraged investment is to enable such Purchaser to continue to carry tax-exempt obligations. Section 7701(f) of the Code directs the Treasury to issue regulations as may be 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 Section 265(a)(2) of the Code may be applied to a Purchaser if the Purchaser owns tax-exempt obligations or stock of a regulated investment company that distributes exempt interest dividends or if such obligations or stock are owned by a person, entity or other intermediary related to the Purchaser.

Taxable Income in Excess of Cash Receipts. It is possible that a Purchaser's taxable income resulting from his Interest will exceed the amount of cash received by the Purchaser from the Interest. This may occur because income from the Property may be used to fund nondeductible operating or capital expenses of the Property or reserves or applied to pay mortgage principal. In addition, in the event the Master Tenant elects to defer payments of Rent, Purchasers may be required to recognize rental income in a year prior to when such rental income is actually paid. Thus, there may be years in which a Purchaser's tax liability exceeds his share of cash from the Property, in which case a Purchaser may have to use funds from other sources to satisfy its tax liability associated with the Property.

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. Similarly, any interest attributable to unpaid taxes associated with an undisclosed 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. In the case of a C corporation, a substantial understatement of income tax generally occurs if the amount of the understatement for the taxable year exceeds the lesser of (i) 10% of the tax required to be shown on the return for the taxable year (or if greater, $10,000) or (ii) $10,000,000.

A substantial valuation misstatement occurs if the value of any property (or the adjusted basis) is 150% or more of the amount determined to be the correct valuation or adjusted basis. The penalty generally doubles to 40% 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 Section 6011 of the Code.

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 Section 6011 of the Code, (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. It is believed that the sale of an Interest should not constitute a reportable transaction. Accordingly, the Trust and the Sponsor do not plan 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. 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 the federal income tax consequences described above, each Purchaser should consider the state tax consequences of an investment in an Interest. A Purchaser will be subject to state income taxation in the state where the Property is located. Each Purchaser should obtain the advice of his own tax advisor regarding the state and local income tax consequences of owning an Interest.

Several tax issues described in this Memorandum have not been definitively resolved by statutes, regulations, rulings, or judicial opinions. Accordingly, no assurance can be given that the IRS and a court would accept the conclusions expressed herein or that such conclusions may not be changed by future administrative pronouncements, court decisions or legislation. Each Purchaser must consult his own tax advisor about the tax consequences of an investment in an Interest.

The Tax Opinion of Tax Counsel that is issued for a particular transaction 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 is 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.

TAX DISCLAIMER NOTICE

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

ERISA CONSIDERATIONS

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

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

Treatment of the Trust under ERISA

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

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

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

the Trust, their Affiliates or any other person that such an investment meets all relevant legal requirements with respect to investments by plans generally or that such an investment is appropriate for any particular plan.

LITIGATION

The Trust, Depositor and Signatory Trustee are newly formed entities and do not have any litigation pending against them as of the date of this Memorandum.

REPORTS

The Trust will keep proper and complete records and books of account for the Property. These books and records will be kept at the Trust's principal place of business and will be available to Purchasers during reasonable business hours. The Trust intends to obtain an audit of the Property's cash flow (income and expenses) from a qualified CPA firm for the period starting with the initial closing of the Offering through the end of the calendar year in which the final closing of the Offering occurs. Thereafter, the Trust will use good faith efforts to obtain such a cash flow audit on an annual basis, provided the cost does not exceed $5,000 per annum. If the cost of such audit exceeds $5,000 per annum, the Signatory Trustee may poll Purchasers and will have the right, in its sole discretion, to obtain or not obtain such an audit. This is intended to be an audit of the cash flow from the Property (income and expenses) and will not be prepared in accordance with GAAP or address Property valuation issues.

TAX OPINION

A Tax Opinion has been provided for certain tax issues set forth in this Memorandum regarding the Interests. A copy of the Tax Opinion is attached as Exhibit C.

ADDITIONAL INFORMATION

The Signatory Trustee will answer inquiries from prospective Purchasers concerning the Interests and other matters relating to the Offering, and the Signatory Trustee will afford prospective Purchasers the opportunity to obtain any additional information to the extent the Signatory Trustee possesses such information or can acquire such information without unreasonable effort or expense that is necessary to verify the information in this Memorandum. Prospective Purchasers are entitled to review copies of other material contracts relating to the matters described in this Memorandum.

PRIOR PERFORMANCE OF CAPITAL SQUARE DST AFFILIATES

The information presented in Exhibit I represents the historical experience of DST programs sponsored by Capital Square. Purchasers should not assume that they will experience returns, if any, comparable to those experienced by investors in such prior DST programs. Purchasers will not acquire any ownership interest in any of the entities to which the information in Exhibit I relates.

The tables in **Exhibit I** present Capital Square-sponsored DST programs, that, as of December 31, 2025, were operating and had completed their private placement offerings. Going forward, Capital Square plans to obtain audited track records for its DST programs on an annual basis.

EXHIBIT A

FORM OF
TRUST AGREEMENT

TRUST AGREEMENT

OF

CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS, DST

DATED AS OF

August 20, 2026

BY AND AMONG

CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS HOLDINGS, LLC,
a Delaware limited liability company

AS DEPOSITOR

CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS ST, LLC,
a Delaware limited liability company

AS SIGNATORY TRUSTEE

AND

SORENSEN ENTITY SERVICES LLC,

AS DELAWARE TRUSTEE

TRUST AGREEMENT
OF
CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS, DST,
A DELAWARE STATUTORY TRUST

This TRUST AGREEMENT, dated as of August 20, 2026 (as the same may be amended or supplemented from time to time, this "Trust Agreement"), is made by and among CS1031 Texas Active Living New Braunfels Holdings, LLC, a Delaware limited liability company (the "Depositor"), CS1031 Texas Active Living New Braunfels ST, LLC, a Delaware limited liability company (in its individual capacity, "Signatory Trustee") as Signatory Trustee, Sorensen Entity Services LLC, a Delaware limited liability company (in its individual capacity, "Delaware Trustee"), as Delaware Trustee.

RECITALS

A. Depositor has acquired, will acquire or will contract to acquire the real estate more particularly described on Exhibit A, together with all buildings, structures, fixtures and improvements located thereon (collectively, the "Real Estate").

B. The Real Estate is subject to (or will hereafter become subject to) the Master Lease (as hereinafter defined).

C. The Depositor, Signatory Trustee and Delaware Trustee have formed a statutory trust in accordance with Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. §3801, *et seq.* (the "Statutory Trust Act").

D. The Depositor will convey the Real Estate, or will cause the Real Estate to be conveyed, to the Trust (as hereinafter defined) in exchange for one hundred percent (100%) of the Beneficial Interests (as hereinafter defined) in the Trust issued to Depositor.

E. It is anticipated that thereafter certain additional Investors (as hereinafter defined) will acquire the Beneficial Interests in the Trust in exchange for payment of money to the Trust and become Beneficial Owners (as hereinafter defined) in accordance with the provisions of this Trust Agreement. In connection with the acquisition of the Beneficial Interests by the Investors, the Beneficial Interests held by Depositor will be redeemed by the Trust on a prorated basis.

F. The Trust will retain CS1031 Texas Active Living New Braunfels ST, LLC as the Signatory Trustee 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 hereby agree as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

Definitions. Capitalized terms used in this Trust Agreement shall have the following meanings:

"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. Without limiting the generality of the foregoing, a Person shall be deemed to control any other Person in which it owns, directly or indirectly, forty-nine percent (49%) or more of the ownership interests.

"Beneficial Interest" means a beneficial interest in the Trust, as such term is used in the Statutory Trust Act.

"Beneficial Owner" means each Person who, at the time of determination, holds a Beneficial Interest as reflected on the most recent Ownership Records.

"Business Day" is any day other than on Saturday, Sunday or legal holiday in the State of Delaware.

"Certificate of Trust" means the certificate of trust of the Trust in substantially the form of Exhibit B.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Contribution Agreement" means that certain agreement of contribution to trust pursuant to which the Depositor contributes the Real Estate (or the right to acquire the Real Estate) to the Trust.

"Delaware Trustee" means the Person serving, at the time of determination, as the Delaware Trustee under this Trust Agreement. As of the Effective Date, the Delaware Trustee is Sorensen Entity Services LLC.

"Delaware Trustee Covered Expenses" has the meaning given to such term in Section 4.5.

"Delaware Trustee Indemnified Persons" has the meaning given to such term in Section 4.5.

"Deposit Date" means September 23, 2026 (such date to be filled in once agreed to by the Depositor and the Signatory Trustee).

"Depositor" has the meaning given to such term in the introductory paragraph hereof.

"Disposition" means any sale, disposition, or exchange roll-up transaction pursuant to Section 721 of the Code with respect to the Trust Property.

"Effective Date" means the date of this Trust Agreement as specified in the introductory paragraph hereof.

"Exhibit" means an exhibit attached to this Trust Agreement, unless otherwise specified.

"Investors" means the purchasers of Beneficial Interests in the Trust, excluding the Depositor.

"Master Lease" means that master lease agreement relating to the Real Estate together with all amendments, supplements and modifications thereto.

"Master Tenant" means the person identified as the tenant in the Master Lease.

"Ownership Records" means the records maintained by the Signatory Trustee, substantially in the form of Exhibit C, 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 Signatory Trustee contemporaneously to reflect the issuance or transfer of Beneficial Interests 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 Interests in the Trust held by such Beneficial Owner as reflected on the most recent Ownership Records. For the avoidance of doubt, the sum of the Percentage Share of the Beneficial Interests at all times shall be one hundred percent (100%).

"Permitted Investment" has the meaning set forth in Section 7.2.

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

"Purchase Agreement" means the purchase agreement and escrow instructions to be entered into by the Depositor and each Investor with respect to the acquisition of Beneficial Interests by the Investors.

"Real Estate" has the meaning given to such term in Recital A hereof.

"Regulations" means U.S. Treasury Regulations promulgated under the Code.

"Reserves" has the meaning given to such term in Section 7.2.

"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.

"Signatory Trustee" means the Person serving, at the time of determination, as the signatory trustee under this Trust Agreement. As of the Effective Date, the signatory trustee is CS1031 Texas Active Living New Braunfels ST, LLC.

"Signatory Trustee Covered Expenses" has the meaning given to such term in Section 5.4.

"Signatory Trustee Indemnified Persons" has the meaning given to such term in Section 5.4.

"Special Member" means, upon such person's admission to the Signatory Trustee as a member of the Signatory Trust pursuant its limited liability company agreement, a person acting as a Springing Member of Signatory Trustee, in such person's capacity as a member of the Signatory Trustee.

"Special Purpose Provisions" has the meaning given to such term in Section 10.11.

"Springing LLC" has the meaning given to such term in Section 9.2.

"Springing Member" means a Person who is not a member of the Signatory Trustee but who has signed its limited liability company agreement in order that, upon the conditions provided therein, such person can become the Special Member of Signatory Trustee without any delay in order that at all times the Signatory Trustee shall have at least one member.

"Statutory Trust Act" has the meaning given to such term in Recital C hereof.

"Transaction Documents" means the Trust Agreement, the Contribution Agreement, each Purchase Agreement, the Master Lease, 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.

"Trust" means CS1031 Texas Active Living New Braunfels, DST, an irrevocable Delaware statutory trust formed 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 Master Lease, 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.

"Trust Year" means (i) initially, the period of time commencing on the Deposit Date and ending on the date that is 12 months later and (ii) subsequently, each successive 12-month period thereafter.

ARTICLE 2
GENERAL MATTERS

Section 2.1 Organizational Matters.

(a) Sorensen Entity Services LLC is hereby appointed as the Delaware Trustee, and Sorensen Entity Services LLC hereby accepts such appointment.

(b) The Depositor hereby authorizes and directs the Delaware Trustee to execute and file the Certificate of Trust in the office of the Secretary of State of the State of Delaware (the "Secretary of State") and authorizes the Delaware Trustee to execute and file in the office of the Secretary of State such 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 "CS1031 Texas Active Living New Braunfels, DST." The Signatory Trustee 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) 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 Delaware Trustee or the Signatory Trustee individually or to the officers, agents or employees of the Trust, the Delaware Trustee or the Signatory Trustee.

(d) The principal office of the Trust, and such additional offices as the Signatory Trustee may determine to establish, shall be located at such places inside or outside of the State of Delaware as the Signatory Trustee shall designate from time to time. As of the Effective Date, the principal office of the Trust is located c/o the Signatory Trustee at c/o Capital Square Realty Advisors, LLC, 4851 Lake Brook Drive, Glen Allen, Virginia 23060.

(e) Legal title to the Trust Estate shall be vested in the Trust.

(f) The Trust is an irrevocable Delaware statutory trust, and as such and subject to Section 9.1 hereof, it shall have a perpetual existence and may not be revoked by the Depositor, Signatory Trustee, Delaware Trustee or any other Person.

Section 2.2 Declaration of Trust and Statement of Intent.

(a) The Signatory 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 Delaware Trustee is a "trustee," and the Signatory Trustee 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 to engage in the following activities: (i) to acquire the Real Estate subject to (or to concurrently therewith enter into) the Master Lease; (ii) to hold for investment, lease, maintain and eventually dispose of the Real Estate; and (iii) to take only such other actions as the Signatory Trustee deems necessary or appropriate to carry out the foregoing.

ARTICLE 3
PROVISIONS RELATING TO TAX TREATMENT

Section 3.1 Intentionally Deleted.

Section 3.2 Provisions Relating to Tax Treatment.

(a) It is the intention of the parties hereto that the Trust shall constitute an investment trust pursuant to Section 301.7701-4(c) of the Regulations 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. None of the Delaware Trustee, the Signatory Trustee, 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, exchange or otherwise dispose of the Real Estate except in accordance with 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 5.2;

(3) enter into any financing;

(4) renegotiate the Master Lease or enter into new leases, 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, including existing reserves, contributed by the Depositor in connection with the original contribution of the Trust Estate and capital from an Investor paid in accordance with the investment in the Beneficial Interests made pursuant to the Memorandum that will be distributed to the Depositor to redeem its Beneficial Interest or to fund reserves or pay fees and expenses related to the offering of the Beneficial Interests); or

(7) take any other action which would in the opinion of tax counsel to the Trust cause the Trust to be treated as a business entity for federal income tax purposes if the effect would be that such action or actions would constitute a power under the Trust Agreement to "vary the investment of the certificate holders" under Section 301.7701-4(c)(1) of the Regulations 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 Delaware Trustee, the Beneficial Owners, the Signatory Trustee nor 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, or permitted by, this Section 3.3. Without limiting the generality of the foregoing, (i) none of the Delaware Trustee, the Signatory Trustee, 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 Section 301.7701-4 of the Regulations and not treated as a "business entity" within the meaning of Section 301.7701-3 of the Regulations, and (ii) this Trust Agreement shall be interpreted and enforced so as to be in compliance with the requirements of Rev. Rul. 2004-86, 2004-2 C.B. 191.

For federal income tax purposes, the Trust is intended to be and shall constitute an investment trust pursuant to Section 301.7701-4(c) of the Regulations 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 DELAWARE TRUSTEE

Section 4.1 Power and Authority. The Delaware 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, (iii) execute, solely in its capacity as trustee for and on behalf of the Trust, any document of title or other document relating to the Real Estate, as determined by the Signatory Trustee to be required or advisable under any applicable law of the jurisdiction where the Real Estate is located; and (iv) take such action or refrain from taking such action under this Trust Agreement as may be directed in a writing delivered to the Delaware Trustee by the Signatory Trustee; provided, however, that the Delaware Trustee shall not be required to take or to refrain from taking any such action if the Delaware Trustee shall believe, or shall have been advised by counsel, that such performance is likely to involve the Delaware Trustee in personal liability or to result in personal liability to the Delaware Trustee or is contrary to the terms of this Trust Agreement or of any document contemplated hereby to which the Trust or the Delaware Trustee is or becomes a party or is otherwise contrary to law. The Signatory Trustee agrees not to instruct the Delaware Trustee to take any action, or to refrain from taking any action, that is contrary to the terms of (i) this Trust Agreement or of any document contemplated hereby to which the Trust or the Delaware Trustee is or becomes a party, or (ii) applicable law. Other than as expressly provided for in this Trust Agreement, the Delaware Trustee shall have no duty to take any action for or on behalf of the Trust.

Section 4.2 Delaware Trustee May Request Direction. If at any time the Delaware 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 Delaware Trustee may deliver a notice to a court of competent 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 Delaware Trustee in reliance thereon. Until the Delaware 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 Delaware Trustee's Capacity. In accepting the trust hereby created, Sorensen Entity Services LLC acts solely as Delaware Trustee hereunder and not in its individual capacity, and all Persons having any claim against the Delaware 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 Sorensen Entity Services LLC, in its individual capacity or in its capacity as Delaware Trustee, (i) have any duty to choose or supervise, nor shall it have any liability for the actions or inactions of, the Signatory Trustee or any officer, manager, employee, or other Person (other than Sorensen Entity Services LLC 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 Signatory Trustee, or any officer, manager, employee, or other Person (other than Sorensen Entity Services LLC and its own employees); provided, however, that this limitation shall not protect Sorensen Entity Services LLC 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.

Section 4.4 Duties. None of the Delaware Trustee or any successor Delaware 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 duties or obligations shall be read into this Trust Agreement against the Delaware Trustee or any successor Delaware Trustee. The right of the Delaware Trustee or any successor Delaware 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 Delaware Trustee's or any successor Delaware Trustee's duties (including fiduciary duties) and liabilities relating thereto to the Trust and the Beneficial Owners shall be restricted to those duties (including fiduciary duties) expressly set forth in this Trust Agreement and liabilities relating thereto.

Section 4.5 Indemnification. The Beneficial Owners, jointly and severally, hereby agree to: (i) reimburse the Delaware Trustee or any successor Delaware 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) the fullest extent permitted by law, indemnify, defend and hold harmless the Delaware Trustee and/or any successor Delaware Trustee, and the officers, directors, employees and agents of the Delaware Trustee and/or any successor Delaware Trustee (collectively, including the Delaware Trustee and/or any successor Delaware Trustee in its individual capacity, the "Delaware 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, "Delaware Trustee Covered Expenses"), to the extent that

such Delaware Trustee Covered Expenses arise out of or are imposed upon or asserted at any time against any such Delaware Trustee Indemnified Persons, including without limitation on the basis of ordinary negligence on the part of any such Delaware 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 shall not be required to indemnify a Delaware Trustee Indemnified Person for Delaware Trustee Covered Expenses to the extent such Delaware Trustee Covered Expenses result from the willful misconduct, bad faith, fraud or gross negligence of such Delaware Trustee Indemnified Person; and (iii) the fullest extent permitted by law, advance to each such Delaware Trustee Indemnified Person any Delaware Trustee Covered Expenses incurred by such Delaware 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 upon receipt by any Beneficial Owner of an undertaking, by or on behalf of such Delaware Trustee Indemnified Person, to repay such amount if a court of competent jurisdiction renders a final, nonappealable judgment that includes a specific finding of fact that such Delaware Trustee Indemnified Person is not entitled to be indemnified therefor under this Section 4.5. The obligations of the Beneficial Owners under this Section 4.5 shall survive the resignation or removal of the Delaware Trustee, shall survive the dissolution and termination of the Trust, and shall survive the termination, amendment, supplement, and/or restatement of this Trust Agreement. Notwithstanding 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 Delaware Trustee may resign at any time by providing written notice to the Signatory Trustee, such resignation to be effective upon the acceptance of appointment by a successor Delaware Trustee as hereinafter provided. The Signatory Trustee may at any time remove the Delaware Trustee with or without cause by providing written notice to the Delaware Trustee, such removal to be effective upon the acceptance of appointment by a successor Delaware Trustee as hereinafter provided. Cause shall only result from the willful misconduct, bad faith, fraud or gross negligence of the Delaware Trustee. In case of the removal or resignation of a Delaware Trustee, the Signatory Trustee may appoint a successor by written instrument. If a successor Delaware Trustee shall not have been appointed within fifteen (15) days after the giving of such notice, the Delaware Trustee or any of the Beneficial Owners may apply to any court of competent jurisdiction in the United States to appoint a successor Delaware Trustee to act until such time, if any, as a successor shall have been appointed as provided above. 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 Delaware 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 Delaware Trustee in the trusts hereunder with like effect as if originally named the Delaware 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 Delaware 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 Delaware 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 Delaware Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Delaware Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Delaware Trustee may be transferred, shall, subject to the preceding sentence, be the Delaware Trustee under this Trust Agreement without further act.

Section 4.7 Fees and Expenses. Sorensen Entity Services LLC shall receive as compensation for its services hereunder such fees as have been separately agreed upon between Depositor and Sorensen Entity Services LLC. The Delaware Trustee 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 4.8 Intentionally Deleted.

ARTICLE 5
CONCERNING THE SIGNATORY TRUSTEE

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 Signatory Trustee. The Signatory Trustee shall have the power and authority, and is hereby authorized and empowered, to take title to the Trust Estate as trustee to the Trust, 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 Signatory Trustee shall have no power to engage on behalf of the Trust in any activities that the Trust could not engage in directly. The Signatory Trustee 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.

Section 5.2 Signatory Trustee's Capacity. The Signatory Trustee acts solely as an agent of the Trust and not in its individual capacity, and all Persons having any claim against the Signatory 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 to the contrary, the Signatory Trustee shall not have any liability to any Person except for its own willful misconduct, bad faith, fraud or gross negligence.

Section 5.3 Duties.

(a) The Signatory Trustee has primary responsibility for performing the administrative actions set forth in this Section 5.3. In addition, the Signatory Trustee shall have the obligations with respect to a potential Disposition of the Trust Estate set forth in Article 9. The Signatory Trustee 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 Signatory Trustee. The right of the Signatory 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 Signatory Trustee's duties (including fiduciary duties) and liabilities relating thereto to the Trust and the Beneficial Owners shall be restricted to those duties (including fiduciary duties) expressly set forth in this Trust Agreement and liabilities relating thereto.

(b) The Signatory Trustee shall, on behalf of the Trust, enter into the Contribution Agreement with the Depositor, of even date herewith, for purposes of issuing the Beneficial Interests to the Depositor.

(c) Without limiting the generality of Section (a) above, the Signatory Trustee, 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) receiving the contribution of the Real Estate subject to, and assuming, the Master Lease or, in the event that the Depositor contributes the right to acquire the Real Estate (versus the Real Estate itself), receive the contribution of such right to acquire the Real Estate, to take title to the Real Estate as trustee for the Trust, and to enter into the Master Lease on the terms negotiated and agreed to by the Depositor;

(2) collecting rents and making distributions in accordance with Article 6;

(3) entering into any agreement for purposes of completing tax-free exchanges of real property with a Qualified Intermediary as defined in. Section 1.1031(k) - 1(g)(4) of the Regulations;

(4) notifying the relevant parties of any default by them under the Transaction Documents;

(5) entering into and complying with the terms of the Master Lease, including making any repairs or maintenance with respect to the Real Estate required to be undertaken by the landlord in accordance with the terms of the Master Lease; 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.

The foregoing notwithstanding, under no circumstances shall the power or authority of the Signatory Trustee include the ability to take any actions which would cause the Trust to cease to constitute an "investment trust" within the meaning of Section 301.7701-4(c) of the Regulations. The power and authority of the Signatory Trustee 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.

(d) The Signatory Trustee shall keep customary and appropriate books and records relating to the Trust and the Trust Estate. The Signatory Trustee 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. The Signatory Trustee may, at its election, enter into one or more service agreements with third parties or an Affiliate of the Signatory Trustee, including Capital Square Realty Advisors, LLC or an Affiliate thereof, to provide reporting and asset management services to the Signatory Trustee to assist the Signatory Trustee in providing such services.

(e) The Signatory Trustee shall promptly furnish, or require its third party servicing contractors to furnish, to the Beneficial Owners copies of all reports, notices, requests, demands, certificates, financial statements and any other writings required to be distributed to them pursuant to the Transaction Documents, unless the Signatory Trustee reasonably believes the same to have been sent directly to the Beneficial Owners.

(f) The Signatory Trustee shall not be required to act or refrain from acting under this Trust Agreement or the Master Lease if the Signatory Trustee reasonably determines, or has been advised by counsel, that such action or inaction may result in personal liability, unless the Signatory Trustee 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 Signatory Trustee.

(g) The Signatory Trustee shall not, on its own behalf (in contrast to actions that the Signatory Trustee 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, or (v) inspect the Real Estate at any time.

(h) The Signatory Trustee shall manage, control, dispose of or otherwise deal with the Trust Estate consistent with its duties to conserve and protect the Trust Estate, subject to any restrictions required by the Master Lease, or otherwise provided in this Trust Agreement.

(i) The Signatory Trustee 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.

(j) The Signatory Trustee shall provide to the Delaware Trustee a copy of the Ownership Records contemporaneously with each revision thereto.

Section 5.4 Indemnification. The Beneficial Owners, jointly and severally, hereby agree to (i) reimburse the Signatory 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 Signatory

Trustee, and the officers, directors, employees and agents of the Signatory Trustee (collectively, including the Signatory Trustee, the "Signatory 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, "Signatory Trustee Covered Expenses"), to the extent that such Signatory Trustee Covered Expenses arise out of or are imposed upon or asserted at any time against any such Signatory Trustee Indemnified Persons, including without limitation on the basis of ordinary negligence on the part of any such Signatory 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 shall not be required to indemnify a Signatory Trustee Indemnified Person for Signatory Trustee Covered Expenses to the extent such Signatory Trustee Covered Expenses result from the willful misconduct, bad faith, fraud or gross negligence of such Signatory Trustee Indemnified Person, and (iii) to the fullest extent permitted by law, advance to each such Signatory Trustee Indemnified Person any Signatory Trustee Covered Expenses incurred by such Signatory 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 upon receipt by any Beneficial Owner of an undertaking, by or on behalf of such Signatory Trustee Indemnified Person, to repay such amount if a court of competent jurisdiction renders a final, nonappealable judgment that includes a specific finding of fact that such Signatory Trustee Indemnified Person is not entitled to be indemnified therefor under this Section 5.4. The obligations of the Beneficial Owners under this Section 5.4 shall survive the resignation or removal of the Signatory Trustee, shall survive the dissolution and termination of the Trust, and shall survive the termination, amendment, supplement, and/or restatement of this Trust Agreement. Notwithstanding the above, in all cases, the indemnification provided under this Section 5.4 shall be limited to, and only paid out of, the Trust Estate.

Section 5.5 Fees and Expenses. The Signatory Trustee shall receive as compensation for its services as Signatory Trustee hereunder an annual fee in an amount up to $1,800 and an annual asset management fee in the amount of up to $93,375 and the additional fee contemplated by Section 9.4. The Signatory Trustee 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 Disposition of Trust Estate by Signatory Trustee Is Binding. Any Disposition or other conveyance of the Trust Estate or any part thereof by the Signatory Trustee 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 Signatory Trustee may resign at any time by providing prior written notice to the Delaware Trustee, such resignation to be effective upon the acceptance of appointment by a successor Signatory Trustee as hereinafter provided. The Delaware Trustee may at any time remove the Signatory Trustee for cause by providing written notice to the Signatory Trustee, such removal to be effective upon the acceptance of appointment by a successor Signatory Trustee as hereinafter provided. Cause shall only result from the willful

misconduct, bad faith, fraud or gross negligence of the Signatory Trustee. In case of the removal or resignation of the Signatory Trustee, the Delaware Trustee may appoint a successor by written instrument. If a successor Signatory Trustee shall not have been appointed within fifteen (15) days after the giving of such notice, the Signatory Trustee or any of the Beneficial Owners may apply to any court of competent jurisdiction in the United States to appoint a successor Signatory Trustee to act until such time, if any, as a successor shall have been appointed as provided above. 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 Signatory Trustee 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 Signatory Trustee in the trusts hereunder with like effect as if originally named the Signatory 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 rights, powers and duties of such predecessor. Any right of the Beneficial Owners against a predecessor Signatory Trustee in its individual capacity shall survive the resignation or removal of such predecessor Signatory Trustee, 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 Beneficial Ownership Interests.

(a) The Depositor shall convey the Real Estate, or shall cause the Real Estate to be conveyed, to the Trust, and the Trust shall convey to Depositor all the Beneficial Interests in the Trust. All Beneficial Interests shall be uncertificated interests and shall constitute a single, and the only, class of interest in the Trust.

(b) Any Beneficial Owner shall be deemed, by virtue of a valid Purchase Agreement for Beneficial Interest referenced 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.

Section 6.2 Ownership Records. The Signatory Trustee shall at all times be the Person at whose office a Purchase Agreement 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 Purchase Agreement may be served. The Signatory Trustee 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 permitted under the terms of this Trust Agreement, the Signatory Trustee shall issue a new Purchase Agreement setting forth the current Percentage Share in the Trust held by such new Beneficial Owner, and if applicable the Signatory

Trustee shall issue a new Purchase Agreement setting forth the Beneficial Interest retained by any transferring Beneficial Owner. Except as specifically permitted by this Article 6, the Beneficial Interests shall be non-transferable and may not be negotiated, endorsed or otherwise transferred to a holder.

Section 6.3 Additional Conditions to Transfer. The Signatory Trustee's consent to any proposed transfer hereunder is subject to the satisfaction of the following as determined in the sole discretion of the Signatory Trustee: (A) that such proposed transfer would not result in the Trust having to register as an investment company under the Investment Company Act of 1940, as amended, or require the Trust or any Trustee to register as an investment adviser under the Investment Advisers Act of 1940, as amended; and (B) that such proposed transfer does not cause the property of the Trust to become "plan assets" (as defined in the Plan Asset Rules) subject to the fiduciary standards of Part 4 of Subtitle B of Tile I of ERISA and Code Section 4975.

Section 6.4 Restrictions on Transfer. Subject to compliance with applicable securities laws and Section 6.1, Section 6.4, Section 6.5, and Section 6.6 of this Trust Agreement, all or any portion of the Beneficial Interest of any Beneficial Owner (other than Depositor) may be assigned or transferred without the prior consent of any of the Trust, the Delaware Trustee, the Signatory Trustee, or the other Beneficial Owners. All expenses of any such transfer shall be paid by the assigning or transferring Beneficial Owner.

Section 6.5 Conditions to Admission of New Beneficial Owners. Subject to Sections 6.1 of this Trust Agreement, any assignee or transferee of a Beneficial Owner, except Investors that purchased Beneficial Interests pursuant to a Purchase Agreement, shall only become a Beneficial Owner upon such assignee's or transferee's written acceptance and adoption of this Trust Agreement, as manifested by its execution and delivery to the Signatory Trustee of an executed agreement substantially in the form of Exhibit D.

Section 6.6 Limit on Number of Beneficial Owners. Notwithstanding anything to the contrary in this Trust Agreement, at no time shall the number of Beneficial Owners exceed one thousand nine hundred fifty (1950) Persons. 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 applicable securities laws and regulations and this Trust Agreement. Each Beneficial Owner hereby acknowledges that (y) other than with respect to the initial issuance thereof by the Signatory Trustee and by the Depositor to the Investors pursuant to the terms of the Memorandum and applicable securities laws, 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. The Beneficial Owners are not liable for any liabilities or obligations of the Trust or the trustees of the Trust or for the performance of this Trust Agreement. 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 Delaware Trustee, the Signatory Trustee, 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.

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 shall not result in the termination or dissolution of the Trust.

Section 6.10 In-Kind Distributions. Except as expressly provided herein, 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 permitted by law, to partition the Trust Estate.

Section 6.11 Rights and Powers of Beneficial Owners. The Beneficial Owners shall only have the right to receive distributions from the Trust as a result of the operations or Disposition of the Real Estate. The Beneficial Owners shall not have the right or power to direct in any manner the Trust or the Signatory Trustee in connection with the operation of the Trust or the actions of the Delaware Trustee or the Signatory Trustee. In addition, the 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.

ARTICLE 7
DISTRIBUTIONS AND REPORTS

Section 7.1 Payments From Trust Estate Only. All payments to be made by the Signatory Trustee under this Trust Agreement shall be from the Trust Estate.

Section 7.2 Distributions in General. The Signatory Trustee shall distribute (or cause its third party servicing contractors to distribute on the Signatory Trustee's behalf) all available cash to the Beneficial Owners in accordance with their Percentage Shares on a monthly basis, after paying all expenses of the Trust then due, and after paying or reimbursing the Signatory Trustee for any fees or expenses paid by the Signatory Trustee on behalf of the Trust and retaining such additional amounts as the Signatory Trustee 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 the Signatory Trustee 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 month.

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 Signatory Trustee. The Signatory Trustee 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 Signatory Trustee shall furnish (or cause its third party servicing contractors to furnish) annual reports 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.

ARTICLE 8
RELIANCE; REPRESENTATIONS; COVENANTS

Section 8.1 Good Faith Reliance. Neither the Delaware Trustee nor the Signatory Trustee 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 Delaware Trustee and the Signatory Trustee 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 Delaware Trustee and the Signatory Trustee for any action taken or omitted to be taken by them in good faith in reliance thereon, and the Delaware Trustee and the Signatory Trustee 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 Delaware Trustee and the Signatory Trustee 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 Delaware Trustee or the Signatory Trustee 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 Delaware Trustee shall be fully protected in relying upon the most recent Ownership Records delivered to it by the Signatory Trustee.

Section 8.2 No Representations or Warranties as to Certain Matters. NEITHER THE DELAWARE TRUSTEE NOR THE SIGNATORY TRUSTEE, EITHER WHEN ACTING HEREUNDER IN ITS CAPACITY AS DELAWARE TRUSTEE OR SIGNATORY TRUSTEE 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 Delaware Trustee or the Signatory Trustee 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 Delaware Trustee or the Signatory Trustee in its individual capacity. Each of the Delaware Trustee and the Signatory Trustee 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. Except upon the occurrence of a Transfer Distribution or the Disposition of the Trust Estate pursuant to Section 9.3, the Trust shall have perpetual existence. Upon the first to occur of a Transfer Distribution or the Disposition of the Trust Estate pursuant to Section 9.3, the Trust shall be dissolved in accordance with Section 3808 of the Statutory Trust Act, 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. Notwithstanding anything in this Section 9.1 or the balance of the Trust Agreement to the contrary,

the Trust shall dissolve and wind up not later than 21 years after the death of the last living descendant of Barack H. Obama, the 44th President of the United States, who was alive on the Deposit Date.

Section 9.2 Termination to Preserve and Protect the Trust Estate.

(a) Upon the first to occur of (i) a Disposition of the Trust Estate pursuant to Section 9.3 or (ii) if the Signatory Trustee determines that (a) the Master Tenant has failed to timely pay rent due under the Master Lease after the expiration of any applicable notice and cure provisions in the Master Lease, if any, (b) the Trust is otherwise in violation of Section 3.3, (c) the Trust Property or any portion thereof is subject to a casualty, condemnation or similar event, (d) the Master Tenant files for bankruptcy or has an involuntary bankruptcy petition filed against it, seeks the appointment of a receiver or similar official, makes an assignment for the benefit of creditors or there occurs any similar event, (e) any event resulting in the dissolution, liquidation, winding up or termination of the Trust occurs, or (f) if the Signatory Trustee 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, then, in any such 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 Interests.

(b) Notwithstanding the foregoing or anything else to the contrary contained in this Trust Agreement, if at such time as the requirements of Section 9.2(a) are applicable any portion of any loan remains outstanding, then immediately before any such liquidating distributions the Signatory Trustee shall, in accordance with the requirements set forth herein and in any financing documents, transfer title to the assets comprising the Trust Estate to a newly formed Delaware limited liability company (the "Springing LLC") that has a limited liability company agreement in the same form as that set forth in Exhibit E with such modifications thereto as may be approved by such lender in writing (the "Transfer Distribution"). As part of the Transfer Distribution, (i) the Signatory Trustee shall cause the membership interests in the Springing LLC to be distributed to the Beneficial Owners in complete satisfaction of their Beneficial Interests in order to consummate the dissolution of the Trust with such lender's security interest or pledge on any of the Beneficial Interests automatically attaching to the replacement membership interests in the Springing LLC (and Signatory Trustee and such Investor agree to execute any documentation as shall be reasonably necessary to perfect such lender's security and pledge in such membership interests), (ii) the Signatory Trustee shall be designated as the manager of the Springing LLC and shall execute all necessary documents, including the operating agreement of the Springing LLC on behalf of the members of the Springing LLC, (iii) the Springing LLC shall acquire, by operation of law, contract, or otherwise, the Trust Estate subject to the then-outstanding obligations of the Trust under any financing documents and the Master Lease, and the Springing LLC shall assume, by operation of law, contract, or otherwise, the Trust's obligations under any financing documents and the Master Lease, which assumption shall be evidenced by documents approved in writing by such lender and (iv) the Signatory Trustee shall take all other actions necessary to complete the termination and winding up of the Trust, the formation of the Springing LLC, and the Transfer Distribution in accordance with applicable Delaware laws relating to the Trust and the Delaware Limited Liability Company Act. To the

fullest extent permitted by applicable law, the Signatory Trustee shall be fully protected in any determinations made under this Section 9.2 made in good faith, and shall have no liability to any Person, including without limitation the Beneficial Owners, with respect thereto. If a determination has been made to dissolve the Trust under this Section 9.2, the Signatory Trustee 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 Transfer Distribution, provided that such alternative form of transaction is entered into (i) to preserve and protect the Trust Estate for the benefit of the Beneficial Owners and is in compliance with the Statutory Trust Act and (ii) in compliance with the other requirements set forth above and pursuant to the terms and conditions of any financing documents.

Section 9.3 Disposition of the Trust Estate. Subject to the terms of the Master Lease, the Trust shall conduct a Disposition transaction at any time upon receipt of a notice from the Signatory Trustee. Any such Disposition transaction shall be in the Signatory Trustee's sole and absolute discretion, including (i) determining the sales price of the Trust Estate (provided that the Signatory Trustee will obtain a third-party valuation of the Trust Estate if it is facilitating an exchange roll-up transaction pursuant to Section 721 of the Code), (ii) providing notice to the Trust of the Disposition, and (iii) conducting the Disposition of the Trust Estate. After paying all amounts due to the Delaware Trustee hereunder, if any, the Trust shall distribute the balance of the proceeds (net of any fee due to the Signatory Trustee) to the Beneficial Owners. The Signatory Trustee and the Delaware Trustee are expressly instructed to permit each Beneficial Owner to undertake its portion of a sale as a like-kind exchange within the meaning of Section 1031 of the Code. Any Disposition of the Trust Estate shall be on an "as is, where is" basis and without any representations or warranties by the Delaware Trustee or the Signatory Trustee (other than as to ownership of the Trust Estate and authority to enter into the sale or other matters as determined by Signatory Trustee in its sole and absolute discretion). Costs of Disposition shall be allocated between the Trust and the purchaser of the Trust Estate as may be determined by the Signatory Trustee in its sole discretion. "Sole and absolute discretion" means that notwithstanding any other provision of this Trust Agreement or otherwise applicable provision of law or equity (including any law relating to fiduciary duties), the Signatory Trustee (i) shall be entitled to consider only such interests and factors as it desires, including its own interests or its Affiliates' interests, (ii) shall be entitled to act or not act in a manner that is adverse, including materially adverse, to the Trust, the Trustees, the Beneficial Owners and any other Person bound by this Trust Agreement, and (iii) shall, to the fullest extent permitted by applicable law, have no duty or obligation to give any consideration to any interest of or factors affecting the Trust, the Trustees, the Beneficial Owners or any other Person bound by this Trust Agreement. Notwithstanding any other provision of this Agreement or any other provision of law or equity (including any law relating to fiduciary duties), to the fullest extent permitted by the Act and other applicable law, in connection with actions taken or not taken pursuant to this Trust Agreement, a Signatory Trustee Indemnified Person shall owe no duties hereunder or at law or in equity (including fiduciary duties) to the Trust, the Trustees, the Beneficial Owners or any other Person bound by this Trust Agreement. The Trust, the Trustees, the Beneficial Owners and any other Person bound by this Trust Agreement each therefore waives, to the fullest extent permitted by law, any claim or cause of action against a Signatory Trustee Indemnified Person asserting, in connection with the determination of any and all matters presented to such Signatory Trustee Indemnified Person for action, breach of fiduciary duty, duty of care or any other duty, breach of the Act or breach of any duty created by special

circumstances arising out of this Trust Agreement or the Trust. Without limitation, any Signatory Trustee Indemnified Person may engage in or possess an interest in other profit-seeking or business ventures of any kind, nature or description, independently or with others, similar or dissimilar to the business of the Trust, whether now existing or hereafter acquired or initiated, whether or not such ventures are competitive with the Trust, and the doctrine of corporate opportunity, or any analogous doctrine, shall not apply to any Signatory Trustee Indemnified Person. No Signatory Trustee Indemnified Person who acquires knowledge of a potential transaction, agreement, arrangement or other matter that may be an opportunity for the Trust shall have any duty to communicate or offer such opportunity to the Trust, and such Signatory Trustee Indemnified Person shall not be liable to the Trust or to any other Person bound by this Trust Agreement for breach of any fiduciary or other duty existing at law, in equity or otherwise by reason of the fact that such Person pursues or acquires for, or directs such opportunity to, another Person or does not communicate such opportunity or information to the Trust. Neither the Trust nor any Beneficial Owner nor any Trustee shall have any rights or obligations by virtue of this Trust Agreement or the relationship created hereby in or to such independent ventures or the income or profits or losses derived therefrom, and the pursuit of such ventures, even if competitive with the activities of the Trust, shall not be deemed wrongful, improper or the breach of any duty to the Trust, any Trustee or any Beneficial Owner existing at law, in equity or otherwise.

Section 9.4 Disposition Fee to Signatory Trustee on Disposition. The Signatory Trustee or an Affiliate shall receive a disposition fee (the "Disposition Fee") from the Trust equal to the net amount of two and ninety-five one hundredths percent (2.95%) of the gross proceeds of any Disposition of the Trust Estate under Section 9.3, such amount to be increased by any payments of commissions or similar fees required to be paid by the Signatory Trustee to third-party real estate brokers in connection with any such Disposition. The right to receive the Disposition Fee shall expressly survive the transfer of the Real Estate to the Springing LLC and the cancellation of this Trust.

Section 9.5 Intentionally Deleted.

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 Delaware Trustee who shall execute and cause a certificate of cancellation to be filed in the office of the Secretary of State.

ARTICLE 10
MISCELLANEOUS

Section 10.1 Limitations on Rights of Others. Nothing in this Trust Agreement, whether express or implied, shall give to any Person other than the Depositor, the Delaware Trustee, the Signatory Trustee, the Beneficial Owners, and the Trust any legal or equitable right, remedy or claim hereunder (subject to Section 10.11 hereof).

Section 10.2 Successors and Assigns. All covenants and agreements contained herein shall be binding upon and inure to the benefit of the Depositor, the Delaware Trustee, the Signatory

Trustee, 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 10.3 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 10.4 Headings. The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 10.5 Amendments. Subject to Article 3 hereof, to the fullest extent permitted by applicable law, this Trust Agreement may not be supplemented or amended, and no term or provision hereof may be waived, discharged, or terminated orally, but only by a signed writing executed by each of the parties hereto.

Section 10.6 Notices. All notices, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms hereof shall be in writing, and given by (i) overnight courier, or (ii) hand delivery, and shall be deemed to have been duly given when received. Notices shall be provided to the parties at the addresses specified below.

If to the Depositor:

CS1031 Texas Active Living New Braunfels Holdings, LLC
c/o Capital Square Realty Advisors, LLC
4851 Lake Brook Drive,
Glen Allen, Virginia 23060
Attn: Louis J. Rogers

If to the Delaware Trustee:

Sorensen Entity Services LLC
1201 N. Orange St., Suite 7044
Wilmington, DE 19801
Attn: Chris Sorensen

If to the Signatory Trustee, to:

CS1031 Texas Active Living New Braunfels ST, LLC
c/o Capital Square Realty Advisors, LLC
4851 Lake Brook Drive,
Glen Allen, Virginia 23060

Attn: Louis J. Rogers

If to a Beneficial Owner, at such Person's address as specified in the most recent Ownership Records.

From time to time the Depositor, Delaware Trustee or Signatory Trustee 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 Signatory Trustee.

Section 10.7 Governing Law. 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); provided, however, that there shall not be applicable to the Trust, the Delaware Trustee, Signatory Trustee or this Trust Agreement (a) the provisions of Sections 3540 and 3561 of Title 12 of the Delaware Code or (b) any provisions of the laws (statutory or common) of the State of Delaware (other than the Delaware Statutory Trust Act) pertaining to trusts which relate to or regulate: (i) the filing with any court or governmental body or agency of trustee accounts or schedules of trustee fees and charges, (ii) affirmative requirements to post bonds for trustees, officers, agents or employees of a trust, (iii) the necessity for obtaining court or other governmental approval concerning the acquisition, holding or disposition of real or personal property, (iv) fees or other sums payable to trustees, officers, agents or employees of a trust, (v) the allocation of receipts and expenditures to income or principal, (vi) restrictions or limitations on the permissible nature, amount or concentration of trust investments or requirements relating to the titling, storage or other manner of holding of trust assets, or (vii) the establishment of fiduciary or other standards or responsibilities or limitations on the acts or powers of trustees, to the extent that the matters identified in clauses (i) through (vii) above are inconsistent with the limitations or liabilities or authorities and powers of the Trustees and any other terms set forth or referenced in this Trust Agreement.

Section 10.8 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 10.9 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 10.10 Signature of Beneficial Owners. Each Investor will execute the signature page for Agreement of Assignee or Transferee Beneficial Owners of CS1031 Texas Active Living New Braunfels, DST in substantially the form set forth in Exhibit D hereto (the "Signature Page") in connection with their acquisition of a Beneficial Interest. By executing the Signature Page, each Investor hereby acknowledges and agrees to be bound by the terms of the limited liability company agreement for the Springing LLC contemplated under Section 9.2 in the form substantially similar to that set forth in Exhibit E hereto (the "Springing LLC Agreement") when and if such Springing

LLC is formed. In addition, in light of their agreement to this Section 10.10, each Investor hereby acknowledges and agrees that their signature to the Springing LLC Agreement will not be required.

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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:

CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS HOLDINGS, LLC, a Delaware limited liability company

By: _____
Name: Louis J. Rogers
Its: Director

THE SIGNATORY TRUSTEE:

CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS ST, LLC, a Delaware limited liability company

By: _____
Name: Louis J. Rogers
Its: Director

THE DELAWARE TRUSTEE:

SORENSEN ENTITY SERVICES LLC

By: _____
Name: Chris Sorensen
Title: Manager

EXHIBIT A

REAL ESTATE

TRACT 1:
Being Lot 1, Block 1, EMERALD COTTAGES AT WV, a Subdivision in Comal County, Texas, according to the plat thereof recorded in Document No. 201506042067, of the Map and Plat Records of Comal County, Texas.

TRACT 2:
Non-exclusive easements as created and defined in that certain Shared Access Easement and Road Construction Agreement executed by Westpointe Commercial, Ltd. and TSL NB Invest Co, LLC, dated January 29, 2014, filed January 31, 2014, and recorded in Document No. 201406003360, Official Public Records, Comal County, Texas.

TRACT 3:
Non-exclusive easements as created and defined in that certain Shared Access Easement and Road Construction Agreement executed by Westpointe Commercial, Ltd., Orion Sky Development Co., L.L.C. and Emerald Cottages of New Braunfels, Ltd., dated October 23, 2015, filed October 29, 2015 and recorded in Document No. 201506043889, Official Public Records, Comal County, Texas.

TRACT 4:
Non-exclusive easements as created and defined in that certain Declaration of Easements, Covenants, Conditions and Maintenance Agreement for Water Quality Facilities executed by Westpointe Commercial, Ltd., Orion Sky Development Co., L.L.C. and Emerald Cottages of New Braunfels, Ltd., dated October 23, 2015, filed October 29, 2015 and recorded in Document No. 201506043888, Official Public Records, Comal County, Texas.

EXHIBIT B

CERTIFICATE OF TRUST
OF
CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS, DST

(copy attached)

EXHIBIT C

OWNERSHIP RECORDS
FOR
CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS, DST
LAST REVISED _____ __, 20__.

Name:	Mailing Address:	Percentage (%) Share of Beneficial Interest
_____	_____	_____

I hereby certify that the foregoing Ownership Records are complete and accurate as of the date set forth above.

CS1031 Texas Active Living New Braunfels ST, LLC, not in its individual capacity, but solely as Signatory Trustee

_____

By: Louis J. Rogers,
Director

EXHIBIT D

AGREEMENT OF ASSIGNEE OR TRANSFEREE BENEFICIAL OWNER OF

CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS, 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 CS1031 Texas Active Living New Braunfels, DST, dated as of August 20, 2026 (the "Trust Agreement"), by and among CS1031 Texas Active Living New Braunfels Holdings, LLC, as Depositor, CS1031 Texas Active Living New Braunfels ST, LLC as Signatory Trustee, and Sorensen Entity Services LLC as Delaware Trustee, and hereby covenants and agrees to be bound by the Trust Agreement as a Beneficial Owner. All capitalized terms used herein, and not defined herein shall have the meanings given to such terms in the Trust Agreement.

In connection with the purchase of the Beneficial Interest, the undersigned hereby:

1.1 Represents and warrants that the undersigned: (i) understands and is aware that there are substantial uncertainties regarding the treatment of the undersigned's Beneficial Interest as real estate for federal income tax purposes; (ii) fully understands that there is significant risk that the undersigned's 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 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 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 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 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 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 that the opinion of counsel issued to the Trust states that a purchaser's 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 Beneficial Interest by the undersigned as a purchase by the undersigned of a direct ownership interest in the Real Estate.

1.2 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 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.

1.3 Represents and warrants that the undersigned, in determining to acquire the 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 Beneficial Interest and that none of the Trust, the Delaware Trustee, the Signatory Trustee or the Depositor has made any representation to the undersigned regarding the Beneficial Interest or the Real Estate, except, in the case of any purchaser of an Interest from the Signatory Trustee, any representations contained in the Purchase Agreement and Escrow Instructions pursuant to which the undersigned acquires the Interest.

1.4 Acknowledges that the 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 agreement contemplated under Section 9.2 of the Trust Agreement and attached as Exhibit E thereto, both of which the undersigned accepts and by which the undersigned agrees by execution hereof to be legally bound notwithstanding that his signature will not be required on either agreement.

1.5 Represents and warrants that the undersigned either (i) is an Accredited Investor (as defined by Rule 501 of Regulation D promulgated under the Securities Act), or (ii) is acquiring the Beneficial Interest in a fiduciary capacity for a person meeting such condition.

1.6 Represents and warrants that the 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 Beneficial Interest or any portion thereof to any other Person.

1.7 Represents and warrants that the undersigned (i) can bear the economic risk of the purchase of the 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 Beneficial Interests, and (iii) if an individual, is at least 19 years of age.

1.8 Understands that the 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 "Restrictions on Transferability" which restrictions are in addition to certain other restrictions set forth in the Trust Agreement.

1.9 Understands that a legend will be placed on the Beneficial Ownership Certificate (if any) with respect to restrictions on distribution, transfer, resale, assignment or subdivision of the Beneficial Interest imposed by applicable federal and state securities laws.

1.10 Agrees that the undersigned will not sell or otherwise transfer or dispose of any Beneficial Interest or any portion thereof unless (i) such Beneficial Interest is registered under the Securities Act and any applicable state securities laws or, if required by the Trust (through the

Signatory Trustee), the undersigned obtains an opinion of counsel that is satisfactory to the Trust that such Beneficial Interest may be sold in reliance on an exemption from such registration requirements, provided that such opinion shall not be required for the assignment or transfer by the Depositor, and (ii) the transfer is otherwise made in accordance with the Trust Agreement.

1.11 Understands that (i) the Trust has no obligation or intention to register any 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 Beneficial Interest or any portion thereof for an indefinite period of time or at any particular time.

1.12 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 Beneficial Interests, passed upon or endorsed the merits of the Trust's offering of 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.

1.13 Represents, warrants and agrees that, if the undersigned is acquiring the 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 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 Signatory Trustee deems appropriate shall be furnished regarding such Person or Persons.

1.14 Acknowledges and agrees that counsel to the Trust, the Depositor, the Signatory Trustee, the Delaware Trustee 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 Beneficial Interest.

1.15 Agrees to indemnify, defend and hold harmless the Trust, Delaware Trustee, Depositor and Signatory Trustee, 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 Beneficial Interest, the undersigned shall indemnify and hold the Indemnified Parties 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.

1.16 Represents and warrants that neither the undersigned nor any Affiliate of the undersigned (i) is a Sanctioned Person (defined below), (ii) has more than fifteen percent (15%) of its assets in Sanctioned Countries (defined below), or (iii) derives more than fifteen percent (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.treas.gov/offices/eotffc/ofac/sdn/index.html*, 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.treas.gov/offices/eotffc/ofac/sanctions/index.html*, or as otherwise published from time to time.

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The representations, warranties, acknowledgments, understandings and indemnities of transferee or assignee set forth herein above shall survive the undersigned's acquisition of the Beneficial Interest.

_____
Name:

STATE OF _____)
) SS.
COUNTY OF _____)

SWORN AND SUBSCRIBED before me the __ day of _____, 20__.

_____

Name of Notary Public: _____

My Commission Expires: _____

EXHIBIT E

FORM OF LIMITED LIABILITY COMPANY AGREEMENT

OF

CS1031 _____, LLC

THIS LIMITED LIABILITY COMPANY AGREEMENT (this "Agreement") of CS1031 _____, LLC, a Delaware limited liability company (the "Company"), is made and entered into as of _____ __, 20__ (the "Effective Date"), by and among CS1031 Texas Active Living New Braunfels, DST, a Delaware statutory trust (the "DST" or the "Trust"), CS1031 Texas Active Living New Braunfels ST, LLC, a Delaware limited liability company ("Signatory Trustee" or "Manager"), the persons whose names are set forth on Exhibit A of this Agreement (the "Members").

RECITALS:

WHEREAS, pursuant to the trust agreement of DST (the "Trust Agreement"), Signatory Trustee is the signatory trustee of DST, and the Members collectively own all of the beneficial interests in DST (the Members in such capacity, the "Owners").

WHEREAS, DST owns that certain property consisting of residential homes, buildings and other improvements located at 3025 Oak Run Parkway, New Braunfels, Texas 78132, and certain incidental additional assets associated with the Real Property (the Real Property and all such additional assets collectively the "Trust Property"), which property is subject to the Master Lease.

WHEREAS, the Signatory Trustee has determined that, to conserve and protect the Trust Property, DST must be terminated as provided in Section 9.2 of the Trust Agreement.

WHEREAS, pursuant to Section 9.2 of the Trust Agreement, the Company shall become the owner of the Trust Property (such property in the hands of the Company the "Company Property") which shall remain subject to the Master Lease, Signatory Trustee shall become the manager of the Company (the "Manager"), the Owners shall become Members of the Company, and the DST shall be terminated.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the parties agree as follows:

ARTICLE I
Formation of Company

1.1 Authority. The Company has been formed in accordance with the requirements of the Delaware Limited Liability Company Act (the "Act"), and Signatory Trustee has been designated the Manager of the Company. The Manager shall have the authority to perform, or cause to be performed, such other filings, recordings and actions and will comply with all formation requirements under the Act and the laws of such other states in which the Company elects to do business.

1.2 Membership; Rights and Obligations. Upon the consummation of the transactions described in the Recitals, the Members will become members of the Company. The rights and obligations of the Company and the Members will, except as otherwise provided herein, be governed by the Act.

1.3 Name. The name of the Company is "CS1031 _____, LLC" and its affairs will be conducted under the Company name or such other name(s) as the Manager may select. The Manager will execute and file with the proper offices any and all certificates required by the fictitious name or assumed name statutes of the states in which the Company elects to do business. The Company will have the exclusive ownership of and right to use the Company name.

1.4 Purposes of the Company. The purposes of the Company are: (i) to manage, dispose of, finance and refinance the Real Property; (ii) to assume and to satisfy the obligations of DST set forth in the Master Lease; and (iii) to engage in such other activities, enterprises, ventures and undertakings permitted under this Agreement and/or the Act that are necessary or appropriate to the foregoing purposes.

1.5 Characterization. It is the intention of the Manager and the Members that the Company constitute a partnership for federal, state and local income tax purposes. Each Member will report its Membership Interest in a manner consistent with the foregoing, and neither the Manager nor any Member will take any action inconsistent with the foregoing.

1.6 Principal Office of the Company. The principal office of the Company is c/o Capital Square Realty Advisors, LLC, 4851 Lake Brook Drive, Glen Allen, VA 23060, or at such other place as the Manager may designate. The Company may have other offices in such place or places as selected by the Manager.

1.7 Registered Office and Registered Agent. The registered agent of the Company in the State of Delaware is _____, and the registered office of the registered agent is _____. The Manager may from time to time in accordance with the Act change any of the Company's registered agents and/or registered offices and designate a registered agent and registered office in each state the Company is required to maintain or appoint one.

1.8 Term of Existence of the Company. The term of the Company commenced upon the filing of its Certificate of Formation with the Secretary of State and will be perpetual unless sooner terminated as provided in Article VIII.

ARTICLE II
Membership Interests: Capital Contributions

2.1 Membership Interest. Each Member's percentage ownership interest in the Company shall be equal to such Member's beneficial ownership interest in DST immediately prior to the transactions described in the Recitals. The amount of each Member's percentage ownership interest in the Company ("Membership Interest") is set forth opposite such Member's name on Exhibit A hereto. The Company Property shall be owned by the Company as an entity and, insofar as permitted by applicable law, no Member shall have any ownership interest in the Company Property in his or her individual name or right, and a Member's Membership Interest shall be personal property for all purposes.

2.2 Capital Contributions.

(a) Each Member will be credited with an initial capital contribution ("Capital Contribution") in the amount set forth opposite such Member's name on Exhibit A hereto, which amount shall be equivalent to the value of such Member's interest as an Owner in the DST.

(b) The Manager may request at any time that the Members make additional Capital Contributions to the Company on a pro rata basis in proportion to each Member's Membership Interest. The Members are not required to comply with any such request. The Manager shall adjust the Members' Capital Contributions and Membership Interests set forth on Exhibit A hereto to equitably reflect any additional capital contributions made by the Members.

ARTICLE III
Accounting, Allocations and Distributions

3.1 Books of Account.

(a) The Manager shall maintain the books of account of the Company.

(b) The books of account will be closed promptly after the end of each calendar year, which will be the Company's fiscal year ("Fiscal Year"). Promptly after the close of the Fiscal Year (but in all events within 90 days thereafter), the Company will cause to be prepared such partnership income tax information and other returns required under applicable law and regulation, including any and all statements necessary to advise all Members promptly about their investment in the Company for federal income tax reporting purposes. The Manager will be responsible for the prompt filing and delivery of all such returns and statements. All elections and options available to the Company for tax purposes will be taken or rejected by the Company in the sole discretion of the Manager.

3.2 Capital Accounts. A separate capital account ("Capital Account") shall be maintained for each Member. Each Member's initial Capital Account shall be equal to the amount of such Member's Capital Contribution. Thereafter, each Member's Capital Account will, inter alia, be increased by (i) the amount of money contributed by such Member to the Company, (ii)

the fair market value of property contributed by such Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Code Section 752) and (iii) allocations to such Member of Company income and gain (or items thereof), including income and gain exempt from tax; and decreased by (iv) the amount of money distributed to such Member (as a Member) by the Company, (v) the fair market value of property distributed to such Member (as a Member) by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to under Code Section 752), (vi) allocations to such Member of expenditures of the Company described in Code Section 705(a)(2)(B) and (vii) allocations to such Member of Company loss and deduction (or items thereof).

3.3 Profit and Loss Allocations. Except as otherwise required by Code Section 704 and the Treasury Regulations thereunder, net profit or net loss of the Company, determined for income tax purposes, will be allocated to the Members pro rata with their Membership Interests.

3.4 Special Tax Allocations. In accordance with Code Sections 704(b) and 704(c) and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any asset contributed to the capital of the Company will, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its fair market value at the time of contribution to the Company.

3.5 Distributions.

(a) Company Cash Flow for any Fiscal Year will consist of all cash received by the Company (other than as a capital contribution) less cash expenditures for Company debts, expenses, capital expenditures and reasonable reserves as determined by the Manager in its sole discretion.

(b) Company Cash Flow for any Fiscal Year will be distributed to the Members in proportion to their Membership Interests.

(c) No Member has the right to partition, or otherwise demand an in kind distribution of, the Company Property. If the Company distributes Company Property to the Members, the fair market value of such property at the time of such distribution will be determined by the Manager in its sole discretion, and any such distribution will be made to the Members in proportion to their Membership Interests.

(d) No distribution shall be made to any Members, if such distribution would violate applicable law.

ARTICLE IV
Rights, Duties, Liabilities and Restrictions of the Manager

4.1 The Manager.

(a) Except solely as provided in Section 4.1(b) with respect to Major Decisions (as defined herein), the Manager will have the sole and exclusive right to manage, control and conduct the affairs of the Company and to manage the Company Property including, but not limited to: (i) entering into any agreement for the sale, transfer, or exchange of all or any substantial portion of the Real Property; (ii) entering into, modifying, extending, renewing or canceling the Master Lease or any other lease with respect to the Real Property; (iii) entering into, modifying, extending, renewing or canceling any agreement pertaining to any indebtedness to be secured in whole or in part by any mortgage, trust deed, pledge, lien or other encumbrance upon the Real Property or (iv) admitting new Members to the Company in exchange for Capital Contributions by such persons to the Company.

(b) Notwithstanding the foregoing, the following actions (the "Major Decisions") will require the consent of Members holding a majority of the Membership Interests: (i) entering into any agreement for the sale, transfer, or exchange of all or any substantial portion of the Real Property; (ii) entering into, modifying, extending, renewing or canceling the Master Lease or any other lease with respect to the Real Property or any portion thereof; (iii) entering into, modifying, extending, renewing or canceling any agreement pertaining to any indebtedness to be secured in whole or in part by any mortgage, trust deed, pledge, lien or other encumbrance upon the Real Property; (iv) admitting new Members to the Company in exchange for Capital Contributions by such persons to the Company; (v) dissolving and winding up the Company (subject to Section 4.2); or (vi) amending this Agreement (other than pursuant to Section 6.2(f) or Section 7.2). The consent of the Members to any Major Decision shall be determined as provided in Section 5.3.

4.2 Intentionally Deleted.

4.3 Duties and Responsibilities of the Manager. The Manager will diligently, faithfully and competently perform its duties and responsibilities, and will devote such time to the Company's business as, in the judgment of the Manager, is reasonably required. No fee shall be payable to the Manager for management of the affairs of the Company.

4.4 Officers of the Company. The Manager may appoint one or more persons to serve as officers of the Company, in such capacities and with such delegated rights and powers as the Manager may approve; provided, however, that no such officer will have any different or greater rights and powers than the Manager. The Manager may provide that compensation be paid to persons who provide services to the Company as officers.

4.5 Expenditures by Manager. The Company will reimburse the Manager and its Affiliates for any costs and expenses reasonably incurred by them on behalf of the Company.

4.6 Potential Conflicts. The Company may purchase goods or services from the Manager or its Affiliates, provided that any such transaction will be conducted on commercially reasonable terms. The Manager may engage in business ventures of any nature and description independently or with others, including, but not limited to, the business or businesses engaged in by the Company, and neither the Company nor any of the other Members will have any rights in or to such independent ventures or the profits derived therefrom.

4.7 Liability of Manager. The Manager will not be liable to any Member or the Company for honest mistakes of judgment, or for action or inaction, taken reasonably and in good faith for a purpose that was reasonably believed to be in the best interests of the Company, or for losses due to such mistakes, action or inaction, or for the negligence, dishonesty or bad faith of any employee, broker or other agent of the Company. The Manager may consult with counsel and accountants in respect of Company affairs and be fully protected and justified in any action or inaction that is taken in accordance with the advice or opinion of such counsel or accountants, provided that they will have been selected with reasonable care. The Members will look solely to the Company Property for the return of their capital and, if the assets of the Company remaining after payment or discharge of the debts and liabilities of the Company are insufficient to return such capital, they will have no recourse against the Manager for such purpose. The provisions of this Section 4.7 will not relieve the Manager of any liability, notwithstanding any of the foregoing to the contrary, by reason of the gross negligence, willful misconduct or intentional wrongdoing or to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but will be construed so as to effectuate the provisions of this Section 4.7 to the fullest extent permitted by law.

4.8 Indemnification. The Company shall indemnify the Manager, in its individual capacity, from and against, any and all liabilities, obligations, losses, damages, taxes, claims, actions, suits, costs, expenses and disbursements including reasonable legal fees and expenses which may be imposed on, incurred by or asserted at any time against them, in their individual capacities and not indemnified against by other Persons, which relate to or arise out of the Company Property. The indemnities contained in this Section 4.8 shall survive the termination of this Agreement.

4.9 Successor to Manager. If the Manager resigns, a successor manager will be selected by Members holding a majority of the Membership Interests.

4.10 Tax Matters Member. The Manager will be the Company's Tax Matters Partner as defined in Code Section 6231(a)(7) (the "TMP"). The TMP will have the right to resign as such by giving 30 days written notice to the Members. Upon the resignation of the TMP, a successor TMP will be selected by the Manager. The TMP will employ experienced tax counsel to represent the Company in connection with any audit or investigation of the Company by the Internal Revenue Service (the "Service") and in connection with all subsequent administrative and judicial proceedings arising out of such audit. The Company will not be obligated to pay any compensation to the TMP in his capacity as such; provided, however, that all reasonable expenses incurred by the TMP in serving as the TMP will be Company expenses and the TMP will be reimbursed by the Company in accordance with Section 4.4 above. The TMP will keep the Members informed of all administrative and judicial proceedings, as required by Code Section 6223(g), and will

furnish to each Member who so requests in writing a copy of each notice or other communication received by the TMP from the Service, except such notices or communications as are sent directly to such Member by the Service.

ARTICLE V
Members

5.1 Intentionally Deleted.

5.2 Liability. No Member will be personally liable for any of the debts of the Company or any of the losses thereof beyond the amount of such Member's Capital Contribution to the Company.

5.3 Meetings of the Members. A meeting of the Members may be called at any time by the Manager or by Members holding more than twenty five percent (25%) of the Membership Interests. The meetings will be held at the Company's principal place of business or any other place designated by the Manager. The Manager will give the Members at least ten days prior written notice stating the time, place and purpose of the meeting. At a meeting of the Members, the presence of Members holding more than fifty percent (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 hereof.

ARTICLE VI
Assignment Provisions

6.1 Transfers by Members.

(a) Subject to Section 6.2, a Member may Transfer some or all of its Membership Interests in the Company. For purposes hereof, "Transfer" means, when used as a noun, any sale, hypothecation, pledge, assignment, gift, or other transfer, be it voluntary or involuntary, to any person, inter vivo, testamentary, by operation of laws of devise and descent or other laws, and, when used as a verb; to sell, hypothecate, pledge, assign, gift or otherwise transfer to any person, be it voluntarily or involuntarily, inter vivo, testamentary, by operation of the laws of devise or descent or any other laws.

(b) Notwithstanding anything contained herein to the contrary, no Transfer of any Membership Interest will be permitted if such Transfer would: (i) result in a termination of the Company for federal income tax purposes that would have a material adverse effect on the Company or any of the Members; (ii) result in the Company not qualifying for an exemption from the registration requirements of any applicable federal or state securities laws; (iii) result in any violation of any applicable federal or state securities laws; (iv) result in the Company having to register as an investment company under the Investment Company Act of 1940, as amended; (v) require the Company, the Manager or any Affiliate to register as an investment advisor under the Investment Advisers Act of 1940, as amended; or (vi) result in the Company being treated as a publicly traded partnership for federal tax purposes.

6.2 General Provisions. The following rules will apply to the Transfer of interests in the Company.

(a) no person will be admitted as an assignee or transferee hereunder unless and until: (i) the Manager has, in its sole discretion, consented to such transfer; (ii) the assignment is made in writing, signed by the assignor and accepted in writing by the assignee, and a duplicate original of the assignment is delivered to and accepted by the Manager; (iii) the prospective assignee executes and delivers to the Company a written agreement, in form and substance satisfactory to the Manager, pursuant to which said person agrees to be bound by this Agreement; and (iv) an appropriate amendment hereto is executed and, if required, filed of record;

(b) the effective date of such assignment or admission will be no earlier than the date that the documents specified in subsection (a) above are delivered to and accepted by the Manager,

(c) the Company and the Manager will treat the assignor of the assigned interest as the absolute owner thereof and will incur no liability for distributions made in good faith to such assignor prior to such time as the documents specified in subsection (a) above have been delivered to and accepted by the Manager,

(d) unless admitted as a Member to the Company by the Manager pursuant to the provisions of Article VII, the assignee or transferee of an interest in the Company hereunder will not be entitled to become or exercise any rights of a Member, but will, to the extent of the interest acquired, be entitled only to the predecessor Member's Membership Interest in the Company. No person, including the legal representatives, heirs or legatees of a deceased Member, will have any rights or obligations greater than those set forth herein and no person will acquire an interest in the Company or become a Member except as permitted hereby;

(e) the costs incurred by the Company in processing an assignment (including attorneys' fees) will be borne by the assignee, and will be payable prior to and as a condition of admission to the Company; and

(f) upon the Transfer of a Membership Interest which satisfies this Section 6.2, Exhibit A to this Agreement will be revised to reflect such Transfer.

ARTICLE VII
Admission of Additional Members: Resignations and Withdrawals

7.1 Admission of Additional Members.

(a) Subject to compliance with applicable securities laws and this Agreement, new Members may be admitted to the Company in exchange for Capital Contributions by such persons to the Company in the manner provided in Section 4.1 of this Agreement. The Members hereby grant the Manager the power of attorney to amend the Company's Certificate of Formation and this Agreement to effect any issuance of Membership Interests pursuant this subsection. Upon the admission of any new Members to the Company, the Manager shall adjust the Members'

Membership Interests set forth on Exhibit A hereto to equitably reflect the Capital Contributions made by new Members.

(b) Additional Members admitted pursuant to Section 7.l(a) will be entitled to all of the rights and privileges of the original Members hereunder and will be subject to all of the obligations and restrictions hereunder, and in all other respects their admission will be subject to all of the terms and provisions hereof.

(c) No Member shall have any preemptive or similar rights to increase or maintain such Member's Membership Interest in the Company.

7.2 Resignations and Withdrawals. A Member who withdraws from the Company will forfeit all Membership Interests and rights as a Member, including his right to receive any distributions from the Company and the right to vote. Upon the withdrawal of a Member, the Company will not have any obligation to purchase such Member's Membership Interests or any part thereof. The Manager shall adjust the Members' Membership Interests set forth on Exhibit A hereto to equitably reflect the withdrawal of a Member.

ARTICLE VIII
Termination and Winding Up

8.1 Termination.

(a) The Company will terminate upon the earlier to occur of the following:

(i) The Manager and Members holding a majority of the Membership Interests vote to terminate the Company; or

(ii) The Company's sale, exchange or other disposition of the Real Property.

(b) This Agreement generally and Article VIII in particular will govern the conduct of the parties during the winding up of the Company.

8.2 Liquidation Procedures. Upon termination of the Company, the Company's affairs will be wound up and the Company will be dissolved. A proper accounting will be made of the profit or loss of the Company from the date of the last previous accounting to the date of termination.

8.3 Liquidating Trustee. Upon the winding up of the Company, the Manager will act as the liquidating trustee or will appoint a liquidating trustee. The liquidating trustee will have full power to sell, assign and encumber the Company Property. All certificates or notices thereof required by law will be filed on behalf of the Company by the liquidating trustee.

8.4 Distribution on Winding Up. The proceeds of liquidation will be applied by the end of the taxable year in which the liquidation occurs or, if later, within 90 days after the date of such liquidation, in the following order.

(a) first, to the creditors of the Company, in the priority and to the extent provided by law; and

(b) thereafter, to the Members in proportion to their Membership Interests.

8.5 No Dissolutions. The bankruptcy, death, dissolution, liquidation, termination or adjudication of incompetency of a Member shall not cause the termination or dissolution of the Company and the business of the Company shall continue. Upon any such occurrence, the trustee, receiver, executor, administrator, committee, guardian or conservator of such Member (an "assignee") shall have all the rights of such Member for the purpose of settling or managing its estate or property, subject to satisfying conditions precedent to the admission of such assignee as a substitute Member. The transfer by such trustee, receiver, executor, administrator, committee, guardian or conservator of any Membership Interest shall be subject to all of the restrictions, hereunder to which such transfer would have been subject if such transfer had been made by such bankrupt, deceased, dissolved, liquidated, terminated or incompetent Member.

ARTICLE IX
General Provisions

9.1 Definitions. The following terms not otherwise defined herein will have the meanings ascribed to them below

(a) "Affiliate" (whether or not such term is capitalized) shall mean, with respect to any specified Person, any other Person (i) owning beneficially, directly or indirectly, any ownership interest in such specified Person, (ii) directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person, or (iii) who is an immediate family member of such Person.

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

(c) "Control" (whether or not such term is capitalized) when used with respect to any specified Person, shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

(d) "Master Lease" shall mean that lease agreement entered into by DST with CS1031 Texas Active Living New Braunfels Master Lessee, LLC, a Delaware limited liability company, as Master Tenant with respect to the Real Property.

(e) "Master Tenant" shall mean CS1031 Texas Active Living New Braunfels Master Lessee, LLC, a Delaware limited liability company, or any successor thereto.

(f) "Person" (whether or not such term is capitalized) shall mean a natural person, corporation, limited partnership, general partnership, limited liability company, joint stock

company, joint venture, association, company, trust, bank trust company, land trust, business trust, statutory trust or other organization, whether or not a legal entity, and a government or agency or political subdivision thereof

(g) "Section" shall mean a section in this Agreement unless the context clearly indicates otherwise.

(h) "Treasury Regulations" shall mean U.S. Treasury Regulations promulgated under the Code.

9.2 Notices. All notices, offers or other communications required or permitted to be given pursuant to this Agreement will be in writing and will be considered as properly given or made upon personal delivery or on the third business day following mailing from within the United States by first class United States mail, postage prepaid, certified mail return receipt requested, and addressed to the address of the Company set forth in Section 1.6, if to the Company, and to the address beneath a Member's name on the signature pages hereto, if to a Member. Any Member may change its address by giving fifteen (15) days' advance written notice stating its new address to the Manager. The Company may change its address by giving fifteen (15) days' advance written notice to the Members stating its new address. Commencing with the giving of such notice, such newly designated address will be such Member's address for purposes of all notices or other communications required or permitted to be given pursuant to this Agreement.

9.3 Third Party Reliance. Third parties dealing with the Company shall be entitled to conclusively rely on the signature of the Manager and/or any officer of the Company to bind the Company.

9.4 Successors. This Agreement and all the terms and provisions hereof will be binding upon and will inure to the benefit of all Members and their legal representatives, heirs, successors and permitted assigns, except as expressly herein otherwise provided.

9.5 Governing Law. This Agreement will be construed in conformity with the laws of the State of Delaware, without regard to conflicts of law provisions.

9.6. Benefits of Agreement; No Third-Party Rights. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or by any creditor of the Members, and nothing in this Agreement shall be deemed to create any right in any Person (other than Covered Persons) not a party hereto, and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third Person.

9.7 Counterparts. This Agreement may be executed in counterparts, each of which will be an original, but all of which will constitute one and the same instrument.

9.8 Pronouns and Headings. As used herein, all pronouns will include the masculine, feminine, neuter, singular and plural thereof wherever the context and facts require such construction- The headings, titles and subtitles herein are inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof

9.9 Members Not Agents. Nothing contained herein will be construed to constitute any Member the agent of another Member, except as specifically provided herein, or in any manner to limit the Members in the carrying on of their own respective businesses or activities.

9.10 Entire Understanding. This Agreement constitutes the entire understanding among the Members and supersedes any prior understanding and/or written or oral agreements among them with respect to the Company.

9.11 Severability. If any provision of this Agreement, or the application of such provision to any person or circumstance, will be held invalid by a court of competent jurisdiction, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid by such court, will not be affected thereby.

9.12 Further Assurances. Each of the Members will hereafter execute and deliver such further instruments and do such further acts and things as may be required or useful to carry out the intent and purpose of this Agreement and as are not inconsistent with the terms hereof. Recognizing that each Member may find it necessary from time to time to establish to third parties; such as accountants, banks, mortgagees or the like, the then current status of performance hereunder, each Member agrees, upon the written request of another Member (including the Manager, for and on behalf of the Company), from time to time, to furnish promptly a written statement of the status of any matter pertaining to this Agreement or the Company to the best of the knowledge and belief of the Member making such statements.

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COUNTERPART SIGNATURE PAGE
LIMITED LIABILITY COMPANY AGREEMENT
OF
CS1031 _____, LLC

IN WITNESS WHEREOF, the undersigned have executed this Limited Liability Company Agreement this ____ day of _____, 20__.

MANAGER:

CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS ST, LLC

_____

By: Louis J. Rogers,
Director

MEMBER:

_____
Signature

_____
Print Name

_____
Address

_____
City, State & Zip Code

EXHIBIT A

CAPITAL CONTRIBUTION

NAME AND ADDRESS OF MEMBER	CAPITAL CONTRIBUTION	MEMBERSHIP INTEREST

EXHIBIT B

FORM OF MASTER LEASE

MASTER LEASE
FOR CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS, DST

THIS MASTER LEASE (this "Lease") is entered into to be effective as of September 23, 2026, between CS1031 Texas Active Living New Braunfels, DST, a Delaware statutory trust ("Landlord"), and CS1031 Texas Active Living New Braunfels Master Lessee, LLC, a Delaware limited liability company ("Tenant").

WITNESSETH:

ARTICLE I
Demise of Premises

Landlord, for and in consideration of the rents to be paid and the covenants and agreements hereinafter contained to be kept and performed by Tenant, hereby demises and leases to Tenant and Tenant hereby lets and takes from Landlord, for the term hereinafter set forth, the parcels set forth on Exhibit "A" attached hereto and made a part hereof, together with the easements, rights and appurtenances thereunto belonging or appertaining, together with (i) the improvements, buildings, equipment and personal property located thereon and associated therewith, (ii) the leases and other agreements to occupy such improved real property, and (iii) all other rights and property (real, personal and intangible) associated with such improved real property (hereinafter sometimes called the "Demised Premises" or the "Property").

ARTICLE 2
Term of Lease

Section 2.01. The initial term ("Initial Term") of this Lease shall commence on September 23, 2026 (the "Commencement Date") and shall end on the tenth (10^{th}) anniversary of the Commencement Date, unless this Lease shall sooner end or terminate as provided herein. Provided that no Event of Default (as hereinafter defined) has occurred and is continuing under the Lease, Tenant shall be entitled to exercise an option to renew the Lease for up to three (3) renewal term(s) of five (5) years each (each a "Renewal Term") on the same terms and conditions set forth herein, or on such other terms as shall be agreed upon by Landlord and Tenant. Tenant shall exercise the options to renew this Lease by giving written notice to Landlord not later than sixty (60) days prior to the expiration of the Initial Term or not later than sixty (60) days prior to the expiration of each subsequent Renewal Term, as the case may be. The Initial Term, as extended by any Renewal Term, may be hereinafter referred to as the "Term." Each year during the Term is herein called a "Lease Year," with the first Lease Year commencing on the Commencement Date. The Term shall automatically terminate upon the sale, transfer or exchange pursuant to Section 721 of the Code of the Demised Premises (each, a "Disposition").

Section 2.02. This Lease constitutes the absolute and unconditional obligation of Tenant. Tenant waives all rights which are not expressly stated in this Lease but which may now or otherwise be conferred by law (i) to quit, terminate or surrender this Lease or the Demised Premises, (ii) to any setoff, counterclaim, recoupment, abatement, suspension, deferment, diminution, deduction, reduction or defense of or to "Annual Rent" (as defined below) or any other sums payable under this Lease, except as otherwise expressly provided in this Lease, and (iii) for any statutory lien or offset right against Landlord or its property. Notwithstanding Section 2.02(i) above, if a person not affiliated with the Tenant is the Signatory Trustee or Manager (or otherwise in control) of the Landlord, Tenant shall have the right to terminate this Lease in the event of a default by the Landlord hereunder.

ARTICLE 3
Rent

Section 3.01.

(a) Tenant shall pay to Landlord during the Term, in currency of the United States of America, at the office of Landlord, or at such other address as shall be specified, in writing, from time to time

by Landlord, the rentals hereinafter provided. Tenant shall pay an annual rental in the amount set forth on Exhibit "B" attached hereto as "Annual Rent" (the "Annual Rent") in twelve (12) equal monthly installments throughout the Term, which shall accrue from and after the Commencement Date, and be payable monthly in arrears. Each such monthly installment shall be payable on or before the fifteenth (15th) day of each month during the Term and shall relate to the immediately preceding month; provided, however, that the first monthly installment of Annual Rent shall be due and payable on November 15, 2026. If the Term commences or expires on other than the first day of a calendar month, the Annual Rent for such partial calendar month shall be pro-rated on a per diem basis based upon the number of days elapsed in such month which falls within the Term.

(b) Except as otherwise provided herein, Tenant shall pay (A) all costs and expenses (and taxes, if any, thereon) paid or incurred in respect of the operation, maintenance, management and security of the Property which, in accordance with generally accepted accounting principles are properly chargeable to the operation, maintenance, management and security of the Property, including the cost of utilities, property management fees, reasonable attorneys' fees and disbursements and auditing, management and other professional fees and expenses (hereinafter collectively called "Operating Costs"), and (B) before any fine, penalty or cost may be added thereto for the nonpayment thereof, all taxes, assessments, water and sewer rents, rates and charges, charges for public utilities, excises, levies, license and permit fees and other similar charges associated with the Demised Premises and the transactions contemplated in this Lease (hereinafter collectively called "Impositions" and any of the same is hereinafter called an "Imposition" as the context may require). Tenant will pay the real estate taxes and similar impositions, utility costs and insurance costs (collectively the "Uncontrollable Costs") for each Lease Year (or stub period thereof) up to the amount of Uncontrollable Costs for each Lease Year or stub period as set forth in the projections attached to the Memorandum (as defined below) as Exhibit F (the "Projected Uncontrollable Costs"). If the Uncontrollable Costs for a Lease Year or stub period exceed the Projected Uncontrollable Costs for such Lease Year or stub period, then the Tenant is responsible for payment of such excess amount, but is entitled to reimbursement of such excess amount by offsetting such amount against Annual Rent and, if necessary, Bonus Rent, beginning with the first month that begins on or after the expiration of the Lease Year-end until the full amount of such excess amount incurred for the applicable period has been reimbursed to the Tenant.

(c) Nothing herein shall obligate Tenant to pay, and the term "Impositions" shall exclude, federal, state or local (A) transfer taxes as the result of a conveyance by (or suffered by) Landlord, (B) franchise, capital stock or similar taxes if any, of Landlord, (C) income, excess profits or other taxes, if any, of Landlord, determined on the basis of or measured by its net income, or (D) any estate, inheritance, succession, gift, capital levy or similar taxes, unless the taxes referred to in clauses (B) and (C) above are in lieu of or a substitute for any other tax or assessment upon or with respect to any of the Demised Premises which, if such other tax or assessment were in effect at the commencement of the Term, would be payable by Tenant. In the event that any assessment against any of the Demised Premises may be paid in installments, Tenant shall have the option to pay such assessment in installments; and in such event, Tenant shall be liable only for those installments which become due and payable during the Term. Tenant shall prepare and file all tax reports required by governmental authorities which relate to the Impositions.

(d) After prior written notice to Landlord, Tenant shall not be required to pay any Imposition so long as Tenant shall contest, in good faith and at its expense, the amount thereof by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of, or other realization upon any property securing, the Imposition. In no event shall Tenant pursue any contest with respect to any Imposition in such manner that exposes Landlord to (A) criminal liability, penalty or sanction, (B) any civil liability, penalty or sanction for which Tenant has not made provisions reasonably acceptable to Landlord or (C) defeasance of its interest in the Demised Premises. Tenant agrees that each such contest shall be promptly and diligently prosecuted to final conclusion, except that Tenant shall have the right to attempt to settle or compromise such contest through negotiations. Tenant shall pay and save Landlord harmless against any and all losses, judgments, decrees and costs (including all reasonable attorneys' fees and expenses) in connection with any such contest and shall, promptly after the final determination of such contest, fully pay and discharge the amounts which shall be levied, assessed, charged or imposed or be determined to be payable therein or

in connection therewith, together with all penalties, fines, interest, costs and expenses thereof or in connection therewith, and perform all acts the performance of which shall be ordered or decreed as a result thereof.

(e) Intentionally Omitted.

(f) In addition to the Annual Rent described in Section 3.01(a) hereof, beginning after the first Lease Year of the Term, Tenant shall pay Landlord bonus rent in the amount and at the times provided in this Section 3.01(f). To the extent that the actual annual "Total Income" (as defined below) collected by Tenant from the Property exceeds the annual "Revenue Benchmark" (as set forth in Exhibit "B" hereto, including any renewals thereof), Tenant agrees to pay Landlord the "Bonus Rent" (as set forth in Exhibit "B" hereto), which shall be equal to 75% of the amount by which the actual annual Total Income exceeds the annual Revenue Benchmark, calculated on a Lease Year basis. The Revenue Benchmark shall be prorated for any partial Lease Year. The Bonus Rent shall be paid by Tenant to Landlord, on an annual basis in arrears, no later than the end of the first calendar quarter that immediately follows the end of each Lease Year. For purposes of this Lease, "Total Income" shall be calculated on a basis consistent with the "Effective Gross Income" line item set forth in Exhibit F of that certain Confidential Private Placement Memorandum of CS1031 Texas Active Living New Braunfels, DST, to be dated on or about September 24, 2026, as supplemented thereafter (the "Memorandum"). Effective gross income will include all income collected by the Tenant from rents, license fees and/or assessments and other items arising from the use of the Property, but exclude amounts paid by or on behalf of a resident, whether by application of a security deposit or otherwise, for (i) returned check and/or insufficient funds charges; (ii) reimbursement of costs to repair damages to the interior or exterior of any unit, common areas or grounds of the Property; (iii) reimbursement of costs to replace missing or destroyed items, including, but not limited to, appliances, furnishings, fixtures, flooring or floor coverings; (iv) reimbursement of costs of utilities, excess cleaning or waste hauling; (v) pest control reimbursement, and (vi) reimbursement of legal fees or collection costs in connection with a collection action, eviction or other legal action against a resident; and with respect to any commercial or retail subtenant at the Property, Effective Gross Income shall additionally also exclude any reimbursements paid by a subtenant for common area maintenance, taxes, and insurance. Notwithstanding the foregoing, no annual installment of Bonus Rent shall be due or paid hereunder unless all Annual Rent is fully paid.

(g) As a matter of convenience, Tenant shall pay, on Landlord's behalf, from operating revenue of the Property, the DST Administration and Accounting Fee, Asset Management Fee, Signatory Trustee Fee and, if requested by Landlord, any other Non-Operating Expenses set forth in Exhibit F of the Memorandum, directly to such designee(s) at such address(es) as shall be specified, in writing, from time to time by Landlord.

Section 3.02. Landlord shall promptly send to Tenant all bills which it may receive for Impositions and Operating Costs referred to in Section 3.01 above. Tenant shall make payment of all Impositions directly to the appropriate Governmental Authority (as hereinafter defined) and all Operating Costs to the parties to whom such amounts are due and payable. Within fifteen (15) days after receipt thereof, Tenant shall make available to Landlord for its inspection official receipts of the appropriate taxing authority, or other proof satisfactory to Landlord, evidencing the payment of any Imposition payable directly by Tenant to a Governmental Authority as in this Article provided. To the extent available, Tenant shall be entitled to use amounts deposited pursuant to Section 3.01(e) above to fund the payment of Impositions and premiums for insurance.

Section 3.03. Landlord shall inform Tenant in writing, within five (5) business days following receipt of notice thereof, of any audit, threatened audit, or other administrative or judicial proceeding or action by any Governmental Authority which could give rise to an obligation by Tenant to pay, or indemnify Landlord for, Impositions.

Section 3.04. Notwithstanding any other terms of this Article 3, Tenant shall not be required to pay, nor to indemnify or hold harmless Landlord to the extent (and only to the extent) that any Imposition or Operating Cost arises or is increased directly as a result of the breach by Landlord of any of its obligations under this Lease.

Section 3.05. To the extent that any portion of the Operating Costs or Impositions relate to any period not included within the Term, Tenant's obligation to pay the same shall be prorated.

Section 3.06. Tenant shall pay the Annual Rent, Bonus Rent, Operating Costs, Impositions and all other amounts due and payable hereunder without notice, demand, setoff, counterclaim, deduction, defense, abatement, suspension, deferment, diminution or reduction during the Term, except as otherwise provided herein.

Section 3.07. Intentionally Omitted.

Section 3.08. Landlord and Tenant agree that this Lease is a true lease and does not represent a financing arrangement. Each party shall reflect the transactions represented by this Lease in all applicable books, records and reports (including, without limitation, income tax filings) in a manner consistent with "true lease" treatment rather than "financing" treatment.

ARTICLE 4
Insurance

Section 4.01. Throughout the Term, Landlord may, at Landlord's sole cost and expense, obtain and maintain insurance in amounts and against risks consistent with insurance coverages obtained and maintained by owners of improved real property similar to the Demised Premises.

Section 4.02. Throughout the Term, Tenant shall, at Tenant's sole cost and expense (except as otherwise provided herein), obtain and maintain insurance, in the amounts and against the risks, described in Exhibit "C" attached hereto and made a part hereof, or, if different, such insurance, in the amounts and against the risks, as may be required by any lender that has made a loan to Landlord secured by the Property. Landlord shall be named as an additional insured on all such policies of insurance. To the extent any lender that has made a loan to Landlord secured by the Property requires a change to the insurance coverages described on Exhibit "C", Landlord shall notify Tenant, in writing, not less than thirty (30) days prior to the date upon which any such change in insurance coverage is required to become effective hereunder. Any lender shall be named as an insured and loss payee on the property/casualty insurance policy and as an additional insured on the liability policy, as may be required by such lender. All costs incurred by Tenant in maintaining the insurance required by this Section 4.02 are herein collectively called the "Insurance Costs."

Section 4.03. Landlord shall be furnished with evidence reasonably satisfactory to Landlord of Tenant's payment of the premiums for the insurance coverage required by this Lease. Tenant shall renew all such insurance and deliver to Landlord certificates evidencing such renewals at least thirty (30) days before any such insurance is set to expire (except to the extent that provision for payment of the premiums therefore is actually made pursuant to Section 3.01(e) of this Lease).

Section 4.04. Landlord shall not be required to incur any expense under any policy of insurance maintained by Tenant or to prosecute any claim against any insurer or to contest any settlement proposed by any insurer. Tenant may, at its cost and expense, prosecute any such claim or contest any such settlement.

ARTICLE 5
Casualty and Restoration

Section 5.01. If during the Term all or any part of the Demised Premises shall be damaged or destroyed by fire or other casualty, Tenant shall promptly give notice thereof to Landlord.

Section 5.02.

(a) If during the Term all or any part of the Demised Premises shall be damaged or destroyed by any fire or other casualty, this Lease shall continue in full force and effect and the Property shall be restored by Tenant. Any insurance proceeds received by Landlord on account of such damage or

destruction, less the actual cost, fees and expenses, if any, incurred in connection with adjustment of the loss, shall, provided no default by Tenant or Event of Default shall have occurred and be continuing hereunder, be allocated by Landlord to Tenant such that Tenant may cause the repair, restoration or replacement of any portion of the Demised Premises so damaged or destroyed as nearly as possible to its value, condition and character immediately prior to such damage or destruction and to pay contractors, subcontractors, materialmen, engineers, architects or other persons who have rendered services or furnished materials for said repairs, restorations or replacements (hereinafter collectively, the "Casualty Restoration"), and shall be paid out from time to time as the Casualty Restoration progresses. To the extent the property manager for the Demised Premises is entitled to a construction management fee in connection with any Casualty Restoration, Tenant shall be entitled to be paid such construction management fee (up to five percent (5%) of the cost of the Casualty Restoration) for undertaking to make the Casualty Restoration, which Tenant shall pay to such manager.

(b) If the insurance proceeds received by Landlord are applied to the cost of the Casualty Restoration and the insurance proceeds shall, at any time, be insufficient to pay the cost of the Casualty Restoration, Landlord may allocate the Capital Expense Reserve Account (as hereinafter defined in Section 7) to Tenant to make up the deficiency. In the event the Capital Expense Reserve Account is insufficient to make up the deficiency, Landlord shall be required to make up any remaining deficiency. If such net insurance proceeds shall exceed the cost of the Casualty Restoration, then, in such event, whichever party maintained the applicable insurance policy shall retain the excess.

Section 5.03. If Tenant fails to diligently pursue to completion the Casualty Restoration of any portion of the Demised Premises damaged or destroyed by fire or other casualty as provided in Section 5.02(a) above, then, in such event, Landlord shall have the right to perform such Casualty Restoration at Landlord's expense. Subject to approval of the Landlord, Tenant shall have the right to use the Capital Expense Reserve Account in connection with any such Casualty Restoration.

Section 5.04. Notwithstanding the foregoing provisions of this Article 5, in the event all or a material portion of the Demised Premises is damaged or destroyed by fire or other casualty, following which Landlord's lender (if any) elects not to make the insurance proceeds available for restoration (a "Material Casualty"), then neither Landlord or Tenant shall be required under terms of this Lease to complete the Casualty Restoration. In the event neither Landlord nor Tenant undertakes to complete the Casualty Restoration following a Material Casualty pursuant to the terms and conditions of this Section 5.04, then this Lease automatically shall terminate and neither party shall have any further obligations hereunder. In the event Landlord or Tenant does undertake to complete a Casualty Restoration following a Material Casualty, then this Lease shall continue in full force and effect.

ARTICLE 6
Condemnation

Section 6.01.

(a) If during the Term all or any part of the Demised Premises shall be subject to a "Taking," which shall mean any taking of the Demised Premises or a part thereof, in or by condemnation or other eminent domain proceeding, this Lease shall continue in full force and effect. Tenant hereby assigns to Landlord any award, payment or compensation to which it may be or become entitled during the Term by reason of a Taking whether the same shall be paid or payable in respect of Tenant's leasehold interest hereunder or otherwise. Provided no default by Tenant or Event of Default shall have occurred and be continuing hereunder, Landlord shall allocate any such award, payment or compensation related to the Taking to Tenant and Tenant shall cause the repair, restoration or rebuilding of any part of the Demised Premises remaining after such Taking, including payment of all contractors, subcontractors, materialmen, engineers, architects or other persons who render services or furnish materials for said repairs, restorations or rebuilding (hereinafter collectively, the "Condemnation Restoration"). The Condemnation Restoration shall be performed by Tenant so as to restore the Demised Premises, as nearly as possible, to its value, condition and character immediately prior to such Taking. Any award, payment or compensation paid or assigned to Landlord on account of said Taking, less the actual costs, fees and expenses, if any, incurred in connection

with obtaining the award, shall be allocated by Landlord to Tenant and used by Tenant to perform the Condemnation Restoration. To the extent the property manager for the Demised Premises is entitled to a construction management fee in connection with any Condemnation Restoration, Tenant shall be entitled to be paid such construction management fee (up to five percent (5%) of the cost of the Condemnation Restoration) for undertaking to make the Condemnation Restoration, which Tenant shall pay to such manager.

(b) If the award, payment or compensation received as the result of a Taking are applied to the cost of the Condemnation Restoration and said award, payment or compensation shall, at any time, be insufficient to pay the cost of the Condemnation Restoration, Landlord shall allocate to Tenant the use of the Capital Expense Reserve Account to make up the deficiency. Should the award, payment or compensation, together with the Capital Expense Reserve Account, be insufficient to pay the cost of the Condemnation Restoration, then Landlord shall be required to make up any remaining deficiency. If such award, payment or compensation shall exceed the cost of the Condemnation Restoration, then, in such event, Landlord shall retain the excess.

(c) If Tenant fails to diligently pursue to completion the Condemnation Restoration of any portion of the Demised Premises affected by any Taking as provided in Section 6.01(a) hereof, then, in such event, Landlord shall have the right to perform such Condemnation Restoration at Landlord's expense. Subject to the approval of Landlord, Tenant shall have the right to use the Capital Expense Reserve Account in connection with any such Condemnation Restoration.

(d) Landlord shall be entitled to participate in any Taking proceeding at Landlord's cost and expense.

Section 6.02.

(a) If during the Term (i) there is a permanent Taking of all of the Demised Premises, or (ii) there is a permanent taking of less than all of the Demised Premises but it is impractical to rebuild the Demised Premises and/or continue to operate the Demised Premises as an apartment complex substantially similar to the Demised Premises as it exists upon the date of this Lease, then this Lease automatically shall terminate, and neither party shall have any further obligations hereunder.

(b) If during the Term (i) there is a permanent Taking of less than all of the Demised Premises and it is economically feasible to rebuild the Demised Premises and/or continue to operate the Demised Premises as a multi-family apartment project substantially similar to the Demised Premises as it exists upon the date of this Lease, or (ii) the use or occupancy of any part, or all, of the Demised Premises shall be temporarily requisitioned by any federal government, or any state or other political subdivision thereof, or any agency, court or body of the federal government, any state or other political subdivision thereof, exercising executive, legislative, judicial, regulatory or administrative functions (hereinafter collectively called "Governmental Authority"), then this Lease shall continue in full force and effect, however, (A) Tenant shall proceed to perform any necessary repairs, restoration or replacement in accordance with this Article 6, and (B) Landlord and Tenant shall adjust the Annual Rent in an equitable fashion to reflect the economic effect of any such Taking or temporary requisition.

ARTICLE 7
Maintenance and Repairs

Section 7.01. Tenant shall be responsible for all expenses incurred in the maintenance and repair of the Demised Premises (including, without limitation, any administrative obligations relating to cost-sharing), except for "Capital Expenses" as defined in Section 7.02 below and non-capital expenses that are currently budgeted in or allocated to the Capital Expense Reserve Account. Tenant shall take good care (or cause good care to be taken) of the Demised Premises, the gutters, downspouts, and drains associated with the Demised Premises as well as any alleyways, passageways, sidewalks, curbs, ramps, driveways, fences, gates and vaults adjoining the Demised Premises, and keep the same (or cause the same to be kept) in good order and condition, ordinary wear and tear and obsolescence excepted, and make necessary nonstructural

repairs thereto, interior and exterior. Tenant also shall be responsible for all expenses of all personal property replacements and repairs, including, but not limited to, (i) water heater replacements, (ii) floor covering replacements, (iii) replacement of window coverings, (iv) replacement of appliances, (v) HVAC compressor and condenser replacements, (vi) plumbing fixture replacements, (vii) electrical fixture replacements, (viii) fire suppression and monitoring systems; and (ix) interior painting. Tenant also shall make (or cause to be made) all repairs necessary to avoid any structural damage or injury to the Demised Premises. All repairs and replacements shall be substantially equal in quality and class to the original work.

Section 7.02. Landlord shall be responsible for all "Capital Expenses," which shall mean any and all costs and expenses incurred in connection with major repairs, replacements, and improvements relating to the structural elements of the Property which would be capitalized under generally accepted accounting principles, including, but not limited to, (i) the repair or replacement of roofs, chimneys, paving, balconies, porches, patios, foundations, exterior walls and all load bearing walls, exterior doors and doorways, windows, elevators and (ii) exterior painting. Landlord is also responsible for all non-capital expenses currently budgeted in or allocated to the Capital Expense Reserve Account held by Landlord (the "Capital Expense Reserve Account"). Landlord shall allocate to Tenant such funds, to the extent available, from the Capital Expense Reserve Account as may be required for Capital Expenses and Tenant shall undertake to make the repairs or replacements associated with the Capital Expense maintenance items. To the extent the property manager for the Demised Premises is entitled to a construction management fee in connection with any Capital Expenses, Tenant shall be entitled to be paid such construction management fee (up to five percent (5%) of the cost of the Capital Expenses) for undertaking to make the Capital Expenses, which Tenant shall pay to such manager. Other than as set forth in this Section 7.02 and as otherwise provided in this Lease, Landlord shall not be required to furnish any services or facilities or make any repairs, replacements or alterations in or to the Demised Premises, Tenant hereby assuming the full and sole responsibility for the operation, repair, replacement, maintenance and management of the Demised Premises.

Section 7.03. Intentionally Omitted.

Section 7.04. Intentionally Omitted.

Section 7.05. So long as the Capital Expense Reserve Account has not been totally depleted, the funds in such account shall be available to and may be withdrawn by Tenant to pay for, with the consent of Landlord: (i) those repairs described in Section 7.02 above, (ii) any Casualty Restoration, (iii) any Condemnation Restoration, and (iv) any other expense for which the Tenant is responsible. If the Capital Expense Reserve Account is not available for any reason and funds of Tenant are used to pay for expenses for which Landlord is responsible hereunder, Tenant may recover such amount, in Tenant's sole discretion, out of the Capital Expense Reserve Account, by set off against Annual Rent (but in no event any other amounts payable hereunder), or from proceeds in connection with any Disposition of the Property. If funds held in the Capital Expense Reserve Account are used to pay for expenses for which the Tenant is responsible hereunder, Tenant will reimburse such amount to the Capital Expense Reserve Account as soon as practicable thereafter, and in no event later than the expiration or earlier termination of this Lease.

Section 7.06. Tenant shall have the right to satisfy its obligations under this Article 7 by requiring the Property Manager (as hereinafter defined) to cause the performance of such obligations.

Section 7.07. The necessity for and adequacy of replacements, maintenance and repairs to the Demised Premises pursuant to this Article 7 shall be measured by the standard which is appropriate for properties of similar construction, class and use in the area in which the Demised Premises are situated.

ARTICLE 8
Alterations and Additions

Section 8.01. Tenant may make alterations to (but not additions to, removals of, and substitutions for) the buildings or any portion thereof situated on the Demised Premises, provided that (a) no such alterations shall be undertaken without Landlord's prior written consent; (b) the fair market value of the Demised Premises shall not be lessened by reason thereof; (c) all such alterations shall be completed in

compliance with any and all valid laws, rules, regulations, ordinances, orders, codes, judgments, decrees, injunctions, permits or similar norms or decisions of any Governmental Authority having jurisdiction over the Demised Premises or the use, manner of use or occupancy thereof (hereinafter collectively called "Law"); and (d) any such additions shall become the property of Landlord when completed. Tenant shall discharge any and all liens filed against the Demised Premises arising out of any alteration thereof and, upon the written request of Landlord, shall deliver to Landlord a surety bond or other security satisfactory to Landlord to assure the completion thereof.

Section 8.02. Tenant shall not construct or place upon the Demised Premises any additional buildings, structures, facilities or other improvements without the prior written consent of Landlord.

Section 8.03. Tenant shall have the right, from time to time, to purchase personal property to be used for the benefit of the Demised Premises. Upon the expiration of the Term, all such personal property shall belong to the Landlord.

ARTICLE 9
Compliance with Law; Zoning

Section 9.01. Tenant shall during the Term, at its sole cost and expense, except for immaterial noncompliances which may have existed prior to the commencement of the Term, promptly comply (or cause compliance) with all Laws which may be applicable to the Demised Premises or to the use, manner of use or occupancy thereof, and shall take all actions reasonably necessary to comply with any and all orders or requirements affecting the Property, by any federal, state, county or municipal authority having jurisdiction over the Property. Tenant shall likewise observe and comply (or cause observance and compliance) with the requirements of all policies of public liability, fire and other insurance at any time in force with respect to the Demised Premises. In addition, Tenant shall cause all tenants, subtenants or other occupants of the Demised Premises to comply with all Laws which may be applicable to the Demised Premises or to the use, manner of use or occupancy thereof.

Section 9.02. Tenant shall not cause or maintain any nuisance in or upon the Demised Premises. Tenant shall not suffer or permit the Demised Premises, or any portion thereof; to be used by the public, as such, in any way as might tend to impair Landlord's title thereto.

Section 9.03. If Tenant fails to timely take (or cause to be taken), or to diligently and expeditiously proceed to complete (or cause completion) in a timely fashion, any such action described in Section 9.01 or 9.02 hereof, Landlord may, in its sole and absolute discretion, upon prior written notice to Tenant, make payments toward the performance or satisfaction of the same, but shall in no event be under any obligation to do so. All sums so advanced or paid by Landlord (including, without limitation, counsel and consultant fees and expenses, investigation and laboratory fees and expenses, and fines or other penalty payments) and all sums paid in connection with any judicial or administrative investigation or proceeding relating thereto, will immediately, upon demand, become due and payable from Tenant.

Section 9.04. Without Landlord's prior written consent, Tenant shall not (a) change, consent or apply for the change of the zoning or any land use regulation affecting the Demised Premises or any part thereof; or (b) combine the Demised Premises with any other parcel to create an enlarged zoning or tax lot.

ARTICLE 10
Discharge of Liens

In the event that the Demised Premises or any part thereof or Tenant's leasehold interest therein shall, at any time during the Term, become subject to any vendor's, mechanic's, laborer's, materialman’s or other lien, encumbrance or charge other than any such lien based upon the furnishing of materials or labor to Landlord and contracted for by Landlord, Tenant shall cause the same, at its sole cost and expense, to be discharged or bonded promptly after notice thereof.

ARTICLE 11

Right of Landlord to Perform Tenant's Covenants

Landlord shall have the right at any time, after ten (10) days' notice to Tenant (or without notice in case of emergency or in case any fine, penalty or cost may otherwise be imposed or incurred), or upon such lesser period of notice as is otherwise herein provided for, to make any payment or perform any act required of Tenant under this Lease, and in exercising such right, to incur necessary and incidental costs and expenses, including, without limitation, reasonable counsel fees and expenses. Nothing herein shall imply any obligation on the part of Landlord to make any payment or perform any act required of Tenant, and the exercise of the right so to do shall not constitute a release of any obligation or a waiver of any default. All payments made by Landlord and all costs and expenses incurred by Landlord in connection with any exercise of such right, shall be payable to Landlord by Tenant within ten (10) days after written demand. Such payments may be made out of the Capital Expense Reserve Account (to the extent not depleted) as described in Section 7.05.

ARTICLE 12
Entry on Demised Premises by Landlord

Subject to the rights of the tenants pursuant to the Space Leases, at any time, Landlord, through its agents or employees, at all reasonable times and upon prior notice to Tenant, shall have the right to enter the Demised Premises to inspect same.

ARTICLE 13
Assignment and Subletting

Section 13.01. Tenant shall not assign this Lease or its interest under this Lease, directly or indirectly, unless it first obtains the prior written consent of Landlord and its lender, which may be withheld in either's sole discretion, whether reasonable or unreasonable. Notwithstanding the foregoing, Tenant shall have the right to enter into individual space tenant leases at the Demised Premises ("Space Leases") or modify, amend, cancel, terminate, extend or renew any Space Leases. Landlord and Tenant acknowledge that, as of the date hereof, the Space Leases include those leases set forth on the rent roll set forth on Exhibit "D". In addition, Tenant shall not grant easements, licenses, rights-of-way or any other rights or privileges in the nature of easements with respect to the Demised Premises without the prior written consent of Landlord in each instance.

Section 13.02. During the Term, neither this Lease nor the Term hereby demised shall be mortgaged by Tenant, nor shall Tenant mortgage or pledge the interest of Tenant in and to any Space Lease or the rentals payable thereunder. Any such mortgage or pledge and any Space Lease, easement, license, right-of-way or other right or privilege made or granted in violation of or without compliance with Section 13.01 of this Lease shall be null and void.

ARTICLE 14
Use of Demised Premises; Quiet Enjoyment

Section 14.01. Tenant shall use the Demised Premises solely as an apartment community and other uses incidental thereto.

Section 14.02. Tenant, upon paying amounts payable under this Lease provided for and observing and keeping the covenants, agreements, terms and conditions of this Lease on its part to be observed and performed, shall, subject to the covenants, agreements, terms and conditions of this Lease, lawfully and quietly hold, occupy and enjoy the Demised Premises during the Term, without hindrance or molestation by Landlord or by any other party claiming under Landlord.

ARTICLE 15
Indemnification of Landlord; Limitation of Liability

Section 15.01. In addition to Tenant's obligations to indemnify Landlord as set forth in other Sections of this Lease, Tenant will indemnify and save harmless Landlord, its beneficiaries, trustees, partners, members, shareholders, officers, directors and employees (each individually an "Indemnified Party" and collectively, the "Indemnified Parties") from and against any and all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including, without limitation, reasonable attorneys' fees and expenses, which may be imposed upon or incurred by or asserted against such persons (except to the extent the same are caused by the negligence or willful misconduct of Landlord, its agents, employees, licensees, invitees, contractors and/or subcontractors) by reason of any of the following occurring during the Term:

(a) any work or thing done by anyone other than Landlord or Landlord's agents, employees, contractors and/or subcontractors, in, on or about the Demised Premises or any part thereof;

(b) any use, non-use, possession, occupation, condition, operation, maintenance or management of the Demised Premises or any part thereof or any street, alley, sidewalk, curb, passageway or space adjacent thereto;

(c) any negligence of Tenant or any agent, contractor, employee, licensee or invitee of Tenant;

(d) any accident or injury to any person (including death) or damage to property occurring in, on or about the Demised Premises or any part thereof or any street, alley, sidewalk, curb, passageway, or space adjacent thereto; and

(e) any failure on the part of Tenant to perform or comply with any of the agreements, terms or conditions contained in this Lease on its part to be performed or complied with.

In the event that any action or proceeding shall be brought against an Indemnified Party by reason of any matter covered by this Section, Tenant, upon notice from the Indemnified Party, will at Tenant's sole cost and expense resist or defend the same. To the extent of the proceeds received by Landlord under any insurance policy furnished or supplied to Landlord by Tenant, Tenant's obligation to indemnify and save harmless an Indemnified Party against the hazard which is the subject of such insurance shall be deemed to be satisfied.

Section 15.02.

(a) Tenant is fully familiar with the physical condition of the Demised Premises and takes the same hereunder "as is" and "where is."

(b) TENANT ACKNOWLEDGES THAT LANDLORD (WHETHER ACTING AS LANDLORD HEREUNDER OR IN ANY OTHER CAPACITY) HAS NOT MADE AND WILL NOT MAKE, NOR SHALL LANDLORD BE DEEMED TO HAVE MADE, ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT TO THE DEMISED PREMISES, INCLUDING ANY WARRANTY OR REPRESENTATION AS TO ITS FITNESS FOR USE OR PURPOSE, DESIGN OR CONDITION FOR ANY PARTICULAR USE OR PURPOSE, AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, LATENT OR PATENT, AS TO LANDLORD'S TITLE THERETO, OR AS TO VALUE, COMPLIANCE WITH SPECIFICATIONS, LOCATION, USE, CONDITION, MERCHANTABILITY, QUALITY, DESCRIPTION, DURABILITY OR OPERATION, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY TENANT. In the event of any defect or deficiency in the Demised Premises of any nature, whether patent or latent, Landlord shall not have any responsibility or liability with respect thereto or for any incidental or consequential damages (including strict liability in tort). The provisions of this Section 15.02 have been negotiated between Landlord and Tenant, and the foregoing provisions are intended to be a complete exclusion and negation of any warranties by Landlord, express or implied, with respect to the Demised Premises, arising pursuant to the uniform commercial code or any other Law now or hereafter in effect or otherwise.

(c) Tenant acknowledges and agrees that Tenant has examined the title to the Demised Premises prior to the execution and delivery of this Lease and has found such title to be satisfactory for the purposes contemplated by this Lease.

(d) Landlord hereby assigns to Tenant, to the extent assignable and without recourse or warranty whatsoever, all warranties, guaranties and indemnities, express or implied, and similar rights which Landlord may have against any third party in respect of the Demised Premises, including, without limitation, any manufacturer, seller, engineer, contractor or builder, including, but not limited to, any rights and remedies existing under contract or pursuant to the uniform commercial code (collectively, the "Guaranties") except those which relate to the structural components of the Demised Premises. Such assignment shall remain in effect until the expiration or earlier termination of this Lease. Landlord shall also retain the right to enforce any Guaranties assigned in the name of Tenant upon the occurrence of an Event of Default. Landlord hereby agrees to execute and deliver at Tenant's expense such further documents, including powers of attorney, as Tenant may reasonably request in order that Tenant may have the full benefit of the assignment effected or intended to be effected by this Section 15.02(d). Upon the termination of this Lease, the Guaranties shall automatically revert to Landlord. The foregoing provision of reversion shall be self-operative and no further instrument of reassignment shall be required. In confirmation of such reassignment Tenant shall execute and deliver promptly any certificate or other instrument which Landlord may request. Any monies collected by Tenant under any of the Guaranties after the occurrence of and during the continuation of an Event of Default shall be held in trust by Tenant and promptly paid over to Landlord. To the extent any of the Guaranties are not assignable by Landlord, Landlord shall, upon request by Tenant, enforce same for the benefit of Tenant, at Tenant's sole cost and expense.

Section 15.03. Tenant shall indemnify Landlord against all legal costs and charges incurred in obtaining possession of the Demised Premises after default by Tenant or after Tenant's default in surrendering possession upon expiration or earlier termination of this Lease or enforcing any covenant or agreement of Tenant herein contained.

Section 15.04. Notwithstanding anything to the contrary provided in this Lease, there shall be absolutely no personal liability on the part of Landlord, its beneficiaries, trustees, members, partners, officers, directors, agents, employees, and/or disclosed or undisclosed principals with respect to any of the terms, covenants and conditions of this Lease, and Tenant shall look solely to the equity of Landlord in the Property for the satisfaction of each and every remedy of Tenant in the event of any breach by Landlord of any of the terms, covenants and conditions of this Lease, such exculpation of personal liability to be absolute and without any exception whatsoever.

Section 15.05. The obligations of Tenant under this Article 15 and under Section 25.02 shall survive the expiration or earlier termination of this Lease, by which is meant that a claim relating to any matter occurring, arising, accruing or otherwise happening during the term of this Lease as to which Tenant has obligations under this Article 15 or under Section 25.02, may be asserted against Tenant after (and notwithstanding) the expiration or earlier termination of this Lease.

ARTICLE 16
Default and Remedies

Section 16.01. If during the Term any one or more of the following acts or events (any one of such events or acts being herein called an "Event of Default") shall occur:

(a) Tenant (i) shall default in making the payment of any installment of the Annual Rent, or any component thereof, or any Operating Costs or Impositions as and when the same shall become due and payable hereunder, which default continues for a period of five (5) days following written notice thereof from Landlord, or (ii) shall fail to pay any other amounts payable under this Lease as and when the same shall become due and payable or shall default in any other manner curable by the payment of money; or

(b) Tenant shall default in the performance of or compliance with any of the other covenants, agreements, terms or conditions of this Lease to be performed by or complied with by Tenant (other than any default curable by payment of money), and such default shall continue for a period of thirty (30) days after receipt of written notice thereof from Landlord to Tenant, or, in the case of a default which cannot, with due diligence, be cured within thirty (30) days, Tenant shall fail to proceed promptly (except for unavoidable delays) after the giving of such notice and with all due diligence to cure such default and thereafter to prosecute the curing thereof with all due diligence (it being intended that as to a default not susceptible of being cured with due diligence within thirty (30) days, the time within which such default may be cured shall be extended for such period as may be reasonably necessary to permit the same to be cured with all due diligence; provided, however that in no event shall the extension of any such cure period result in a cure period exceeding one hundred eighty (180) days); or

(c) Tenant shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, composition, readjustment or similar relief under any present or future bankruptcy or other applicable Law, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver, or liquidator of Tenant or of all or any substantial part of its properties or of all or any part of the Demised Premises; or

(d) if within ninety (90) days after the filing of an involuntary petition in bankruptcy against Tenant or the commencement of any proceeding against Tenant seeking any reorganization, composition, readjustment or similar relief under any Law, such proceeding shall not have been dismissed, or if, within ninety (90) days after the appointment, without the consent or acquiescence of Tenant, of any trustee, receiver or liquidator of Tenant or of all or any substantial part of the properties of Tenant or of all or any part of the Demised Premises, such appointment shall not have been vacated or stayed on appeal or otherwise, or if, within ninety (90) days after the expiration of any such stay, such appointment shall not have been vacated, or if, within ninety (90) days after the taking of possession, without the consent or acquiescence of Tenant, of the property of Tenant by any Governmental Authority pursuant to statutory authority for the dissolution or liquidation of Tenant, such taking shall not have been vacated or stayed on appeal or otherwise; or

(e) if Tenant shall assign, pledge or encumber any of the rentals or other sums payable from time to time under the Space Leases, as may be requested by Landlord; or

(f) if, without the consent of Landlord (or as otherwise permitted herein), Tenant's interest in this Lease or the Term hereby demised shall be mortgaged, encumbered or pledged; or

(g) if any representation, warranty or statement made or deemed to be made by Tenant hereunder or in connection herewith is or proves to have been materially incorrect or misleading in any material respect when made; or

(h) if it becomes unlawful for Tenant to perform any material obligation hereunder or under any other document executed in connection herewith; or

(i) Tenant ceases to, do business or terminates its business as presently conducted for any reason whatsoever or institutes any proceeding for its dissolution or termination; or

(j) if Tenant fails to deliver possession of the Demised Premises at the end of the Term; or

(k) if any act or omission of Tenant results in the breach of any indenture, deed of trust, mortgage or other instrument (beyond any applicable notice and cure periods contained therein) to which Landlord or Tenant is a party or to which the Demised Premises is bound or may be affected;

then, and in any such event, and during the continuance thereof, Landlord may at its option, then or thereafter while any such Event of Default shall continue and notwithstanding the fact that Landlord may have any other remedy hereunder or at law or in equity, and without prejudice to any of the same, pursue one or more

of the following remedies: (1) by notice to Tenant, designate a date, not less than ten (10) days after the giving of such notice, on which this Lease shall terminate; and thereupon, on such date the Term of this Lease and the estate hereby granted shall expire and terminate upon the date specified in such notice with the same force and effect as if the date specified in such notice were the date herein fixed for the expiration of the Term of this Lease, and all rights of Tenant hereunder shall expire and terminate, but Tenant shall remain liable as hereinafter provided and/or (2) pursue any other remedies available to Landlord at law or in equity; so long as the foregoing actions are not prohibited by documents evidencing and/or securing a first mortgage loan secured by the Property, if any.

Section 16.02. If this Lease is terminated as provided in Section 16.01, or as permitted by law, Tenant shall peaceably quit and surrender the Demised Premises to Landlord, and Landlord may, without further notice, enter upon, re-enter, possess and repossess the same by summary proceedings, ejectment or other legal proceeding, and again have, repossess and enjoy the same as if this Lease had not been made, and in any such event neither Tenant nor any person claiming through or under Tenant by virtue of any law or an order of any court shall be entitled to possession or to remain in possession of the Demised Premises but shall forthwith quit and surrender the Demised Premises. After any termination of this Lease, Landlord will be entitled to recover all unpaid rent that has accrued through the date of termination plus the costs of performing any of Tenant's obligations (other than the payment of rent) that should have been but were not satisfied as of the date of such termination.

Section 16.03. Notwithstanding the provisions of 16.01(a)(i) above (but only with respect to failure to fully and timely pay any installment of Annual Rent), it shall not be a default so long as, after providing for Operating Costs, Impositions and all other obligations hereunder except Annual Rent (collectively, the "Expenses"), and after providing for an amount equal to one-half of the amounts owning hereunder as Annual Rent (the "Minimum Current Annual Rent"), all Tenant's revenues after Expenses and Minimum Current Annual Rent ("Cash Flow") shall be allocated and paid toward Annual Rent. The shortfall if any shall be accrued (the "Accrued Annual Rent") and paid as follows:

(a) The Accrued Annual Rent shall bear interest at the rate of three percent (3%) annually until paid;

(b) Accrued Annual Rent plus interest thereon shall be paid on the next succeeding due date of Annual Rent hereunder, to the extent of available Cash Flow;

(c) All Accrued Annual Rent plus interest thereon shall be due and payable in full on the date that is ninety-one (91) days after the end of the Term.

Section 16.04. Upon the occurrence and during the continuance of an Event of Default, in addition to any other remedies available to Landlord under this Lease, at law or in equity, Landlord shall have the right to continue this Lease in full force and effect, whether or not Tenant shall have abandoned the Demised Premises. If Landlord elects to continue this Lease in full force and effect pursuant to this Section 16.04, then Landlord shall be entitled to enforce all of its rights and remedies under this Lease, including the right to recover rent as it becomes due. Landlord's election not to terminate this Lease pursuant to this Section 16.04 or pursuant to any other provision of this Lease, at law or in equity, shall not preclude Landlord from subsequently electing to terminate this Lease or pursuing any of its other remedies.

Section 16.05. The exercise, or beginning of the exercise, by Landlord of any one or more of the rights or remedies provided for in this Lease or otherwise existing at law or in equity, or otherwise, shall not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies so provided for or so existing. The obligations of Tenant under this Article 16 shall survive the expiration or any earlier termination of this Lease.

ARTICLE 17
Additional Rights of Landlord

Section 17.01. No right or remedy conferred upon or reserved to Landlord shall be exclusive of any other right or remedy, and any right and remedy shall be cumulative and in addition to every other right or remedy given hereunder or now or hereafter existing at law or in equity. The failure of Landlord to insist at any time upon the strict performance of any covenant or agreement or to exercise any right, power or remedy contained in this Lease shall not be construed as a waiver or relinquishment thereof for the future. A receipt by Landlord of any installment of Annual Rent (or any component thereof) or any other amount hereunder with knowledge of the breach of any covenant or agreement contained in this Lease shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by Landlord. Landlord shall be entitled, to the extent permitted by law, to injunctive relief in case of the violation, or attempted or threatened violation, of any covenant, agreement, condition or provision of this Lease or to a decree compelling performance of any covenant, agreement, condition or provision of this Lease, or to any other remedy allowed Landlord by law.

Section 17.02. If an Event of Default occurs and is continuing during the Term, Tenant hereby waives and surrenders for itself and all those claiming under it (a) any right and privilege which it or any of them may have under any law to redeem the Demised Premises or to have a continuance of this Lease for the Term after termination of Tenant's right of occupancy by order or judgment of any court or by any legal process or writ, or under the terms of this Lease, or after the termination of the Term of this Lease as herein provided, and (b) the benefits of any law which exempts property from liability for debt or for distress for rent.

Section 17.03. If Tenant shall be in default in the observance or performance of any of its obligations under this Lease and an action shall be brought for the enforcement thereof in which it shall be determined that Tenant was in default, Tenant shall pay to Landlord the expenses incurred by Landlord in connection therewith, including reasonable attorneys' fees.

ARTICLE 18
Estoppel Certificates

Tenant will, from time to time upon not less than thirty (30) days' prior written request by Landlord, deliver to Landlord a written statement certifying that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and setting forth such modifications) and the dates to which the Annual Rent and other amounts due hereunder have been paid, and either stating that to the knowledge of Tenant no default exists in the performance of any covenant, agreement or condition contained in this Lease or specifying each default of which Tenant may have knowledge.

ARTICLE 19
No Merger

There shall be no merger of this Lease or of the leasehold estate hereby created with the fee estate in the Demised Premises or any part thereof by reason of the fact that the same person may acquire or hold, directly or indirectly, this Lease or the leasehold estate hereby created, or any interest in this Lease or in such leasehold estate, as well as the fee estate in the Demised Premises.

ARTICLE 20
Surrender and Holding Over

Section 20.01. Upon the expiration or earlier termination of this Lease, Tenant shall peaceably leave and surrender the Demised Premises (except as to any portion thereof with respect to which this Lease has previously terminated) to Landlord. Tenant shall remove from the Demised Premises on or prior to such expiration or earlier termination the trade fixtures and personal property which are owned by Tenant, and Tenant at its expense shall, on or prior to such expiration or earlier termination, repair any damage caused by such removal. Trade fixtures and personal property not so removed at the end of the Term or within thirty (30) days after the earlier termination of the Term for any reason whatsoever shall become the property of Landlord, and Landlord may thereafter cause such property to be removed from the Demised Premises. The

cost of removing and disposing of such property and repairing any damage to any of the Demised Premises caused by such removal shall be borne by Tenant. Landlord shall not in any manner or to any extent be obligated to reimburse Tenant for any property which becomes the property of Landlord as a result of such expiration or earlier termination.

Section 20.02. Any holding over by Tenant of the Demised Premises after the expiration or earlier termination of the Term of this Lease or any extensions thereof, with the consent of Landlord, shall operate and be construed as a tenancy from month to month only, at the Annual Rent reserved herein and otherwise upon the same terms and conditions as contained in this Lease. Notwithstanding the foregoing, any holding over without Landlord's consent shall entitle Landlord, in addition to collecting Annual Rent at a rate of one hundred fifty percent (150%) thereof from and after the date of such holding over, to exercise all rights and remedies provided by law or in equity, including the remedies of Section 16.01.

ARTICLE 21
Space Leases

Section 21.01. Tenant covenants and agrees to observe and perform all of the duties and obligations of the landlord/lessor to be observed and performed under Space Leases and to use Tenant's best efforts to enforce the conditions and obligations imposed on the tenants under the Space Leases to the extent prudent and customary in the then current market. Subject to the terms of this Lease, during the Term, Tenant shall be entitled to all of the benefits of the "Landlord" under the Space Leases (whether the Space Leases are entered into by Landlord or Tenant), including, without limitation, the right to collect and use the rents under the Space Leases. Tenant shall not assign the right to receive any rental or other sums payable under the Space Leases or any other rights under the Space Leases, without the prior written consent of Landlord in each instance.

Section 21.02. Upon the termination of this Lease, (i) Tenant’s rights and obligations in and under all current Space Leases shall automatically vest in Landlord and Landlord shall be deemed, without further action required, to have assumed all of Tenant’s obligations under the Space Leases from and after the effective date of the termination, and Tenant shall transfer all security deposits to Landlord and (ii) Landlord also shall indemnify and hold 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 Space Lease to the extent that they relate to facts occurring from or after the effective date of the termination of this Lease.

ARTICLE 22
Brokerage Commissions and Other Reimbursements Upon Disposition

If the Demised Premises hereafter are sold, transferred or exchanged pursuant to Section 721 of the Code by Landlord excluding, for the avoidance of doubt, a sale to an Affiliate of Tenant or any foreclosure or deed in lieu thereof, then the proceeds shall be paid at such closing in the order set forth below, to the extent of available cash after the payment of closing costs in connection with such sale:

(i) Landlord shall be paid any outstanding amounts owed by Tenant to the Landlord, including without limitation any unpaid Accrued Annual Rent; and

(ii) Tenant shall be paid any outstanding amounts owed by Landlord to the Tenant.

ARTICLE 23
Fee Mortgages

Tenant shall not mortgage, pledge or otherwise finance its interest in this Lease or the Demised Premises. Both Tenant and Landlord agree that, for federal and applicable state tax purposes, Tenant and Landlord shall characterize this Lease in a manner consistent with applicable tax laws as Tenant and Landlord jointly shall determine. Tenant acknowledges that Landlord may have entered into (or may in the future enter into) mortgage financings related to its ownership of the Property (and as part of such financings, Landlord

may pledge its interests in this Lease and execute and/or deliver such other documents and instruments Landlord deems necessary and/or appropriate to consummate such transactions). This Lease is and shall be subject and subordinate to any and all fee mortgages now or hereafter in effect entered into by Landlord, it being understood and agreed that Tenant shall have no responsibility whatsoever under such financing arrangements and/or fee mortgages or to the holder of any such fee mortgages, except as may be otherwise agreed by Tenant in writing. Except as provided in Section 3.01 or otherwise agreed in writing, Tenant shall not be required to make any payments nor shall Tenant be deemed to be either a borrower or guarantor under any financing transaction entered into by Landlord.

ARTICLE 24
Property Manager

The Tenant may designate a third party manager from time to time to serve as the property manager for the Property (the "Property Manager") and act as the attorney-in-fact for Tenant with sole and exclusive right to operate and manage the Demised Premises. Notwithstanding the foregoing, the Property Manager may subcontract some or all of its obligations to a third party property manager, provided that no such subcontract shall relieve Property Manager of its obligations to Tenant.

ARTICLE 25
Hazardous Substances

Section 25.01. Tenant agrees that it will not on, about, or under the Demised Premises, make, release, treat or dispose of any "hazardous substances" as that term is defined in the Comprehensive Environmental Response, Compensation and Liability Act, and the rules and regulations promulgated pursuant thereto, as from time to time amended, 42 U.S.C. § 9601 *et seq.* (the "Act"); but the foregoing shall not prevent the use of any hazardous substances in accordance with applicable laws and regulations. Tenant represents and warrants that it will at all times comply with the Act and any other federal, state or local laws, rules or regulations governing "Hazardous Materials". "Hazardous Materials" as used herein shall mean all chemicals, petroleum, crude oil or any fraction thereof, hydrocarbons, polychlorinated biphenyls (PCBs), asbestos, asbestos-containing materials and/or products, urea formaldehyde, or any substances which are classified as "hazardous" or "toxic" under the Act; hazardous waste as defined under the Solid Waste Disposal Act, as amended 42 U.S.C. § 6901 *et seq.;* air pollutants regulated under the Clean Air Act, as amended, 42 U.S.C. § 7401, *et seq.;* pollutants as defined under the Clean Water Act, as amended, 33 U.S.C. § 125 1, *et seq.,* any pesticide as defined by Federal Insecticide, Fungicide, and Rodenticide Act, as amended, 7 U.S.C. § 136, *et seq.,* any hazardous chemical substance or mixture or imminently hazardous substance or mixture regulated by the Toxic Substances Control Act, as amended, 15 U.S.C. § 2601, et Seq., any substance listed in the United States Department of Transportation Table at 45 CFR 172.101; any chemicals included in regulations promulgated under the above listed statutes; any explosives, radioactive material, and any chemical or other substance regulated by federal, state or local statutes similar to the federal statutes listed above and regulations promulgated under such federal, state or local statutes.

Section 25.02. To the extent required by the Act and/or any federal, state or local laws, rules or regulations governing Hazardous Materials, Tenant shall remove any hazardous substances (as defined in the Act) and Hazardous Materials (as defined above) whether now or hereafter existing on the Demised Premises and whether or not arising out of or in any manner connected with Tenant's occupancy of the Demised Premises during the Term. In addition to, and without limiting Article 15 of this Lease, Tenant shall and hereby does agree to defend, indemnify and hold the Indemnified Parties harmless from and against any and all causes of actions, suits, demands or judgments of any nature whatsoever, losses, damages, penalties, expenses, fees, claims, costs (including response and remedial costs), and liabilities, including, but not limited to, reasonable attorneys' fees and costs of litigation, arising out of or in any manner connected with (i) the violation of any applicable federal, state or local environmental law with respect to the Demised Premises or Tenant's or any other person's or entity's prior ownership of the Demised Premises; (ii) the "release" or "threatened release" of or failure to remove, as required by this Article 25, "hazardous substances" (as defined in the Act) and Hazardous Materials (as defined above) at or from the Demised Premises or any portion or portions thereof, including any past or current release and any release or threatened release during the Term

whether or not arising out of or in any manner connected with Tenant's occupancy of the Demised Premises during the Term. The provisions of this Section 25.02 shall survive the expiration or earlier termination of this Lease as provided in Section 15.05.

Section 25.03. Tenant agrees that it will not install any underground storage tanks at the Demised Premises without specific, prior written approval from the Landlord. Tenant agrees that it will not store combustible or flammable materials on the Demised Premises in violation of the Act or any other federal, state or local laws, rules or regulations governing Hazardous Materials.

ARTICLE 26
Miscellaneous

Section 26.01. Each covenant and agreement contained in this Lease shall be construed to be a separate and independent covenant and agreement, and the breach of any such covenant or agreement by Landlord shall not discharge or relieve Tenant from Tenant's obligation to observe and perform each and every covenant and agreement of this Lease to be observed and performed by Tenant. If any term or provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid and unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected, and each term and provision of this Lease shall be valid and enforceable to the maximum extent permitted by law.

Section 26.02. This Lease shall be construed and enforced in accordance with the internal laws of the State in which the Demised Premises is located without regard to principles of conflicts of laws.

Section 26.03. This Lease has been executed and delivered, for the convenience of the Landlord and Tenant, in several counterparts, but it is intended that all counterparts shall constitute only one Lease. Facsimile signature pages shall be effective for purposes of this paragraph.

Section 26.04. This Lease may not be changed, modified or discharged except by a writing signed by the party against whom such change, modification or discharge is being brought.

Section 26.05. All covenants, conditions and obligations contained in this Lease shall be binding upon and inure to the benefit of the respective permitted successors and assigns of Landlord and Tenant to the same extent as if such permitted successor and assign were named as a party to this Lease.

Section 26.06. All notices, demands, requests, consents, approvals, offers, statements and other instruments or communications required or permitted to be given pursuant to the provisions of this Lease (collectively "Notice" or "Notices") shall be in writing and shall be deemed to have been given for all purposes (i) three (3) days after having been sent by United States mail, by registered or certified mail, return receipt requested, postage prepaid, addressed to the other party at its address as stated below, or (ii) one (1) day after having been sent by Federal Express, United Parcel or other nationally recognized air courier service:

To the Addresses stated below:

If to Landlord: CS1031 Texas Active Living New Braunfels, DST
c/o Capital Square Realty Advisors, LLC
4851 Lake Brook Drive
Glen Allen, Virginia 23060

If to Tenant: CS1031 Texas Active Living New Braunfels Master Lessee, LLC
c/o Capital Square Realty Advisors, LLC
4851 Lake Brook Drive
Glen Allen, Virginia 23060

With a copy to: Capital Square Realty Advisors, LLC
4851 Lake Brook Drive
Glen Allen, Virginia 23060

For the purposes of this Section 26.06, any party may substitute its address by giving fifteen (15) days' notice to the other party in the manner provided above. Any Notice may be given on behalf of any party by its counsel.

Section 26.07. The leasehold estate created by this Lease runs with the land, and shall be binding upon any future owner of the Property.

Section 26.08. This Lease 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 26.09. Any provision of this Lease 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.

[Signature page to follow]

SIGNATURE PAGE TO THE MASTER LEASE
FOR CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS, DST

LANDLORD:

CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS, DST,
a Delaware statutory trust

By: CS1031 Texas Active Living New Braunfels ST, LLC,
a Delaware limited liability company, its Signatory Trustee

By: _____
Name: Louis J. Rogers
Its: Director

TENANT:

CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS MASTER LESSEE, LLC, a Delaware limited liability company

By: _____
Name: Louis J. Rogers
Its: Director

EXHIBIT "A"

LEGAL DESCRIPTION

TRACT 1:
Being Lot 1, Block 1, EMERALD COTTAGES AT WV, a Subdivision in Comal County, Texas, according to the plat thereof recorded in Document No. 201506042067, of the Map and Plat Records of Comal County, Texas.

TRACT 2:
Non-exclusive easements as created and defined in that certain Shared Access Easement and Road Construction Agreement executed by Westpointe Commercial, Ltd. and TSL NB Invest Co, LLC, dated January 29, 2014, filed January 31, 2014, and recorded in Document No. 201406003360, Official Public Records, Comal County, Texas.

TRACT 3:
Non-exclusive easements as created and defined in that certain Shared Access Easement and Road Construction Agreement executed by Westpointe Commercial, Ltd., Orion Sky Development Co., L.L.C. and Emerald Cottages of New Braunfels, Ltd., dated October 23, 2015, filed October 29, 2015 and recorded in Document No. 201506043889, Official Public Records, Comal County, Texas.

TRACT 4:
Non-exclusive easements as created and defined in that certain Declaration of Easements, Covenants, Conditions and Maintenance Agreement for Water Quality Facilities executed by Westpointe Commercial, Ltd., Orion Sky Development Co., L.L.C. and Emerald Cottages of New Braunfels, Ltd., dated October 23, 2015, filed October 29, 2015 and recorded in Document No. 201506043888, Official Public Records, Comal County, Texas.

EXHIBIT "B"

RENT

Lease Year	Annual Rent	% of Equity (Annual Rent Only)	Revenue Benchmark
Lease Year 1	$1,661,815	4.45%	$2,874,000
Lease Year 2	$1,732,107	4.64%	$3,069,000
Lease Year 3	$1,774,233	4.75%	$3,161,000
Lease Year 4	$1,805,275	4.83%	$3,256,000
Lease Year 5	$1,861,716	4.98%	$3,354,000
Lease Year 6	$1,918,728	5.14%	$3,455,000
Lease Year 7	$1,977,290	5.29%	$3,558,000
Lease Year 8	$2,037,441	5.45%	$3,665,000
Lease Year 9	$2,099,220	5.62%	$3,775,000
Lease Year 10	$2,162,666	5.79%	$3,888,000

Option Term 1 (Lease Years 11-15)	The annual rent for Option Term 1 will be equal to the Annual Rent for Lease Year 10.
Option Term 2 (Lease Years 16-20)	The annual rent for Option Term 2 will be equal to the Annual Rent for Lease Year 10.
Option Term 3 (Lease Years 21-25)	The annual rent for Option Term 3 will be equal to the Annual Rent for Lease Year 10.

EXHIBIT "C"

INSURANCE

Tenant shall, at Tenant's expense (subject to Section 4.02 of the Lease), maintain in force and effect on the Property at all times while this Lease continues in effect the following insurance or, if different, such insurance as may be required by any lender that has made a loan to Landlord secured by the Property:

(a) Insurance against loss or damage to the Property by fire, windstorm, tornado and hail and against loss and damage by such other, further and additional risks as may be now or hereafter embraced by an "all-risk" form of insurance policy. The amount of such insurance shall be not less than one hundred percent (100%) of the full replacement (insurable) cost of the improvements, furniture, furnishings, fixtures, equipment and other items (whether personalty or fixtures) included in the Property and owned by Landlord from time to time, without reduction for depreciation. The determination of the replacement cost amount shall be Landlord's election, by reference to such indices, appraisals or information as Landlord determines in its reasonable discretion. Full replacement cost, as used herein, means, with respect to the Improvements, the cost of replacing the Improvements without regard to deduction for depreciation, exclusive of the cost of excavations, foundations and footings below the lowest basement floor, and means, with respect to such furniture, furnishings, fixtures, equipment and other items, the cost of replacing the same, in each case, with inflation guard coverage to reflect the effect of inflation, or annual valuation. Each policy or policies shall contain a replacement cost endorsement and either an agreed amount endorsement (to avoid the operation of any co-insurance provisions) or a waiver of any co-insurance provisions, all subject to Landlord's approval.

(b) Comprehensive Commercial General Liability Insurance for personal injury, bodily injury, death and property damage liability in amounts not less than $1,000,000 per occurrence and $3,000,000 in the aggregate (both inclusive of umbrella coverage). During any construction on the Property, Tenant's general contractor for such construction shall also provide the insurance required in this Subsection (b). Landlord hereby retains the right to periodically review the amount of said liability insurance being maintained by Tenant and, not more than annually (unless an event occurs or a state of facts exists which, with the giving of notice and/or the passage of time, would constitute an Event of Default (such event or state of facts, a "Default") shall exist hereunder, in which case such limitation shall not apply), to require an increase in the amount of said liability insurance should Landlord deem an increase to be reasonably prudent under then existing circumstances.

(c) General boiler and machinery insurance coverage is required if steam boilers or other pressure-fired vessels are in operation at the Property. Minimum amount per accident shall be not less than $500,000.

(d) If the Property is identified by the Secretary of Housing and Urban Development as being situated in an area now or subsequently designated as having special flood hazards (including, without limitation, those areas designated as Zone A or Zone V), flood insurance in an amount equal to the lesser of: (i) the minimum amount required, under the terms of coverage, to compensate for any damage or loss on a replacement basis (or the unpaid balance of the indebtedness secured hereby if replacement cost coverage is not available for the type of building insurance); or (ii) the maximum insurance available under the appropriate National Flood Insurance Administration program.

(e) During the period of any construction on the Property or renovation or alteration of the Improvements, a so-called "Builder's All-Risk Completed Value" or "Course of Construction" insurance policy in non-reporting form for any Improvements under construction, renovation or alteration in an amount approved by Landlord and Worker's Compensation Insurance covering all persons engaged in such construction, renovation or alteration.

(f) Loss of rents or loss of business income insurance in amounts sufficient to compensate Tenant for all Rents and Profits during a period of not less than twelve (12) months in which the Property may be damaged or destroyed. The amount of coverage shall be adjusted annually to reflect the Rents and Profits of income payable during the succeeding twelve (12) month period.

(g) Such other insurance on the Property or on any replacements or substitutions thereof or additions thereto as may from time to time be required by Landlord against other insurable hazards or casualties which at the time are commonly insured against in the case of property similarly situated including, without limitation, Sinkhole, Mine Subsidence, Earthquake and Environmental insurance, due regard being given to the height and type of buildings, their construction, location, use and occupancy.

All such insurance shall (i) be with insurers authorized to do business in the state within which the Property is located and which have and maintain a rating of at least "A-" from A. M. Best, (ii) contain the complete address of the Property (or a complete legal description), (iii) be for terms of at least one year, (iv) contain deductibles which do not exceed $50,000 or, (x) with respect to the policy described in clause (d) above $250,000, and (y) with respect to windstorm and hail coverage a deductible not to exceed five percent (5%) of the value of the improvements, unless higher deductibles are approved by Landlord, and (v) be subject to the reasonable approval of Landlord as to insurance companies, amounts, content, forms of policies, method by which premiums are paid and expiration dates.

Without limiting the required endorsements to the insurance policies, all such policies shall include a standard, non-contributory, Landlord clause naming Landlord's lender, if any, (x) as an additional insured under all liability insurance policies and (y) as the loss payee on all loss of rents or loss of business income and all property insurance policies. Tenant further agrees that all such insurance policies: (1) shall provide for at least thirty (30) days' prior written notice to Landlord prior to any cancellation or termination thereof and prior to any material modification thereof which affects the interest of Landlord; (2) with respect to the property and casualty coverages shall contain an endorsement or agreement by the insurer that any loss shall be payable to Landlord in accordance with the terms of such policy notwithstanding any act or negligence of Tenant which might otherwise result in forfeiture of such insurance; (3) with respect to the general liability coverage a severability of interests; (4) shall waive all rights of subrogation against Landlord; (5) in the event that the real estate or the improvements constitutes a legal non-conforming use under applicable building, zoning or land use laws or ordinances, shall include an ordinance or law coverage endorsement which will contain Coverage A: "Loss Due to Operation of Law" (with a minimum liability limit equal to replacement cost with agreed value endorsement), Coverage B: "Demolition Cost" and Coverage C: "Increased Cost of Construction" coverages; and (6) may be in the form of a blanket policy provided that, in the event that any such coverage is provided in the form of a blanket policy, Tenant hereby acknowledges and agrees that failure to pay any portion of the premium therefore which is not allocable to the Property or by any other action not relating to the Property which would otherwise permit the issuer thereof to cancel coverage thereof, would require the Property to be insured by a separate, single-property policy. The blanket policy must properly identify and fully protect the Property as if a separate policy were issued for one hundred percent (100%) of replacement cost at the time of loss and otherwise meet all of Landlord's applicable insurance requirements.

EXHIBIT “D”

RENT ROLL

EXHIBIT C

TAX OPINION

Sands Anderson

RICHMOND | CHRISTIANSBURG | FREDERICKSBURG DURHAM | VIRGINIA BEACH | WILLIAMSBURG

SANDSANDERSON.COM

919 East Main Street
Post Office Box 1998
Richmond, VA 23218-1998
Main: (804) 648-1636
Fax: (804) 783-7291

September 23, 2026

Capital Square Realty Advisors, LLC
4851 Lake Brook Drive
Glen Allen, Virginia 23060
Attention: Louis J. Rogers

Re: CS1031 Texas Active Living New Braunfels, DST Tax Opinion

Dear Mr. Rogers:

Capital Square Realty Advisors, LLC, a Virginia limited liability company (the "Sponsor"), CS1031 Texas Active Living New Braunfels ST, LLC (the "Signatory Trustee"), and CS1031 Texas Active Living New Braunfels, DST, a Delaware statutory trust described in Chapter 38 of Title 12 of the Delaware Code (the "Trust"), have retained Sands Anderson PC ("Sands") to address certain income tax issues in connection with a transaction related to the Trust's acquisition of the active adult community property consisting of residential homes, buildings and other improvements located at 3025 Oak Run Parkway, New Braunfels, Texas 78132 (the "Property"). Specifically, this letter sets forth our opinion as to whether (i) the Trust should be treated as an entity separate from the owners (the "Beneficial Owners") of beneficial interests in the Trust (the "Interests") for federal income tax purposes, (ii) the Trust should be treated as an investment trust described in Section 301.7701-4(c) of the Treasury Regulations that is classified as a "trust" under Section 301.7701-4(a) of the Treasury Regulations, (iii) the Beneficial Owners should be treated as "grantors" of the Trust, (iv) as "grantors," the Beneficial Owners should be treated as acquiring and owning a direct interest in the real property for federal income tax purposes, and (v) the Interests should be treated as a "security" under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"). (An Interest must be treated as an interest in real property to qualify as a replacement property in a real estate Section 1031 exchange.)

As described in the Confidential Private Placement Memorandum of the Trust (the "Memorandum"), on behalf of the Depositor (as hereinafter defined), the Trust will offer the Interests for sale to the Beneficial Owners. The relationship between the Beneficial Owners and the Trust will be governed by the Trust Agreement, the form of which is attached to the Memorandum as Exhibit A (the "Trust Agreement").

In connection with this transaction, the Trust has entered into a master lease for the Property

with CS1031 Texas Active Living New Braunfels Master Lessee, LLC (the "Master Tenant"). Pursuant to this master lease (the "Master Lease"), which was executed concurrently with the Trust's acquisition of the Property, the Master Tenant leases the Property. In accordance with the Agreement of Contribution, and at the direction of CS1031 Texas Active Living New Braunfels Holdings, LLC (the "Depositor"), the Trust acquired the Property and entered into the Master Lease.

Transaction Documents

In issuing this opinion, we have reviewed the following:

(i) the Trust Agreement, by and among Sorensen Entity Services LLC, as Delaware Trustee (the "Delaware Trustee"), and the Signatory Trustee (together with the Delaware Trustee, the "Trustees"), the Depositor and the Beneficial Owners;

(ii) the form of Agreement of Contribution between the Depositor and the Trust pursuant to which the Trust will acquire the Property from Sellers;

(iii) the form of Agreement of Contribution between the Depositor and the Trust pursuant to which the Trust will acquire the Property from the Sellers;

(iv) the form of Purchase Agreement and Escrow Instructions, pursuant to which the Interests are to be acquired by the Beneficial Owners;

(v) the Master Lease between the Trust as landlord and the Master Tenant as tenant, which the Trust will execute at the Depositor's direction;

(vi) the Memorandum (items (i) through (v) are collectively referred to as the "Transaction Documents"); applicable provisions of the Code, final, temporary and proposed Treasury Regulations promulgated thereunder, judicial decisions, Revenue Rulings and other interpretative releases of the Internal Revenue Service (the "IRS");

(vii) a letter dated September 23, 2026 from the Sponsor, the Trust, the Signatory Trustee, and the Depositor to Sands (the "Representation Letter"); and

(viii) such other materials and documents as we considered relevant.

Factual Assumptions

Our opinion is expressly based upon certain assumptions, factual information and representations that have been provided to us, including the following: (i) the Beneficial Owners will acquire the Interests directly from the Trust; (ii) no action outside of those actions contemplated in the Transaction Documents will be taken that would cause the Trust to be classified as a corporation or a partnership for federal income tax purposes; (iii) the Beneficial Owners intend the

Interests to be considered real property in order to qualify as an eligible replacement for other real property under the like-kind exchange rules of Section 1031 of the Code; (iv) the Property and the Interests will be acquired and held, in accordance with the terms of the Transaction Documents, and no action will be taken that is inconsistent with such terms; (v) no written or oral agreement exists that is inconsistent with the Transaction Documents; (vi) all payments made to the Trust, the Trustees and their affiliates will be at fair market value; (vii) the Beneficial Owners will contribute cash to the Trust in exchange for their Interests; (viii) each Beneficial Owner will have a reversionary interest in the Trust corpus; (ix) each Beneficial Owner will be entitled to receive his percentage share of the income of the Trust; and (x) the representations set forth in the Representation Letter are true, complete and correct in all respects as of the date hereof.

We have assumed the accuracy and completeness of all documents and records that we have reviewed, that any form documents provided to us as part of our evaluation will materially be the same as the final executed documents, the genuineness of all signatures, the authenticity of the documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as pro forma or reproduced copies. Capitalized terms which are not defined herein have the same meanings as in the Memorandum.

In forming our opinion, we have relied on the existence of certain facts based on the provisions of the Trust Agreement, as follows:

The Trust was formed (i) to acquire the Property subject to (or to concurrently therewith enter into) the Master Lease; (ii) to hold for investment, lease, maintain and eventually dispose of the Property; and (iii) to take only such other actions as the Signatory Trustee deems necessary or appropriate to carry out the foregoing. The Trust's sole asset will be the Property. The Trust will be prohibited from conducting any activity except acquiring, owning, holding, selling, leasing, transferring, exchanging, managing and operating the Property (and no other property) and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing. The Signatory Trustee will be authorized to make distributions to the Beneficial Owners in accordance with the Trust Agreement. The Trustees will have no authority to modify the Master Lease or to acquire additional property or to re-invest the assets of the Trust. The Trustees will not be liable for any obligation incurred with respect to the Property, and the Trust will be obligated to indemnify the Trustees against any liability incurred with regard thereto (other than liabilities related to their willful misconduct, bad faith, fraud or gross negligence). The Signatory Trustee will maintain books, records and bank accounts and will hold the Trust out to third parties as a distinct legal entity. The Signatory Trustee will distribute all available cash to the Beneficial Owners on a monthly basis except for cash required to pay fees and expenses and to establish any reasonable reserves. The Signatory Trustee must notify the parties in default of any default thereby under the Transaction Documents and take such action with regard to such default strictly as instructed by the Trust Agreement. The Signatory Trustee will have no duty, on its own behalf, 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 Property, (iii) maintain the Property or (iv) pay or discharge any tax levied against any part of the Trust Estate. The Trustees and the Beneficial Owners will have no power or authority to take any action on the Trust's behalf that would cause the Trust to be considered a "business entity" rather than a "trust" within the meaning of

Section 301.7701-4 of the Treasury Regulations. The Trust Agreement shall be interpreted and enforced so as to be in compliance with the requirements of Revenue Ruling 2004-86, 2004-2 C.B. 191. The Trustees and the Beneficial Owners will have no power or authority to make decisions regarding the Property, except as provided in the Trust Agreement. 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 therein, 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. Subject to compliance with applicable securities laws and the Trust Agreement, each Beneficial Owner may assign his Interests without obtaining the prior consent of the Trust, the Trustees, or any other Beneficial Owner.

The Trust Agreement will provide that the interest of the Trust in the Property for federal income tax purposes is that of a legal (not beneficial) title holder. No Trustee and no Beneficial Owner has taken or will take any action to cause the Trust to be classified as a business entity for federal income tax purposes. The Signatory Trustee and the Beneficial Owners will report the ownership of Interests as a direct ownership of real property by the Beneficial Owners for federal income tax purposes and not as interests in a partnership, business trust or other entity for federal income tax purposes. The Signatory Trustee and the Beneficial Owners will comply with all provisions of the Trust Agreement.

Description of Revenue Ruling 2004-86

On July 20, 2004, the IRS issued Revenue Ruling 2004-86, 2004-2, C.B. 191 (the "Ruling"), which is the principal authority on the treatment of an interest in a statutory trust for purposes Section 1031 of the Code. The Ruling concluded that under the facts contained therein, beneficial owners of interests in an "investment trust" will be considered to have directly acquired interests in real property for purposes of the like-kind exchange rules under Section 1031. To reach such conclusion, the IRS concluded, first, that the trust would be considered a trust rather than a corporation or partnership for tax purposes; next, that the beneficial owners of the trust possessed such rights over the trust income and principal as to be considered direct owners of the trust's assets for income tax purposes. Accordingly, assuming other requirements of Section 1031 of the Code are satisfied, a taxpayer may exchange real property for a beneficial interest in a Delaware statutory trust such as the trust described in the Ruling (the "DST") in a tax-free exchange under Section 1031 of the Code. The holding of the Ruling is based on certain factual assumptions regarding the provisions of the trust agreement of the DST. The facts in the Ruling are as follows:

> On January 1, 2005, A, an individual, borrows money from BK, a bank, and signs a 10-year note bearing adequate stated interest, within the meaning of Section 483 of the Code. On January 1, 2005, A uses the proceeds of the loan to purchase Blackacre, which is rental real property. The note is secured by Blackacre and is nonrecourse to A.
>
> Immediately following A's purchase of Blackacre, A enters into a net lease with Z

for a term of 10 years. Under the terms of the lease, Z is to pay all taxes, assessments, fees, or other charges imposed on Blackacre by federal, state, or local authorities. In addition, Z is to pay all insurance, maintenance, ordinary repairs, and utilities relating to Blackacre, and Z may sublease Blackacre. Z's rent is a fixed amount that may be adjusted by a formula described in the lease agreement that is based upon a fixed rate or an objective index, such as an escalator clause based upon the Consumer Price Index, but adjustments to the rate or index are not within the control of any of the parties to the lease. Z's rent is not contingent on Z's ability to lease the property or on Z's gross sales or net profits derived from the property.

Also on January 1, 2005, A forms DST, a Delaware statutory trust described in the Delaware Statutory Trust Act, Delaware Code Annotated Title 12, Sections 3801 through 3824, to hold property for investment. A contributes Blackacre to DST. Upon contribution, DST assumes A's rights and obligations under the note with BK and the lease with Z. In accordance with the terms of the note, neither DST nor any of its beneficial owners are personally liable to BK on the note, which continues to be secured by Blackacre.

The trust agreement provides that interests in DST are freely transferable. However, DST's interests are not publicly traded on an established securities market. DST will terminate on the earlier of 10 years from the date of its creation or the disposition of Blackacre, but will not terminate on the bankruptcy, death, or incapacity of any owner or on the transfer of any right, title, or interest of the owners. The trust agreement further provides that interests in DST will be of a single class, representing undivided beneficial interests in the assets of DST.

Under the trust agreement, the trustee is authorized to establish a reasonable reserve for expenses associated with holding Blackacre that may be payable out of trust funds. The trustee is required to distribute all available cash less reserves quarterly to each beneficial owner in proportion to their respective interests in DST. The trustee is required to invest cash received from Blackacre between each quarterly distribution and all cash held in reserve in short-term obligations of (or guaranteed by) the United States, or any agency or instrumentality thereof, and in certificates of deposit of any bank or trust company having a minimum stated surplus and capital. The trustee is permitted to invest only in obligations maturing prior to the next distribution date and is required to hold such obligations until maturity. In addition to the right to a quarterly distribution of cash, each beneficial owner has the right to an in-kind distribution of its proportionate share of trust property.

The trust agreement provides that the trustee's activities are limited to the collection and distribution of income. The trustee may not exchange Blackacre for other property, purchase assets other than the short-term investments described above, or accept additional contributions of assets (including money) to DST. The trustee may not renegotiate the terms of the debt used to acquire Blackacre and may not renegotiate the lease with Z or enter into leases with tenants other than Z, except in the case of Z's

bankruptcy or insolvency. In addition, the trustee may make only minor non-structural modifications to Blackacre, unless otherwise required by law. The trust agreement further provides that the trustee may engage in ministerial activities to the extent required to maintain and operate DST under local law.

On January 3, 2005, B and C exchange Whiteacre and Greenacre, respectively, for all of A's interests in DST through a qualified intermediary, within the meaning of Section 1.1031(k)-l(g) of the Treasury Regulations. A does not engage in an exchange. Whiteacre and Greenacre were held for investment and are of like kind to Blackacre, within the meaning of Section 1031 of the Code

Neither DST nor its trustee enters into a written agreement with A, B, or C, creating an agency relationship. In dealings with third parties, neither DST nor its trustee is represented as an agent of A, B, or C.

BK is not related to A, B, C, DST's trustee or Z within the meaning of Section 267(b) or Section 707(b) of the Code. Z is not related to B, C, or DST's trustee within the meaning of Section 267(b) or Section 707(b) of the Code.

The IRS reached the following conclusions in the Ruling:

(1) The Delaware statutory trust described in the Ruling is an investment trust, under Section 301.7701-4(c) of the Treasury Regulations, which will be classified as a trust for federal tax purposes.

(2) A taxpayer may exchange real property for an interest in the Delaware statutory trust described in the Ruling without recognition of gain or loss under Section 1031 of the Code, if the other requirements of Section 1031 of the Code are satisfied.

According to the IRS, under the facts of the Ruling, if DST's trustee had the power to do one or more of the following acts, DST would be classified as a partnership or other business entity:

- dispose of Blackacre and acquire new property;
- renegotiate the lease with Z or enter into leases with tenants other than Z;
- renegotiate or refinance the obligation used to purchase Blackacre;
- invest cash received to profit from market fluctuations; or
- make more than minor non-structural modifications to Blackacre not required by law.

In addition, DST would not have qualified as an "investment" trust had it been able to (a) accept additional contributions of new cash or assets from existing or new owners or (b) invest reserves and cash in investments other than short term government obligations, certificates of deposit or interest bearing accounts that are held to maturity and that mature prior to the distribution of cash to DST's owners.

Delaware law provides that a Delaware statutory trust is an unincorporated association recognized as an entity separate from its owners. A Delaware statutory trust is created by executing a governing instrument and filing an executed certificate of trust. Creditors of the beneficial owners of a Delaware statutory trust may not assert claims directly against the property in the trust. A Delaware statutory trust may sue or be sued, and property held in a Delaware statutory trust is subject to attachment or execution as if the trust were a corporation. Beneficial owners of a Delaware statutory trust are entitled to the same limitation on personal liability because of actions of the Delaware statutory trust that is extended to stockholders of Delaware corporations. A Delaware statutory trust may merge or consolidate with or into one or more statutory entities or other business entities.

Section 671 of the Code provides that, where the grantor or another person is treated as the owner of any portion of a trust (commonly referred to as a "grantor trust"), there will be included in computing the taxable income and credits of the grantor or the other person those items of income, deductions, and credits against tax of the trust which are attributable to that portion of the trust to the extent that the items would be taken into account under Chapter 1 of the Code in computing taxable income or credits against the tax of an individual.

Section 1.671-2(e)(1) of the Treasury Regulations provides that, for purposes of Subchapter J of the Code, a grantor includes any person to the extent such person either creates a trust or directly or indirectly makes a gratuitous transfer of property to a trust.

Section 1.671-2(e)(2) elaborates that "[a] gratuitous transfer is any transfer other than a transfer for fair market value." It further elaborates that transfers are only considered "for fair market value" to the extent of the value of any property or services provided by the trust. However, an interest in the trust is not considered property received from the trust.

Under Section 1.671-2(e)(3) of the Treasury Regulations, the term "grantor" includes any person who acquires an interest in a trust from a grantor of the trust if the interest acquired is an interest in certain investment trusts described in Section 301.7701-4(c) of the Treasury Regulations.

Under Section 677(a) of the Code, the 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 nonadverse party, or both, may be distributed, or held or accumulated for future distribution, to the grantor or the grantor's spouse.

A person that is treated as the owner of an undivided fractional interest of a trust under subpart E of part I, Subchapter J of the Code (Sections 671 and following), is considered to own

the trust assets attributable to that undivided fractional interest of the trust for federal income tax purposes. See Rev. Rul. 88-103, 1988-2 C.B. 304; Rev. Rul. 85-45, 1985-1 C.B. 183; and Rev. Rul. 85-13, 1985-1 C.B. 184. See also Section 1.1001-2(c), Example 5, of the Treasury Regulations.

Section 761(a) of the Code provides that the term "partnership" includes a syndicate, group, pool, joint venture, or other unincorporated organization through or by means of which any business, financial operation, or venture is carried on, and that is not a corporation or a trust or estate. Under regulations, the IRS may, at the election of all the members of the unincorporated organization, exclude such organization from the application of all or part of Subchapter K, if the income of the members of the organization may be adequately determined without the computation of partnership taxable income and the organization is availed of (1) for investment purposes only and not for the active conduct of a business, (2) for the joint production, extraction, or use of property, but not for the purpose of selling services or property produced or extracted, or (3) by dealers in securities for a short period for the purpose of underwriting, selling, or distributing a particular issue of securities.

Section 1.761-2(a)(2) of the Treasury Regulations provides the requirements that must be satisfied for participants in the joint purchase, retention, sale, or exchange of investment property to elect to be excluded from the application of the provisions of Subchapter K of the Code. One of these requirements is that the participants own the property as co-owners.

Section 1031(a)(1) of the Code provides that no gain or loss is recognized on the exchange of property held for productive use in a trade or business or for investment if such property is exchanged solely for property of like kind that is to be held either for productive use in a trade or business or for investment.

Section 1031(a)(2) of the Code provides that Section 1031(a) of the Code does not apply to any exchange of stocks, bonds or notes, other securities or evidences of indebtedness or interest, interests in a partnership, or certificates of trust or beneficial interests. It further provides that an interest in a partnership that has in effect a valid election under Section 761(a) of the Code to be excluded from the application of all of Subchapter K of the Code will be treated as an interest in each of the assets of the partnership and not as an interest in a partnership.

Under Section 301.7701-1(a)(1) of the Treasury Regulations, whether an organization is an entity separate from its owners for federal tax purposes is a matter of federal tax law and does not depend on whether the organization is recognized as an entity under local law.

Generally, when participants in a venture form a state law entity and avail themselves of the benefits of that entity for a valid business purpose, such as investment or profit, and not for tax avoidance, the entity will be recognized for federal tax purposes. See *Moline Properties, Inc. v. Commissioner*, 319 U.S. 436 (1943); *Zmuda v. Commissioner*, 731 F.2d 1417 (9th Cir. 1984); *Boca Investerings P'ship v. United States*, 314 F.3d 625 (D.C. Cir. 2003); *Saba P'ship v. Commissioner*, 273 F.3d 1135 (D.C. Cir. 2001); *ASA Investerings P'ship v. Commissioner*, 201 F.3d 505 (D.C. Cir. 2000); *Markosian v. Commissioner*, 73 T.C. 1235 (1980).

Section 301.7701-2(a) of the Treasury Regulations defines the term "business entity" as any entity recognized for federal tax purposes (including an entity with a single owner that may be disregarded as an entity separate from its owner under Section 301.7701-3 of such regulations) that is not properly classified as a trust under Section 301.7701-4 of the Treasury Regulations or otherwise subject to special treatment under the Code. A business entity with two or more owners is classified for federal tax purposes as either a corporation or a partnership. A business entity with only one owner is classified as a corporation or is disregarded.

Section 301.7701-3(a) of the Treasury Regulations provides that an eligible entity can elect its classification for federal tax purposes. Under Section 301.7701-3(b)(1) of the Treasury Regulations, unless the entity elects otherwise, a domestic eligible entity is a partnership if it has two or more owners or is disregarded as an entity separate from its owner if it has a single owner.

Section 301.7701-4(a) of the Treasury Regulations provides that the term "trust" refers to an arrangement created either by will or by an inter vivos declaration whereby trustees take title to property for the purpose of protecting and conserving it for the beneficiaries. Usually the beneficiaries of a trust do no more than accept the benefits thereof and are not voluntary planners or creators of the trust arrangement. However, the beneficiaries of a trust may be the persons who create it, and it will be recognized as a trust if it was created for the purpose of protecting and conserving the trust property for beneficiaries who stand in the same relation to the trust as they would if the trust had been created by others for them.

Section 301.7701-4(b) of the Treasury Regulations provides that there are other arrangements known as trusts because the legal title to property is conveyed to trustees for the benefit of beneficiaries, but that are not classified as trusts for federal tax purposes because they are not simply arrangements to protect or conserve the property for the beneficiaries. These trusts, which are often known as business or commercial trusts, generally are created by the beneficiaries simply as a device to carry on a profit-making business that normally would have been carried on through business organizations that are classified as corporations or partnerships.

Section 301.7701-4(c)(1) of the Treasury Regulations provides that an "investment" trust will not be classified as a trust for federal income tax purposes if there is a power under the trust agreement to vary the investment of the certificate holders. See *Commissioner v. North American Bond Trust*, 122 F.2d 545 (2d Cir. 1941), cert. denied, 314 U.S. 701 (1942). An investment trust with a single class of ownership interests, representing undivided beneficial interests in the assets of the trust, will be classified as a trust if there is no power to vary the investment of the certificate holders.

A power to vary the investment of the certificate holders exists where there is a managerial power, under the trust instrument, that enables a trust to take advantage of variations in the market to improve the investment of the investors. See *Commissioner v. North American Bond Trust*, 122 F.2d at 546.

Revenue Ruling 75-192, 1975-1 C.B. 384, discusses the situation where a provision in the trust agreement requires the trustee to invest cash on hand between the quarterly distribution dates.

The trustee is required to invest the money in short-term obligations of (or guaranteed by) the United States, or any agency or instrumentality thereof, and in certificates of deposit of any bank or trust company having a minimum stated surplus and capital. The trustee is permitted to invest only in obligations maturing prior to the next distribution date and is required to hold such obligations until maturity. Revenue Ruling 75-192 concludes that, because the restrictions on the types of permitted investments limit the trustee to a fixed return similar to that earned on a bank account and eliminate any opportunity to profit from market fluctuations, the power to invest in the specified kinds of short-term investments is not a power to vary the trust's investment.

Revenue Ruling 78-371, 1978-2 C.B. 344, concludes that a trust established by the heirs to a number of contiguous parcels of real estate is an association taxable as a corporation for federal tax purposes where the trustees have the power to purchase and sell contiguous or adjacent real estate, accept or retain contributions of contiguous or adjacent real estate, raze or erect any building or structure, make any improvements to the land originally contributed, borrow money, and mortgage or lease the property. Such an arrangement was not an investment trust because the trustees had a power to change the investment of the beneficial owners. Compare Revenue Ruling 79-77, 1979-1 C.B. 448 (concluding that a trust formed by three parties to hold a single parcel of real estate is classified as a trust for federal income tax purposes when the trustee has limited powers that do not evidence an intent to carry on a profit making business).

Revenue Ruling 92-105, 1992-2 C. B. 204, addresses the transfer of a taxpayer's interest in an Illinois land trust under Section 1031. Under the facts of the ruling, a single taxpayer created an Illinois land trust and named a domestic corporation as trustee. Under the deed of trust, the taxpayer transferred legal and equitable title to real property to the trust, subject to the provisions of an accompanying land trust agreement. The land trust agreement provided that the taxpayer retained exclusive control of the management, operation, renting, and selling of the real property, together with an exclusive right to the earnings and proceeds from the real property. Under the agreement, the taxpayer was required to file all tax returns, pay all taxes, and satisfy any other liabilities with respect to the real property. Revenue Ruling 92-105 concludes that, because the trustee's only responsibility was to hold and transfer title at the direction of the taxpayer, a trust, as defined in Section 301.7701-4(a) of the Treasury Regulations, was not established. Moreover, there were no other arrangements between the taxpayer and the trustee (or between the taxpayer and any other person) that would cause the overall arrangement to be classified as a partnership (or any other type of entity). Instead, the trustee was a mere agent for the holding and transfer of title to real property, and the taxpayer retained direct ownership of the real property for federal income tax purposes.

The IRS ruled that the DST under consideration was an entity for federal income tax purposes. The IRS next concluded that the Trust was not the agent of the beneficial owners because the beneficial owners had no right to direct the trustee's actions. The IRS also ruled that the DST would be considered a trust rather than a corporation or partnership for tax purposes because the trustee's activities must be limited to the collection and distribution of trust income and the beneficial owners had no right to participate in the management of the trust properties. The IRS ruled that the trust's beneficial owners would be considered the trust's grantors because they had a right to receive all of the trust's income and the trust's corpus. As owners of the DST for tax

purposes, the beneficial owners would be considered to own, directly and outright, an interest in all property titled in the name of the DST. Because the DST owned real property, the beneficial owners who acquired interests in the DST will be deemed to have acquired interests in real property for purposes of Section 1031 of the Code.

Legal Analysis

In determining whether the acquisition of an Interest by a Beneficial Owner "should" be treated as the direct acquisition of the Property, we analyze this issue in light of all authorities relevant to the following: (i) the Trust's treatment as an entity separate from the Beneficial Owners for federal income tax purposes, (ii) the Trust's treatment as an investment trust described in Section 301.7701-4(c) of the Treasury Regulations that is classified as a "trust" under Section 301.7701-4(a) of the Treasury Regulations, (iii) the Beneficial Owners' treatment as "grantors" of the Trust, (iv) as "grantors," the Beneficial Owners' treatment as acquiring and owning an undivided fractional interest in the Property for federal income tax purposes, and (v) the Interests not being treated as a "security" under Section 1031 of the Code.

Entity Classification of the Trust

1. *Classification of the Trust as an Entity Separate from the Beneficial Owners for Federal Income Tax Purposes*

Whether the Trust is treated as an entity separate from the Beneficial Owners for federal income tax purposes depends upon its treatment under local law and the nature of the relationships created among the parties to the Trust pursuant to the Trust Agreement.

Section 3801(g) of the Delaware Code provides that a Delaware statutory trust is an unincorporated association that is created by a governing instrument for the purpose of holding property for business or investment. This section further provides that "any such association ... shall be a statutory trust and a separate legal entity." Section 3803 of the Delaware Code provides that owners of a trust are "entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the general corporation law...". Section 3804 of the Delaware Code provides that a trust may sue or be sued, and that its property is subject to attachment and execution as if it were a corporation. Section 3805 of the Delaware Code provides that, except as otherwise provided in the trust agreement, a beneficial owner of an interest in a trust shall have an undivided beneficial interest in the property of the trust and shall share in the profits and losses of the trust pro rata in proportion to the owner's percentage interest in the trust. Section 3805 further provides that no creditor of a beneficial owner has any right to obtain possession of trust property, and that, except to the extent otherwise provided in the trust agreement, interests in a trust are freely transferable. Section 3815 of the Delaware Code provides that a trust may merge into or consolidate with other trusts or other business entities.

In Revenue Ruling 2004-86, after describing certain relevant provisions of the Delaware Code (including those described above), and after observing that the DST was "formed for

investment purposes," the IRS concluded that the DST was an entity for federal income tax purposes. We believe that the Trust is substantially similar to the DST described in the Ruling. First, and most importantly, both the DST and the Trust are Delaware statutory trusts, subject to the provisions of the Delaware Code set forth above. Second, Section 2.3 of the Trust Agreement provides that the purposes of the Trust are (i) to acquire the Property subject to (or to concurrently therewith enter into) the Master Lease; (ii) to hold for investment, lease, maintain and eventually dispose of the Property; and (iii) to take only such other actions as the Signatory Trustee deems necessary or appropriate to carry out the foregoing, which is consistent with the purpose of the DST in the Ruling (i.e., "to hold property for investment"). Third, Section 6.8 of the Trust Agreement provides that (i) 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 therein, 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, and (ii) neither the power to give direction to the Delaware Trustee, the Signatory Trustee, 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; this provision is similar to provisions in the DST's trust agreement. Fourth, consistent with the DST, the Trust Agreement does not create or purport to create an agency relationship between the Beneficial Owners, on the one hand, and the Trust or the Delaware Trustee, on the other.

2. *Classification of the Trust as an "Investment Trust" Rather than a Business Entity for Federal Income Tax Purposes*

Under Treasury Regulation Section 301.7701-4(b), a trust may be classified as a business entity if it is an arrangement for profit-making activity with such activity being conducted either by the trustees (when the trust agreement expressly authorizes the trustee to engage in such activity) or by the beneficiary (when the trustee is merely an agent of the beneficiary and the beneficiary directs the trustee to engage in such activity). In contrast, Treasury Regulation Section 301.7701-4(c)(1) provides that a trust will be treated as an "investment" trust and not as a business entity if it has "a single class of ownership interests, representing undivided beneficial interests in the assets of the trust," and "there is no power... to vary the investment of the certificate holders." In the Ruling, the DST was held to be an "investment" trust and not a business entity. The courts and the IRS have considered the distinctions between an "investment" trust and a business entity on several other occasions.

In *Commissioner v. Chase National Bank*, 122 F. 2d 540 (2d Cir. 1941), a depositor transferred "units" consisting of the common stock of a number of corporations to a trust, and then sold those trust certificates to investors. The trustee was vested with all of the rights of ownership of the shares except that the depositor controlled the voting rights of the shares and the trust instrument governed and restricted the disposal of the shares. Under the terms of the trust instrument, property deposited into the trust was held until some disposition of it was made that was consistent with the terms of the trust instrument. Further, distributions of currently available funds were required. No purchases were to be made by the trustee by way of reinvestment of funds or otherwise. The IRS argued that the trust was taxable as a corporation for federal income tax

purposes. The Second Circuit rejected the IRS's argument, holding that because the trust agreement required the trust property "to be held for investment and not to be used as capital in the transaction of business for profit like a corporation organized for such a purpose," the trust was prevented from becoming more than a "strict investment" trust. *Id.* at 543.

In *Commissioner v. North American Bond Trust*, 122 F.2d 545 (2d Cir. 1941), cert. denied, 314 U.S. 701 (1942), an opinion issued by the Second Circuit on the same day that it issued the *Chase National Bank* opinion, the court reached a different conclusion regarding the treatment of a trust for federal income tax purposes. In contrast to the terms of the trust instrument in the *Chase National Bank* case, the terms of the trust instrument in *North American Bond Trust* accorded the depositor with the power "to take advantage of market variations to improve the investments even of the first investors." *Id.* at 546. This power arose in two ways. First, in making up new units, the depositor was not confined to the same bonds he had selected for the previous units. Second, the bonds of all units constituted a single pool in which each certificate holder shared according to his proportion of all the certificates issued. As a result, the money from new investors could be used to purchase new bond issues which would in turn reduce the existing certificate holding interests in the old bond issues. Based on these facts, the court held that the depositor "had power, though a limited power, to vary the existing investments of all certificate holders at will..." Accordingly, the trust was an association taxable as a corporation.

In Revenue Ruling 75-192 (described above), the IRS concluded that, because the trust agreement restricted the trustee's investment of cash on hand to products that yielded a fixed return similar to that earned on a bank account, there was no opportunity to profit from market fluctuations. Accordingly, the power to invest in short term instruments described in Revenue Ruling 75-192 is not a power to vary a trust's investment.

In Revenue Ruling 79-77, the IRS ruled that a trust formed to hold real property was a trust under Section 301.7701-4(a) of the Treasury Regulations and a "grantor trust" within the meaning of Subpart E of Subchapter 3, Chapter I of the Code (Code Section 671, et seq.), and not a "business entity" within the meaning of Section 301.7701-4(b) of the Treasury Regulations (e.g., a partnership or an association taxable as a corporation), where the trustee's duties were limited to the following: (i) holding title to real estate; (ii) at the direction of the beneficiaries, signing a 20-year "triple net" lease (with renewal options) for the real estate; (iii) enforcing the lease; (iv) signing such other agreements as are approved by the beneficiaries; (v) approving minor alterations to the real estate; and (vi) distributing net income of the trust to the beneficiaries on a quarterly basis. [1]

In other situations, however, the IRS has determined that an arrangement formed to hold

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[1] See also PLR 9352008 (September 29, 1993), in which the IRS ruled that an ownership interest in real estate was merely an ownership interest in the real estate and not a partnership interest where the real estate was subject to a triple net lease: "mere co-ownership of an interest in real property without providing more than the customary services of maintenance and repair and collecting of rents will not render a co-ownership a partnership…[The real estate] is already subject to a net lease, under which the lessee is responsible to pay all insurance premiums, general real estate taxes and special assessments, most of the utility expenses and a significant portion of the repair costs… Therefore, co-ownership of (the real estate) … is not, in and of itself, a partnership."

real estate was properly classified as a business entity. For example, in Revenue Ruling 78-371 (described above), the IRS concluded that the trustee's power to engage in extensive real estate operations and to invest the sales proceeds in financial products indicated that the trust was not formed to merely protect and conserve the trust's property and ruled that the trust was taxable as a corporation.

We believe that the arrangements that will be provided for under the Trust Agreement and the Master Lease are similar to the arrangements described in *Chase National Bank* and Revenue Rulings 2004-86, 79-77 and 75-192, and not the arrangements discussed in *North American Bond Trust* and Revenue Ruling 78-371. The Trust satisfies the "one class of interests" requirement because Section 6.1 of the Trust Agreement will state that the Interests are a single class. Section 3.2 of the Trust Agreement will provide that the Property is held for investment purposes only, and that the Trust will only engage in activities that constitute customary services in connection with the maintenance and repair of the Property. Section 2.2 of the Trust Agreement will further provide that (i) the Property is held for the benefit of the Beneficial Owners and (ii) it is the intention of the Trustees and the Beneficial Owners that the Trust constitute a "statutory trust". Section 7.2 of the Trust Agreement will require the Signatory Trustee to distribute available cash monthly. Section 3.2 of the Trust Agreement will provide that the Beneficial Owners shall not take any action which would in the opinion of tax counsel to the Trust cause the Trust to be treated as a business entity for federal income tax purposes. Section 3.2 of the Trust Agreement will also provide that, notwithstanding any other provision of the Trust Agreement, the Trustees shall not take certain specified actions, on their own behalf or on the instruction of the Beneficial Owners, if the effect of such action would be to "vary the investment" of the Beneficial Owners under Section 301.7701-4(c)(1) of the Treasury Regulations. The Master Lease will be a "net" lease pursuant to which the Master Tenant is responsible for all insurance, maintenance, ordinary repairs and utilities, and the Master Lease may not be renegotiated unless the Master Tenant becomes bankrupt or insolvent. The Master Tenant will be responsible for the payment of all property taxes. The Sponsor, the Trust, the Depositor, and the Signatory Trustee have provided, and counsel has relied upon, the Representation Letter in which such entities represent that the Master Lease, considering all surrounding circumstances, will be a bona fide lease for federal tax purposes, and the Master Lease is not designed as a means of basing rent on income or profits of the Property.

However, the Trust Agreement contains provisions that were not present in the trust arrangement and lease that were the subject of Revenue Ruling 2004-86, as follows: (i) the Trust will be a party to the Master Lease although the Depositor negotiated the terms of such document and the Trust executed it solely at the Depositor's direction; (ii) the Signatory Trustee will have an ongoing role as signatory trustee of the Trust (but will not have powers other than those that the Trust Agreement allows the Trustee to exercise); (iii) the Trust may terminate as the result of a Transfer Distribution; (iv) the Trust is expected to receive multiple contributions over time rather than a single contribution, although the Trust will not retain such multiple contributions (except to fund reserves); (v) under limited circumstances, the Signatory Trustee will have the discretion to cause a transfer of the Property to a limited liability company in a Transfer Distribution; (vi) under the Master Lease, while the Master Tenant will be financially responsible for general maintenance and repairs and performance of all maintenance and repairs at the Property, the Trust shall remain financially responsible for capital expenses associated with the Property; and (vii) in addition to

paying the Annual Rent, the Master Tenant will pay Bonus Rent (as defined in the Memorandum) equal to 75% of Effective Gross Income (as defined in the Master Lease) of the Property over the Revenue Benchmark (as defined in the Memorandum). We do not believe that any such term that will be contained in the Trust Agreement but was absent from the arrangement that is the subject of Revenue Ruling 2004-86 will cause the Signatory Trustee to have any power other than the power to conserve and protect trust property. Moreover, because (i) the Annual Rent is to be paid by the Master Tenant regardless of the revenues of the Property, (ii) the Bonus Rent to be paid over the Revenue Benchmark is fixed from the outset of the Master Lease and will not adjust during the Master Lease term, (iii) the Revenue Benchmark is established at inception and is not subject to negotiation or adjustment by the parties during the term, and (iv) the Representation Letter presents no indications of anything other than a leasing arrangement in conformance with normal business practice (rather than a means of basing rent on income and profits), we do not believe the IRS would conclude that the Master Lease is other than a true lease.

Certain provisions in the Master Lease warrant additional consideration. The Bonus Rent provision involves rent calculated by reference to the Effective Gross Income from the Property. While this structure differs from prohibited "income-based" rent arrangements (which typically involve rent based on net income or profits), there remains a risk that the IRS could characterize the Bonus Rent as impermissible contingent rent that evidences a joint venture or partnership arrangement. We do not believe this characterization is likely given that (i) the Bonus Rent formula is fixed at inception and is not subject to negotiation, (ii) the Annual Rent alone is sufficient to support the Trust's operating obligations, and (iii) the arrangement reflects arm's-length commercial practice for master lease structures.

Additionally, the Uncontrollable Costs mechanism in Section 3.01(b) of the Master Lease provides that the Master Tenant will pay real estate taxes, utility costs, and insurance costs (collectively, "Uncontrollable Costs") up to the Projected Uncontrollable Costs, with any overage reimbursed to the Master Tenant by offset against Annual Rent and, if necessary, Bonus Rent. This offset mechanism creates variability in the effective rent received by the Trust based on actual cost experience, which could be viewed as inconsistent with the "fixed rent" paradigm contemplated by the Ruling. However, we do not believe this mechanism jeopardizes true lease treatment because (i) the variability is tied to third-party costs (taxes, utilities, insurance) that are objectively determinable and not within the control of either party, (ii) the offset is limited to Annual Rent and Bonus Rent and does not reduce Base Rent, (iii) the structure is analogous to customary triple-net lease "true-up" or "gross-up" provisions common in commercial real estate, and (iv) the mechanism does not base rent on the income or profits of the Master Tenant.

Nevertheless, the cumulative effect of the offset mechanism, together with the Master Tenant's access to Trust reserves and the Bonus Rent arrangement, could in the aggregate be viewed by the IRS as evidencing a cost-sharing or joint venture relationship rather than a true landlord-tenant arrangement, potentially resulting in partnership recharacterization that would prevent the Beneficial Owners from being treated as directly owning the Property for purposes of Section 1031.***Classification of the Beneficial Owners & Their Ownership of Trust Property***

3. 3. *Beneficial Owners as "Grantors" of the Trust*

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. *See Treas. Reg. § 1.671-2(e)(1)* A gratuitous transfer to a trust includes a transfer of cash to the trust in exchange solely for an interest in the trust. *See Treas. Reg. § 1.671-2(e)(2).* Additionally, if a trust makes a gratuitous transfer of property to another trust, the grantor of the transferor trust generally will be treated as the grantor of the transferee trust. *See Treas. Reg. § 1.671-2(e)(5)*. 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 Regulation Section 301.7701-4(c). *See Treas. Reg. § 1.6712(e)(3).*

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

4. *Treatment of the Beneficial Owners as Directly Holding Trust Property for Federal Income Tax Purposes*

Sections 671 through 678 of the Code describe certain circumstances in which the grantor of a trust will be considered to be the owner of all or a portion of the trust's assets and income for federal income tax purposes. Section 677(a) of the Code provides that a grantor is treated as the owner of any portion of a trust whose income without the approval or consent of any adverse party or, in the discretion of the grantor or a nonadverse party (or both) may be distributed, held, or accumulated for future distribution to the grantor or its spouse. In the Ruling, the IRS reasoned that, because the owner of an undivided fractional interest of a trust is considered to own the trust assets attributable to that interest for federal income tax purposes, B and C should each be treated as owning an undivided fractional interest in the DST's property for federal income tax purposes. Therefore, the IRS further reasoned that the exchange of real property by B and C for an interest in DST through a qualified intermediary is the exchange of real property for an interest in the DST's property, assuming the other requirements of Section 1031 are satisfied.

Like the DST in the Ruling, the Trust holds real property, and its income without the approval or consent of any adverse party, or, in the discretion of the grantor or a nonadverse party (or both), may be distributed, held, or accumulated for future distribution to the grantor. Like B and C in the Ruling, the Beneficial Owners should be treated as grantors of the Trust and, as such, the Beneficial Owners should be treated as owning an undivided fractional interest in the Trust. Therefore, the Beneficial Owners, like B and C in the Ruling, should be considered to own the Trust's assets attributable to that undivided fractional interest for federal income tax purposes.

It should be noted that the holding of the Ruling expressly assumed that "the other requirements of Section 1031 are satisfied." This assumption is also being made for purposes of this Opinion.

Treatment of the Interests for Federal Income Tax Purposes

5. *Treatment of the Interests as Securities for Federal Income Tax Purposes*

Section 1031 of the Code expressly excludes a "security" from the categories of property that may qualify for nonrecognition. Thus, if the IRS were to classify the Interests as "securities" for federal income tax purposes, they would not qualify as replacement property in a Section 1031 exchange.

The term "security" is not defined in Section 1031 of the Code or the regulations promulgated thereunder. In addition, the term is defined differently under different sections of the Code and, therefore, has a different meaning in Section 475 of the Code than it has in Code Sections 165(g), 402(e), 731, 1083(f), 1236, or 6323(h)(4). Neither an undivided interest in real property or a beneficial interest in a Delaware statutory trust are included within the definition of a security in any provision of the Code. In G.C.M. 38206 (1979), the IRS concluded that warrants and calls were securities for purposes of the like-kind exchange rules of Section 1031 of the Code because they were included within the definition of "security" under certain other provisions of the Code. The fact that neither an undivided interest in real property or a beneficial interest in a Delaware statutory trust are listed as a security in any other provisions of the Code which defines a security suggest that Interests would not be considered securities for purposes of Code Section 1031.

An interest that is deemed a "security" under federal securities law is not necessarily a "security" for federal income tax purposes. In *Plow Realty Co. of Texas v. Commissioner*, 4 T.C. 600 (1945), the Tax Court held that mineral deeds were not "securities" under the Code section at issue even though they were considered "securities" under the federal securities laws. In addition, in G.C.M. 35242 (1973), the IRS concluded that whiskey warehouse receipts were not securities for purposes of Code Section 1031 although they were securities under the securities laws.

The legislative history of Code Section 1031 indicates that the disqualification of a security from like-kind exchange treatment was part of a broader goal of disqualifying all highly liquid investments from such treatment. *See* S. Rept. 1113, 67th Cong. (1927), 1939-1 (Part 2) C.B. 945-46 (adopting H. Rept. 1432, 67th Cong.); H. Rept. 704, 73d Cong., 2d Sess. 13 (1934). There is no public market for the Interests and it is unlikely that one ever would develop. In addition, it is highly unlikely that anyone would consider a beneficial interest in a Delaware statutory trust formed for the sole purpose of holding an interest in real property highly liquid. Thus, based on Congress' expressed purpose in disqualifying securities from like-kind exchange treatment, and the authority cited above, the Interests should not be considered securities for federal income tax purposes.

Conclusion

Based on the foregoing, it is our opinion that (i) the Trust, being substantially similar to the DST described in the Ruling, should be treated as an entity separate from the Beneficial Owners for federal income tax purposes, (ii) the Trust should be treated as an investment trust described in Section 301.7701-4(c) of the Treasury Regulations that is classified as a "trust" under Section 301.7701-4(a) of the Treasury Regulations, (iii) the Beneficial Owners should be treated as "grantors" of the Trust, (iv) as "grantors," the Beneficial Owners should be treated as acquiring and owning an undivided fractional interest in the Property for federal income tax purposes, and (v) the Interests should not be treated as a "security" under Section 1031 of the Code. The Trust

generally complies with the requirements described in the Ruling, including the fact that the powers and authority of the Trust do not appear to exceed the powers and authority of the "investment trust" described in the Ruling.

In certain respects, the transaction that is the subject of the Offering varies from the facts in the arrangement that was the subject of the Ruling. Specifically, the Master Tenant may defer payment of up to one-half of the Annual Rent (as defined in the Master Lease) payable each month as long as (i) Base Rent payable each month and all other property expenses are timely paid by the Master Tenant, and all other Master Tenant cash flow received during such period is applied to the Annual Rent, and (ii) any deferred Annual Rent will bear interest at three percent (3%) annually until paid, must be paid on the next succeeding due date for Annual Rent to the extent of available cash flow, and will be payable in full no later than ninety-one (91) days after the end of the applicable Master Lease Term. In addition, the transaction has been structured to create a liability on the Trust to pay the Signatory Trustee or an affiliate a disposition fee (the "Disposition Fee") upon the eventual sale of the Property. The Signatory Trustee or an affiliate, will receive an annual asset management fee (the "Asset Management Fee"). Moreover, a small portion of each Beneficial Owner's offering proceeds, which come into the Trust at different times on a rolling basis as sales occur, may be used by the Trust to fund pre-established reserves. Also, the Trust Agreement grants the Signatory Trustee the authority to conduct activities on an ongoing basis, including the authority to dissolve and wind-up the Trust, to protect and conserve the Property, and to affect a Transfer Distribution of the Property to a newly formed Delaware limited liability company in certain limited circumstances. Additionally, the Master Lease includes the Bonus Rent and Uncontrollable Costs mechanisms described above. While these facts were not present in the Ruling, the Trust's structure and ownership of the Property are similar to the overall substance of the transactions described in the Ruling. Accordingly, the factual differences between the trust arrangement described in the Ruling and the transaction described in the Memorandum do not cause us to reach a different conclusion.

Notwithstanding the foregoing, qualification of a transaction pursuant to Section 1031 for a specific Beneficial Owner involves issues based on numerous specific facts that are not and cannot be known to us; therefore, we give no opinion as to the ability of any Beneficial Owner to effectuate an acquisition of replacement property under Section 1031 of the Code. This opinion addresses only one aspect of qualifying under Section 1031 of the Code, i.e., whether Interests should be treated as interests in real property for purposes of Section 1031 of the Code. We express no opinion as to whether some portion of the Property may be "personal property" rather than "real property," or whether certain amounts that the Beneficial Owners pay and are used for offering costs or expenses, financing costs, and funding reserves (as described in the Memorandum) will be considered taxable boot. We further express no opinion with respect to the Disposition Fee or whether the treatment of the Disposition Fee as a liability for purposes of Section 1031 will be respected by the IRS and/or state tax authorities, nor that the Beneficial Owners will be permitted to allocate their proportionate share of the Disposition Fee when determining their tax basis in the Property. Finally, we express no opinion about the state or local tax consequences of the transactions described herein.

As described herein, we have made a number of assumptions, and have relied on the facts and conditions set forth in the Representation Letter, the Memorandum, and herein in rendering our opinion. Accordingly, our opinion 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 Representation Letter, the Memorandum and herein prove incorrect, it is possible that the tax consequences would change.

In rendering our opinion, we have considered the applicable provisions of the Code, final, temporary and proposed regulations thereunder, pertinent judicial authorities, interpretive rulings of the IRS and such other authorities as we have considered relevant. 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 opinion 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. Our opinion does not constitute an opinion as to whether the exchange actually entered by a prospective investor satisfies all of the requirements of Section 1031 of the Code. This opinion does not address any other tax consequences of the sale of the Interests.

Please be advised that: (a) this opinion has been written to support the marketing of the Interests; (b) this opinion is not intended to be used and cannot be used by any investor for purposes of avoiding penalties that may be imposed under federal tax law; and (c) all investors must consult their own independent tax advisors regarding the federal income tax consequences to them of investing in the Interests in the context of their own particular circumstances.

We are furnishing this opinion to you solely in connection with the sale of the Interests described herein. Accordingly, the Sponsor, the Signatory Trustee and the Trust, or any of their affiliates, may only circulate this opinion in connection with the sale of the Interests to potential investors. This opinion may not be relied upon, circulated, quoted or otherwise referred to by any other persons in connection with any other property or co-ownership arrangement.

Our opinion is not intended or written to be used, and it cannot be used, by any prospective investor for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code. This opinion was written to support the promotion or marketing of the offering of the Interests. A prospective investor should seek advice based on the investor's particular circumstances from an independent tax advisor.

SANDS ANDERSON PC

By: Sands Anderson

September 23, 2026

Sands Anderson PC
919 East Main Street
Richmond, VA 23219
Attn: Steven D. Forbes, Esquire

Re: CS1031 Texas Active Living New Braunfels, DST

Gentlemen:

Reference is made to the following documents: (1) the Placement Memorandum for beneficial interests ("Interests") in CS1031 Texas Active Living New Braunfels, DST, a Delaware statutory trust, attached hereto as Exhibit A (the "PPM"); (2) the Trust Agreement, attached hereto as Exhibit B (the "Trust Agreement"); and (3) the Trust's general form master lease for the Property (hereafter defined), attached hereto as Exhibit C (the "Lease"). All capitalized terms used but not defined herein shall have the meanings set forth in the PPM, provided that the terms defined in Revenue Ruling 2004-86, 2004-2 C.B.191 are incorporated herein by reference.

In connection with the opinion to be delivered by Sands Anderson PC (the "Tax Opinion") and recognizing that (1) you will rely on this letter in delivering the Tax Opinion, and (2) the Tax Opinion may not accurately describe the treatment of an investment in the Interests under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"), if any of the representations set forth below are not accurate in all respects, the undersigned does hereby certify, on behalf of Capital Square Realty Advisors, LLC, a Virginia limited liability company (the "Sponsor"), CS1031 Texas Active Living New Braunfels Holdings, LLC, a Delaware limited liability company (the "Depositor"), CS1031 Texas Active Living New Braunfels, DST, a Delaware statutory trust (the "Trust"), which owns the active adult community property consisting of residential homes, buildings and other improvements located at 3025 Oak Run Parkway, New Braunfels, Texas 78132 (the "Property"), CS1031 Texas Active Living New Braunfels Master Lessee, LLC, a Delaware limited liability company (the "Master Tenant"), and CS1031 Texas Active Living New Braunfels ST, LLC, a Delaware limited liability company (the "Signatory Trustee"), that the representations set forth below are true, complete and correct in all respects.

1. The relationship between and among the owners of Interests (each, a "Beneficial Owner," and collectively, the "Beneficial Owners") will be governed by the Trust Agreement.

2. Upon the closing of the Trust's acquisition of the Property and at the direction of the Depositor, the Trust will enter into the Master Lease with the Master Tenant, pursuant to which the Trust will lease the Property to the Master Tenant.

3. Pursuant to the Contribution Agreement, at the direction of the Depositor, the Trust acquired the Property.

4. The number of Beneficial Owners will not exceed 1950 persons.

5. None of the Beneficial Owners, the Trust, the Signatory Trustee or Sorensen Entity Services LLC, in its capacity as the "Delaware Trustee," will file a partnership or corporate tax return, execute an agreement identifying any or all of the Beneficial Owners as partners, shareholders or members of a business entity that is not disregarded for purposes of federal tax law, or otherwise hold itself out as a partnership or other form of business entity that is not disregarded for federal tax law (nor will the Beneficial Owners hold themselves out as partners, shareholders or members of a business entity that is not disregarded for purposes of federal tax law).

6. The Master Lease is a bona fide lease for federal tax purposes and the payment of the rent thereunder will not be contingent on the Master Tenant's gross sales or net profits derived from the Property. The Bonus Rent payable under the Master Lease is calculated by reference to gross revenues of the Property over the Revenue Benchmark. The Bonus Rent formula is fixed at the inception of the Master Lease and is not subject to negotiation or adjustment by the parties during the term of the Master Lease.

7. The Uncontrollable Costs mechanism in the Master Lease does not base rent on the income or profits of the Master Tenant and is analogous to customary triple-net lease "true-up" or "gross-up" provisions common in commercial real estate. The variability created by such mechanism is tied to third-party costs (taxes, utilities, insurance) that are objectively determinable and not within the control of the Trust or the Master Tenant, and any offset is limited to Annual Rent and Bonus Rent.

8. The business plan is for the Trust to sell 100% of the Interests to unaffiliated persons and for Depositor to be fully redeemed such that neither Depositor nor the Sponsor, nor any of their respective affiliates, is expected to retain or acquire Interests or any other direct or indirect interest in the Property beyond the offering period.

9. The possibility of any of the events that would trigger a Transfer Distribution is remote and is not expected to occur.

10. Sands Anderson PC has received or will receive prior to closing from the Sponsor (and its affiliates) and the Trust all promotional materials, management agreements, brokerage agreements, and other relevant documents with respect to (a) the sale of the Interests, and (b) the organization and operation of the Trust.

11. All factual statements and assumptions in the PPM and the Tax Opinion are, and at all times during the term of the Trust will be, true, correct and complete, and no material facts have been omitted from the PPM. Moreover, the Sponsor, Trust, Master Tenant and Signatory Trustee have not failed to disclose to Sands Anderson PC any facts, circumstances or conditions which would make the Tax Opinion misleading.

12. At all times during its term, the Trust, the Signatory Trustee, the Delaware Trustee, the Master Tenant and the Beneficial Owners will be bound by and will conduct themselves and their activities solely in accordance with the terms and conditions of the Trust Agreement and the Master Lease.

The undersigned hereby undertakes to inform Sands Anderson PC should any of the representations described herein become untrue, incorrect or incomplete at or prior to the issuance of the Tax Opinion.

IN WITNESS WHEREOF, we have signed this letter as of the date set forth above.

Very truly yours,

CAPITAL SQUARE REALTY ADVISORS, LLC,
a Virginia limited liability company

By: _____
Name: Louis J. Rogers
Its: Co-CEO

CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS HOLDINGS, LLC, a Delaware limited liability company

By: _____
Name: Louis J. Rogers
Its: Director

CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS, DST, a Delaware statutory trust

By: CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS ST, LLC, a Delaware limited liability company
Its: Signatory Trustee

By: _____
Name: Louis J. Rogers
Its: Director

CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS MASTER LESSEE, LLC, a Delaware limited liability company

By: _____
Name: Louis J. Rogers
Its: Director

CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS ST, LLC, a Delaware limited liability company

By: _____
Name: Louis J. Rogers
Its: Director

EXHIBIT D

PURCHASER QUESTIONNAIRE

BENEFICIAL INTERESTS IN
CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS, DST

PURCHASER QUESTIONNAIRE

Before deciding to subscribe, please read carefully the Confidential Private Placement Memorandum dated September 24, 2026, and all exhibits thereto (collectively, the "Memorandum") for beneficial interests (the "Interests") in a Delaware statutory trust (the "Trust") formed for the purpose of acquiring Emerald Cottages of New Braunfels, a boutique active adult community located at 3025 Oak Run Parkway, New Braunfels, Texas 78132. The Trust will be managed by CS1031 Texas Active Living New Braunfels ST, LLC, a Delaware limited liability company (the "Signatory Trustee"). Defined terms used herein and not otherwise defined shall have the meaning ascribed to them in the Memorandum.

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

This Offering is limited to a Purchaser who certifies that such Purchaser meets all of the qualifications set forth in the Memorandum. If you satisfy these qualifications and desire to purchase the Interests, please complete, execute and deliver the following: (i) this Purchaser Questionnaire and (ii) if you are an entity (as opposed to a natural person), the entity documents described herein. **PLEASE DO NOT COMPLETE A PURCHASE AGREEMENT UNTIL ONE HAS BEEN PREPARED AND SENT TO YOU BY THE SPONSOR**. In addition, Purchasers may be required, within five days of executing and returning the Purchase Agreement, to fund a $5,000.00 earnest money deposit by check or wire funds payable to CS1031 Texas Active Living New Braunfels, DST. The Signatory Trustee may waive this earnest money deposit requirement in its sole discretion. Upon the closing, the earnest money deposit will be credited against the purchase price for the Interests or refunded, at the Purchaser's election.

These documents should be emailed to closings@capitalsq.com, faxed to 804-964-1444, or mailed or delivered to:

CS1031 Texas Active Living New Braunfels, DST
c/o Capital Square Realty Advisors, LLC
4851 Lake Brook Drive
Glen Allen, Virginia 23060
Attn: DST Closing Department

Upon receipt of the signed Purchaser Questionnaire, verification of your investment qualifications, and acceptance of your subscription, the Signatory Trustee will notify you of receipt and acceptance of your subscription. The Signatory Trustee reserves the right, in its sole discretion, to accept or reject a subscription for any reason whatsoever.

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

If you are intending to complete a 1031 Exchange, the name of the Purchaser in this Purchaser Questionnaire must match the name of the titleholder of the relinquished property.

BENEFICIAL INTERESTS IN
CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS, DST

PURCHASER QUESTIONNAIRE

This Purchaser Questionnaire relates to the undersigned's intention to purchase beneficial interests in the Trust for a cash purchase price of $_____. PLEASE NOTE: the minimum purchase for Purchasers is $50,000 of equity, subject to the terms, conditions, acknowledgments, representations and warranties stated herein and in the Memorandum. **In addition, please note that the name of the account holder for the source of cash invested must match the name of the prospective Purchaser.**

To induce the Signatory Trustee to accept the Purchase Agreement and as further consideration for such acceptance, I hereby make the following representations, warranties and acknowledgments (including, without limitation, the representations and warranties in Section VI), with the full knowledge that the Signatory Trustee will expressly rely thereon in making a decision to accept or reject the Purchase Agreement:

SECTION I – OWNERSHIP AND INVESTMENT INFORMATION

A. IF INVESTING AS AN INDIVIDUAL(S), PLEASE COMPLETE THE FOLLOWING AND PROCEED TO SECTION II (a):

Name of Purchaser: _____

Name of Co-Purchaser (if applicable): _____

Name of Co-Purchaser (if applicable): _____

Name of Co-Purchaser (if applicable): _____

Primary State of Residency: _____

Type of ownership: □ Individual Ownership □ Joint Tenants □ Joint Tenants with Rights of Survivorship

□ Tenants in Common □ Tenants by the Entirety □ Community Property

□ IRA □ Roth IRA □ Sep IRA

□ Simple IRA □ Beneficial IRA □ 401K

□ Pension Plan □ Profit Sharing Plan □ Keogh Plan

□ UGMA □ UTMA □ A married person as their sole and separate property

□ Other: _____

□ If non-qualified account is custodial, please check box and complete the Custodial Information section at the bottom of Section II(a).

Trusted Contact Information (optional)

Name: _____ Phone: _____

Email: _____ Relationship: _____

Accredited Investor Certification: I hereby represent and warrant that:

(Each Purchaser must initial the statement or statements below that truthfully describe such Purchaser.)

_____ _____ I am a natural person whose individual net worth, or joint net worth with my spouse or spousal equivalent exceeds $1,000,000 at the time of purchasing the Interests (For purposes of determining net worth, exclude the value of your primary residence as well as the amount of indebtedness secured by your primary residence, up to the fair market value. Any amount in excess of the fair market value of your primary residence must be included as a liability. In the event the indebtedness on your primary residence was increased in the 60 days preceding the completion of this Purchaser Questionnaire, the amount of the increase must be included as a liability in the net worth calculation. Furthermore, for the purposes of calculating joint net worth, joint net worth can be the aggregate net worth of the

Purchaser and spouse or spousal equivalent; assets need not be held jointly to be included in the calculation.);

_____ _____ I am a natural person who had individual income in excess of $200,000 in each of the two recent years, or joint income with my spouse or spousal equivalent in excess of $300,000 in each of those years, and I have a reasonable expectation of reaching the same income level in the current year;

_____ _____ I am a natural person holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution that the SEC has designated as qualifying an individual for accredited investor status, as posted on the SEC's website as of the date hereof;

_____ _____ I am a natural person who is a "knowledgeable employee," as defined in Rule 3c-5(a)(4) under the Investment Company Act of 1940 (the "Investment Company Act"), of the Trust where the Trust would be an investment company, as defined in Section 3 of such Act, but for the exclusion provided by either Section 3(c)(1) or Section 3(c)(7) of such Act; or

_____ _____ I am a natural person who is a Family Client, as defined in Section I(C) below.

Note: "Spousal equivalent" is defined as a cohabitant occupying a relationship generally equivalent to that of a spouse.

B. IF INVESTING AS A TRUST, PLEASE COMPLETE THE FOLLOWING AND PROCEED TO SECTION II (a):

Name of Trust: _____

Name(s) of Trustee and Co-Trustee(s) (if applicable): _____

_____

Trust Taxpayer Identification Number: _____

Trust Mailing Address: _____

_____

_____

Trust Primary Contact: _____

Primary Contact Email: _____

☐ If non-qualified account is custodial, please check box and complete Section II(b).

Please 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 taxpaying entity, then all trustees must complete and execute the Purchaser 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 taxpaying 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 Purchaser Questionnaire and all questions concerning income, and assets will pertain to the taxpayer.

Accredited Investor Certification: I hereby represent and warrant that:

<u>Revocable Trusts</u>: Please initial the statement or statements below that truthfully describe the prospective Purchaser:

_____ _____ Purchaser is a revocable trust: (1) not formed for the specific purpose of acquiring the securities offered; (2) with total assets in excess of $5,000,000; and (3) is directed by a person who has such knowledge and experience in financial and business matters that such person 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, is a bank, insurance company, registered investment company, business development company, or small investment company; or

_____ _____ Purchaser is a revocable trust, and all of the grantors meet one of the qualifications for individual accredited investors under Section I(A) above (if this item is selected, all grantors must complete the "Accredited Investor Certification" in Section I(A) hereof).

<u>Irrevocable Trusts</u>: 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 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 the Purchase Agreement; or

_____ _____ 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.

C. IF INVESTING AS AN ENTITY (CORPORATION, PARTNERSHIP, LLC, ETC.), PLEASE COMPLETE THE FOLLOWING AND THE BENEFICIAL OWNER QUESTIONNAIRE SECTION II (b):

Name of Entity: _____

Entity Address: _____

City: _____ State: _____ Zip: _____

Entity Taxpayer Identification Number: _____

Type of ownership: ☐ Corporation ☐ Partnership ☐ Limited Liability Company ☐ Other: _____

Corporation - If purchasing as a corporation, the Purchaser must submit a copy of the corporation's bylaws, with any and all amendments

Partnerships - If purchasing as a partnership, the Purchaser must submit a copy of the Partnership Agreement, with any and all amendments

Limited Liability Company - If purchasing as a limited liability company, the Purchaser must submit a copy of the Operating Agreement, with any and all amendments.

Accredited Investor Certification: I hereby represent and warrant that:

Please initial the statement or statements below that truthfully describe the prospective Purchaser:

_____ _____ Purchaser is a bank, as defined in Section 3(a)(2) of the Securities Act, or a 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;

_____ _____ Purchaser is a broker-dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended;

_____ _____ Purchaser is an investment adviser registered pursuant to Section 203 of the Investment Advisers Act of 1940 (the "Investment Advisers Act") or registered pursuant to the laws of a state;

_____ _____ Purchaser is an investment adviser relying on the exemption from registering with the Commission under section 203(l) or (m) of the Investment Advisers Act;

_____ _____ Purchaser is an insurance company as defined in Section 2(a)(13) of the Act;

_____ _____ Purchaser is an investment company registered under the Investment Company Act;

_____ _____ Purchaser is a business development company, as defined in Section 2(a)(48) of the Investment Company Act;

_____ _____ Purchaser is a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

_____ _____ Purchaser is Rural Business Investment Company as defined in Section 384A of the Consolidated Farm and Rural Development Act;

_____ _____ Purchaser is a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000;

_____ _____ Purchaser is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 where the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or an employee benefit plan which has total assets in excess of $5,000,000;

_____ _____ Purchaser is a self-directed employee benefit plan, with investment decisions made solely by persons that are accredited investors (if this item is selected, all such persons must complete the "Accredited Investor Certification" in Section I(A) hereof);

_____ _____ Purchaser is a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act;

_____ _____ Purchaser is an organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, or limited liability company, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000;

_____ _____ Purchaser is an entity in which all of the equity owners are "accredited investors." (Note: It is permissible to look through various forms of equity ownership to natural persons in determining the accredited investor status of entities under this paragraph. If those natural persons are themselves accredited investors, and if all other equity owners of the entity seeking accredited investor status are accredited investors, then this paragraph may be available. If this item is selected, all equity owners must complete the "Accredited Investor Certification" in Section I(A) hereof.);

_____ _____ Purchaser is an entity, of a type not listed in the paragraphs of this Section I(C) above or in Section I(B), not formed for the specific purpose of acquiring the securities offered, owning investments in excess of $5,000,000 (Note: For the purposes this paragraph, "investments" is defined in Rule 2a51-1(b) under the Investment Company Act);

_____ _____ Purchaser is a "family office," as defined in Rule 202(a)(11)(G)-1 under the Investment Advisers Act:

(i) With assets under management in excess of $5,000,000,
(ii) That is not formed for the specific purpose of acquiring the Interests, and
(iii) Whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment; or

_____ _____ Purchaser is a "family client," as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act, of a family office meeting the requirements in the immediately preceding paragraph of this Section and whose prospective investment in the Trust is directed by such family office pursuant to (iii) of the immediately preceding paragraph (a "Family Client").

In addition to the foregoing, such entity represents and warrants that it meets the requirements of the initialed category:

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

_____ _____ 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 25 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. 100% of a Purchaser'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.

PURCHASER QUESTIONNAIRE

SECTION II (a) – PURCHASER INFORMATION

(INFORMATION FOR ALL PURCHASERS, THEIR SPOUSE, TRUSTEES, ETC. MUST BE PROVIDED)

PURCHASER #1

Salutation: _____ Name: _____

Date of Birth: _____ Social Security No: _____

Home Address: _____

Mailing Address: _____

Phone Number: _____ Email Address: _____

PURCHASER #2

Salutation: _____ Name: _____ Title (e.g., Spouse/Trustee), if applicable: _____

Date of Birth: _____ Social Security No: _____

Home Address: _____

Mailing Address: _____

Phone Number: _____ Email Address: _____

PURCHASER #3

Salutation: _____ Name: _____ Title (e.g., Spouse/Trustee), if applicable: _____

Date of Birth: _____ Social Security No: _____

Home Address: _____

Mailing Address: _____

Phone Number: _____ Email Address: _____

PURCHASER #4

Salutation: _____ Name: _____ Title (e.g., Spouse/Trustee), if applicable: _____

Date of Birth: _____ Social Security No: _____

Home Address: _____

Mailing Address: _____

Phone Number: _____ Email Address: _____

CUSTODIAL INFORMATION:

Custodian Name: _____

Custodian Address: _____

City / State / Zip: _____

Tax ID: _____ Custodian Phone: _____

Account Number at Custodian: _____

PURCHASER QUESTIONNAIRE

SECTION II (b) – BENEFICIAL OWNER INFORMATION

(MUST BE COMPLETED FOR ALL EQUITY OWNERS. PERCENTAGE OWNERSHIP MUST TOTAL 100%.)

Foreign Persons please include Passport # and Issuance Country

EQUITY OWNER #1

The individual with significant responsibility for managing the Legal Entity listed above, such as an executive officer or senior manager (e.g. Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, Treasurer); or any other individual who regularly performs similar functions.

Salutation: _____ Name: _____ Title: _____

Date of Birth: _____ Social Security No: _____

Home Address: _____

Phone Number: _____ Email Address: _____

Percentage of Ownership: _____

EQUITY OWNER #2

Salutation: _____ Name: _____ Title: _____

Date of Birth: _____ Social Security No: _____

Home Address: _____

Phone Number: _____ Email Address: _____

Percentage of Ownership: _____

EQUITY OWNER #3

Salutation: _____ Name: _____ Title: _____

Date of Birth: _____ Social Security No: _____

Home Address: _____

Phone Number: _____ Email Address: _____

Percentage of Ownership: _____

EQUITY OWNER #4

Salutation: _____ Name: _____ Title: _____

Date of Birth: _____ Social Security No: _____

Home Address: _____

Phone Number: _____ Email Address: _____

Percentage of Ownership: _____

Internal Use Only:

☐ Verbally confirmed with investor.

FA#: _____

_____

Name **Date**

PURCHASER QUESTIONNAIRE

SECTION III – DISTRIBUTION INSTRUCTIONS

NAME OF TRUST: **CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS, DST**

Registration Name: _____

_____

Purchaser Name(s): _____

Phone Number: _____ Email Address(es): _____

Please direct distributions (select one):

☐ Via electronic deposit (ACH). Attach either a voided check, an account verification letter or prefilled direct deposit form from your financial institution.

☐ Via a brokerage account.

Account Holder Name(s)*: _____

Account Holder Address*: _____

Name of Bank/Brokerage Firm: _____

Bank/Brokerage Firm Address: _____

Bank/Brokerage Account Number: _____ ACH Routing Number: _____

Account Type: ☐ Personal **OR** ☐ Business **AND** ☐ Checking ☐ Savings ☐ Brokerage Account

FBO Custodian Account Number/Additional Instructions: _____

*Account Holder Name and address must match your bank account.

Electronic Deposit (ACH) Authorization - I (we) authorize the Trust and its Signatory Trustee to deposit distributions from my (our) interest in the Trust to my (our) account indicated above at the depository financial institution (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 Signatory Trustee to debit my (our) account noted below in the event that the Signatory Trustee 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 Signatory Trustee reverses such deposit, I (we) agree that the Signatory Trustee has the right to retain any future distributions to which I (we) am (are) entitled until the erroneously deposited amounts are recovered by the Signatory Trustee. This authorization is to remain in full force and effect until the Signatory Trustee has received written notification from me (or either of us) of its termination in such time and in such manner as to afford the Signatory Trustee and the Depository a reasonable opportunity to act on it, or until the Signatory Trustee has sent me written notice of termination of this authorization.

I (we) acknowledge that Capital Square utilizes a third-party account validation service as a fraud prevention control before establishing, modifying or processing payment instructions. I (we) authorize Capital Square to provide my (our) account information, including account owner information, to the third-party account validation service in connection with validating account status and account ownership. The service uses Early Warning Services, LLC ("EWS") data to validate account ownership and account status. EWS is a consumer reporting agency and the administrator of the National Shared Database.

The signature(s) of all Purchasers of record are required.

Purchaser Signature _____ Date _____

Purchaser Signature _____ Date _____

PURCHASER QUESTIONNAIRE

SECTION IV – W-9

TO BE COMPLETED BY INDIVIDUAL/ENTITY FOR WHICH INFORMATION WILL BE REPORTED TO THE IRS.

Form **W-9**
(Rev. March 2024)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Go to *www.irs.gov/FormW9* for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See *Specific Instructions* on page 3.

1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)

2 Business name/disregarded entity name, if different from above.

3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor ☐ C corporation ☐ S corporation ☐ Partnership ☐ Trust/estate

☐ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) . . . .

Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.

☐ Other (see instructions)

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any)

Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any)

(Applies to accounts maintained outside the United States.)

3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . . ☐

5 Address (number, street, and apt. or suite no.). See instructions.

Requester's name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

___ – __ – ____

or

Employer identification number

__ – _____

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here | **Signature of U.S. person** | **Date**

After completing this page, (i) if you are intending to complete a 1031 Exchange, you may proceed to Section V; or (ii) if you are not intending to complete a 1031 Exchange, you may proceed to Section VI.

PURCHASER QUESTIONNAIRE

SECTION V – 1031 EXCHANGE INFORMATION AND AUTHORIZATION AGREEMENT

Prospective Purchaser's Intent to Exchange

If the undersigned is completing a tax-deferred exchange pursuant to Section 1031 of the Internal Revenue Code in connection with an investment in the Trust, please complete this page. The undersigned's exchange information is as follows:

The minimum investment for a Purchaser is $50,000 which equals a 0.13386% Interest.

Address/name of relinquished property: _____

45-day identification period expires on: _____

180-day exchange period expires on: _____

Cash to complete this investment will be available on: _____

The undersigned hereby confirms that the acquisition of Interests is part of a tax-deferred exchange pursuant to Section 1031 of the Internal Revenue Code, pursuant to an Exchange Agreement between Purchaser and

_____

(the "Accommodator") whose address, telephone number and contact person are as follows **(Please complete in full)**:

_____

Street Address

_____

City State Zip Code

_____

Telephone No. Fax No.

_____

Contact Person E-mail

Authorization of Inquiry

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

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

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

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

Print Name: _____ Date: _____

Signature: _____

Print Name: _____ Date: _____

Signature: _____.

PURCHASER QUESTIONNAIRE

SECTION VI – PURCHASER REPRESENTATIONS AND WARRANTIES

1. I have such knowledge and experience in financial and business matters that I am capable of evaluating the merits and risks of a purchase of the Interests. The following is a description of my experience in financial and business matters:

_____

_____

_____

2. I acknowledge that the Signatory Trustee and/or the Managing Broker Dealer may require me to provide additional documentation, including bank statements, tax returns, other forms of evidence of net worth or income, or an accreditation letter signed by an appropriate third-party representative to independently verify that I qualify as an accredited investor and, in such event, I agree to provide such documentation.

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

4. I have read the Memorandum, and I have specifically read, and specifically acknowledge and agree to the matters set forth in the section titled "FEDERAL INCOME TAX CONSEQUENCES," which provides, in relevant part, as follows: Before buying an Interest, each Purchaser must represent and warrant that such Purchaser:

   (i) has consulted Purchaser's own independent tax advisor regarding an investment in the Interests and the qualification of the transaction under Section 1031 of the Code and applicable state tax laws;

   (ii) except for the tax opinion attached as Exhibit C to the Memorandum, Purchaser is not relying on the Sponsor, the Signatory Trustee or any of their Affiliates or agents, including their General Counsel, Tax Counsel or accountants, or any member of the Selling Group for tax advice regarding the qualification of the Interests under Section 1031 of the Code or any other matter;

   (iii) except for the tax opinion attached as Exhibit C to the Memorandum, which is based on numerous assumptions and qualifications that may not be applicable to the Purchaser, Purchaser is not relying on any statements made in the Memorandum regarding the qualifications of the Interests under Section 1031 of the Code;

   (iv) Purchaser understands the tax opinion is Tax Counsel's view of the anticipated tax treatment and there is no guarantee that the IRS will agree with such opinion;

   (v) Purchaser is aware that the IRS has issued Revenue Ruling 2004-86, 2004-2 C.B. 191 specifically addressing Delaware Statutory Trusts, the Revenue Ruling is merely guidance and is not a "safe harbor" for taxpayers and, without the issuance of a private letter ruling on a specific offering, there is no assurance that the Interests will not be deemed partnership interests for federal income tax purposes; and

   (vi) Purchaser shall, for federal income tax purposes, report the purchase of the Interest pursuant to the Purchase Agreement as a purchase of a direct ownership interest in the Property.

5. I hereby agree to indemnify, defend and hold harmless Capital Square Realty Advisors, LLC, the Signatory Trustee, the Trust and all of their members, managers, officers, Affiliates and advisors, of and from any and all damages, losses, liabilities, costs and expenses (including attorneys' fees and costs) that they may incur by reason of my failure to fulfill all of the terms and conditions of the associated Purchase Agreement or by reason of the untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents I have furnished to any of the foregoing in connection with this transaction. This indemnification includes, but is not limited to, any damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs) incurred by Capital Square Realty Advisors, LLC, the Signatory Trustee, the Trust or any of their members, managers, officers, Affiliates or advisors, defending against any alleged violation of federal or state securities laws which is based upon or related to any untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents I have furnished to any of the foregoing in connection with this transaction.

6. In connection with this Purchaser Questionnaire, a consumer report may be requested. Upon my request, I will be informed whether or not such a report was requested, and, if so, the name and address of the consumer reporting agency that furnished the report. I hereby authorize such reports and verification of my employment history.

7. To the extent I am purchasing an Interest in connection with a tax-deferred exchange under Section 1031 of the Code, I agree to provide the Signatory Trustee (including its representatives and agents), upon request, any documentation relating to my identification of replacement properties with respect to such tax-deferred exchange.

8. Neither I nor any subsidiary, Affiliate, owner, shareholder, partner, member, indemnitor, guarantor or related person or entity:

   (i) is a Sanctioned Person (as defined below);

   (ii) has more than 15% of its assets in Sanctioned Countries (as 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 (a) 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 (b) (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.

9. In reference to the European General Data Protection Regulation ("GDPR"), which went into effect May 25, 2018, I am not a resident or citizen of any European Union member country.

* * * * * * *

After completing this page, please (i) ask your Registered Representative/RIA, as applicable, to review and complete the Approval Page and (ii) proceed to the Signature Page.

CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS, DST – APPROVAL PAGE

NAME OF PURCHASER: _____

BROKER DEALER AND REGISTERED REPRESENTATIVE APPROVAL AND CERTIFICATION
A Principal of the Broker Dealer and the Registered Representative must approve and sign below:

The investment provided for herein is **APPROVED**.

Standards of suitability have been established by the Signatory Trustee and fully disclosed in the section of the Memorandum entitled "WHO MAY INVEST." Prior to recommending the purchase of the Interests, (1) we have taken reasonable steps, as outlined in Rule 506(c)(2)(ii) of Regulation D under the Securities Act, to verify that the investor is an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act; and (2) we have reasonable grounds to believe, on the basis of information supplied by the Purchaser concerning such Purchaser's investment objectives, other investments, financial situation and needs, and other pertinent information, that: (i) the Purchaser meets the standards established by the Signatory Trustee; (ii) the Purchaser has a net worth and income sufficient to sustain the risks inherent in the Interests, including loss of the entire investment and lack of liquidity; and (iii) the Interests are otherwise a suitable investment for the Purchaser. We will maintain in our files documents disclosing the basis upon which the suitability of this Purchaser was determined. If the Purchaser is a retail customer: We agree that, prior to recommending purchase of the Interests, we as a firm have taken the necessary steps in order to comply with all components of Regulation BI (17 C.F.R. 240.151-1). We verify that the above subscription either does not involve a discretionary account or, if so, that the Purchaser's prior written approval was obtained relating to the liquidity and marketability of the Interests during the term of the purchase.

I certify that I am registered to sell securities in the state in which this Purchaser(s) reside(s).
INITIAL _____ Reg. Rep.

I certify that I am currently licensed with the FINRA and all necessary state regulatory agencies to sell the Interests.
INITIAL _____ Reg. Rep.

I certify that the Purchaser is an Accredited Investor as defined under Rule 501 of Regulation D of the Securities Act of 1933.
INITIAL _____ Reg. Rep.

I certify that my selling commission is ___% (default 6%).
INITIAL _____ Reg. Rep.

Capital Square Realty Advisors, LLC Sales Policies:

- Reservations will only be kept for 5 business days without an investor executed Purchaser Questionnaire. Unless a Purchaser-executed Purchaser Questionnaire is received, a Purchaser's reservation will be terminated at 5:00 PM EST on the 5th business day from the reservation request - no exceptions allowed.
- No Soliciting Dealer Agreement – no reservation – no exceptions.
- Closing on exchange property must be scheduled within 3 weeks of receiving the Purchaser-executed Purchaser Questionnaire.
- All site visits must be scheduled to occur within 2 weeks of receiving the Purchaser-executed Purchaser Questionnaire and a Purchaser-executed Purchaser Questionnaire must be received before approving the visit.
- A Purchaser-executed Purchaser Questionnaire must be received before a Purchaser is placed on the back-up list. Investment must be in cash and the list will be prioritized by when the Purchaser Questionnaire is received.
- Closing documents sent by our office to the Purchaser must be signed and returned to us within 5 business days of being sent. Unless signed closing documents are returned, Purchaser may be dropped at 5:00 PM EST on the 5th business day from the day sent.

Signature of Registered Representative: _____ Date: _____

Signature of Broker/Dealer Principal: _____ Date: _____

Broker/Dealer Firm Name: _____

Registered Representative (Printed Name): _____ Registered Representative CRD#: _____

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

Branch Phone Number: (_____) _____ E-mail address: _____

REGISTERED INVESTMENT ADVISOR APPROVAL AND CERTIFICATION

Registered Investment Advisor must approve, certify and sign below:

The investment provided for herein is **APPROVED**.

Standards of suitability have been established by the Signatory Trustee and fully disclosed in the section of the Memorandum entitled "WHO MAY INVEST." Prior to recommending the purchase of the Interests, (1) we have taken reasonable steps, as outlined in Rule 506(c)(2)(ii) of Regulation D under the Securities Act, to verify that the investor is an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act; and (2) we have reasonable grounds to believe, on the basis of information supplied by the Purchaser concerning such Purchaser's investment objectives, other investments, financial situation and needs, and other pertinent information, that: (i) the Purchaser meets the standards established by the Signatory Trustee; (ii) the Purchaser has a net worth and income sufficient to sustain the risks inherent in the Interests, including loss of the entire investment and lack of liquidity; and (iii) the Interests are otherwise a suitable investment for the Purchaser. We will maintain in our files documents disclosing the basis upon which the suitability of this Purchaser was determined. We verify that the above subscription either does not involve a discretionary account or, if so, that the subscriber's prior written approval was obtained relating to the liquidity and marketability of the Interests during the term of the purchase.

Signature:_____ Date: _____

Printed Name: _____

RIA Firm Name (if applicable): _____

RIA Address: _____
City, State, Zip

RIA CRD #: _____

RIA Phone No.: _____ RIA Email: _____

SIGNATURE PAGE TO PURCHASER QUESTIONNAIRE – ALL PURCHASERS MUST SIGN

I (we) acknowledge and agree to all of the representations and warranties contained in this Purchaser Questionnaire.

If a natural person:

Signature:_____ Date: _____

Name: _____

Signature:_____ Date: _____

Name: _____

Signature:_____ Date: _____

Name: _____

Signature:_____ Date: _____

Name: _____

Consent of Spouse

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

I,_____, spouse of _____ have read and approved the foregoing Purchaser Questionnaire. I hereby appoint my spouse as my attorney-in-fact with respect to the exercise of any rights related to a purchase of Interests in the Trust and agree to be bound by the provisions of the Purchase Agreement, charters, bylaws, and any other document related to the purchase of such Interest (collectively, the "Subscription Documents") insofar as I may have any rights in said Subscription Documents or any property subject thereto under the community property laws of the State of_____ or similar laws relating to marital property in effect in the state of our residence as of the date of the signing of this Purchaser Questionnaire or the Subscription Documents.

Dated:_____ SIGNATURE: _____

If not a natural person:

Name of Trust/Entity: _____

Signature:_____ Date: _____

Name: _____ Title: _____

Signature:_____ Date: _____

Name: _____ Title: _____

Signature:_____ Date: _____

Name: _____ Title: _____

Signature:_____ Date: _____

Name: _____ Title: _____

Signature of Custodian (if applicable):_____

EXHIBIT E

PURCHASE AGREEMENT

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement") is made and effective as of the date Seller executes this Agreement ("Effective Date"), by and between CS1031 Texas Active Living New Braunfels ST, LLC, a Delaware limited liability company, as signatory trustee of CS1031 Texas Active Living New Braunfels, DST, a Delaware statutory trust ("Seller"), and _____ ("Buyer"), with reference to the facts set forth below. All terms with initial capital letters not otherwise defined herein shall have the meanings set forth in the Defined Terms attached hereto as Exhibit B and incorporated herein.

RECITALS

A. CS1031 Texas Active Living New Braunfels Holdings, LLC, a Delaware limited liability company ("Depositor"), CS1031 Texas Active Living New Braunfels ST, LLC ("Signatory Trustee"), and Sorensen Entity Services LLC ("Delaware Trustee") have entered into the Trust Agreement of CS1031 Texas Active Living New Braunfels, DST (the "Trust Agreement").

B. Depositor has, pursuant to a separate Assignment of Purchase and Sale Agreement, agreed to assign its right to acquire the Property to CS1031 Texas Active Living New Braunfels, DST (the "DST"). Seller desires to sell 100% of the beneficial interests (the "Interests") in the DST to Purchasers who will become Beneficial Owners in the DST. This sale is made pursuant to the Confidential Private Placement Memorandum dated September 24, 2026 (the "Memorandum") and the proceeds from the sale will be used, in part, to redeem any beneficial interests in the DST held by Depositor.

C. The Property is subject to the Master Lease.

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

1. Agreement of Purchase and Sale.

1.1 Purchase, Sale and Purchase Price. In consideration of the covenants herein contained, Seller hereby agrees to issue and sell, and Buyer hereby agrees to purchase and subscribe for, a **[_____]**% Interest at a purchase price ("Purchase Price") equal to $**[_____]**, payable in Cash.

1.2 Payment. Buyer shall pay the Purchase Price as follows:

1.2.1 Buyer's Deposit. Buyer may be required, within five (5) days of executing and returning this Agreement, to submit Buyer's Deposit, which shall be in the amount of $5,000 by wire pursuant to the wiring instructions contained in Exhibit C hereto. Upon receipt, Buyer's Deposit shall be placed in a non-interest bearing account and shall be credited against the Purchase Price for the Interests or returned to Buyer, at Buyer's election, at the Closing. However, Buyer's Deposit may be retained by the Seller as liquidated damages in accordance with Section 6.1. Buyer shall not receive any interest on Buyer's Deposit. Notwithstanding the foregoing, Seller reserves the right, in its sole discretion, to waive the Buyer's obligations set forth in this Section 1.2.1.

1.2.2 Payment of the Purchase Price. Buyer shall deposit into the Segregated Account, by wire pursuant to the wiring instructions contained in Exhibit C hereto, the Purchase Price, plus the amount, if any, required of Buyer under Section 4 or any other provision of this Agreement, prior to Closing. **Please note that the name of the account holder for the source of cash invested must match the name of the Buyer.**

1.3 Buyer's Deliveries. Concurrently with delivery of Buyer's Deposit or as soon thereafter as requested by Seller, Buyer shall execute, acknowledge (where appropriate) and deliver to Seller: (i) the Purchaser Questionnaire, (ii) an executed counterpart signature page for the Trust Agreement and (iii) such other documents as may reasonably be requested by Seller.

1.4 Buyer's Intent to Exchange. If Buyer's acquisition of the Interests is part of a tax-deferred exchange pursuant to Section 1031, it is a condition precedent to Closing that Buyer is able to complete an exchange for all or a portion of its relinquished property pursuant to an Exchange Agreement between Buyer and **[**_____**]** ("Accommodator"), to whom this Agreement may be assigned pursuant to Section 8.4. Seller agrees to execute such documents or instruments as may be necessary or appropriate to evidence such exchange, provided that Seller's cooperation in such regard shall be at no additional cost, expense, or liability whatsoever to Seller, and that no additional delays in the scheduled Closing Date are incurred unless mutually agreed upon by all parties to this Agreement.

2. Closing.

2.1 Seller's Deliveries. Prior to the Closing, Seller shall execute, acknowledge (where appropriate) and deliver applicable certificates regarding federal and state withholding taxes and execute other customary documents in the appropriate form conveying the Interest to Buyer as of the Closing. At the Closing, Seller shall record Buyer's Interest in the DST's ownership records.

2.2 Closing. Closing shall occur on or about _____, 20____ (the "Closing Date") by Buyer and Seller delivering funds and other documents as set forth in Section 5 IF AND ONLY IF (a) all funds and instruments required pursuant to Sections 1 and 2 have been delivered to Seller and Buyer, as applicable, and (b) each of the conditions precedent set forth in Section 3 has been, or upon such Closing shall be, satisfied or waived as provided in Section 3. Seller shall insert the Closing Date as the date of the Transaction Documents upon receipt of a fully executed Closing Statement signed by both Seller and Buyer.

2.3 Intentionally Deleted.

2.4 Latest Closing. If Closing has not occurred by 5:00 p.m. on the Business Day after the Closing Date, for any reason other than the default of either Buyer or Seller under this Agreement, either party who is not then in default may terminate this Agreement by written notice to the other party. If this Agreement is so terminated for any reason other than the default of Buyer or Seller hereunder, (i) Buyer and Seller shall promptly execute and deliver any cancellation instructions to the other party; (ii) Seller shall return Buyer's Deposit to Buyer; and (iii) Buyer and Seller shall be released from their obligations under this Agreement, other than any obligations of Buyer that survive termination of this Agreement. If all conditions to the Closing have been satisfied or waived by the Closing Date and Buyer fails to Close, Seller shall, in addition to any other rights or remedies which Seller may have, be entitled to retain Buyer's Deposit pursuant to Section 6 and terminate this Agreement and, upon such termination, Seller shall be released from all obligations under this Agreement.

3. Conditions to Closing.

3.1 Closing Conditions. This Agreement and the obligations of the parties hereunder are subject to satisfaction or waiver (by the party in whose favor the condition precedent has been established) of all the conditions precedent set forth below.

3.1.1 Payment of Purchase Price. Buyer shall have deposited the full amount of the Purchase Price into the Segregated Account.

3.1.2 Intentionally Deleted.

3.1.3 Section 1031 Compliance. If so elected by Buyer, Buyer shall be able to complete a Section 1031 exchange for all or part of his relinquished property with his Accommodator and Seller shall have executed any necessary documents to evidence such transaction.

3.1.4 Trust and Property-Related Matters. Depositor has contributed its right to acquire the Property to the DST and the associated funds and the DST has acquired the Property and entered into the Master Lease. In connection with the contribution of the Depositor's right to acquire the Property, the DST will have obtained title insurance with respect to the Property in the amount of the cash equity being raised pursuant to the Memorandum. The Master Lease shall be in full force and effect with no existing defaults or matters existing that with the giving of notice or the passage of time would constitute defaults thereunder.

3.2 Failure of Conditions Precedent. If any of the foregoing conditions precedent are neither satisfied nor waived by the Closing Date, then either party, if not then in default hereunder, may terminate this Agreement in accordance with Section 2.4 and the Deposit shall be returned to Buyer.

3.3 Rescission Rights. Buyer may rescind his subscription if he receives, subsequent to the date he submits this Agreement, an environmental assessment or an engineering report from the Seller or modifications or amendments of any of the Transaction Documents that, in Buyer's sole discretion, contains information that shows that the purchase of an Interest is not appropriate for Buyer. Any such rescission notice shall be given to Seller in writing within three (3) days after receipt of the applicable document or be deemed waived. Upon receipt of such notice, the Deposit shall be returned to Buyer.

4. Fees and Costs.

4.1 Fees and Costs Payable to Affiliates. Buyer acknowledges that Affiliates of Seller and Depositor will be entitled to fees and compensation as set forth in the Memorandum.

5. Distribution of Funds and Documents.

5.1 Deposit of Funds. All cash, if any, received hereunder by Seller, until the Closing, shall be kept on deposit in the Segregated Account and held in trust at any state or national bank.

5.2 Disbursements and Deliveries. Seller at the Closing will hold for personal pickup, or if requested, wire transfer to an account designated by the party receiving such funds, the following: (i) to Seller, or order, the Purchase Price, and (ii) to Buyer, or order, Buyer's Deposit (unless credited against the Purchase Price at Closing) and any excess funds previously delivered to Seller by Buyer. All other disbursements by Seller shall be made by checks of Seller.

6. Default.

6.1 **LIQUIDATED DAMAGES. IF CLOSING FAILS TO OCCUR DUE TO BUYER'S DEFAULT, IT IS AGREED THAT THE AMOUNT OF BUYER'S DEPOSIT SHALL BE RETAINED AND ACCEPTED BY SELLER AS LIQUIDATED DAMAGES AND NOT AS A PENALTY AND SELLER SHALL BE RELEASED FROM ITS OBLIGATION OF SELLING THE INTEREST TO BUYER. IT IS AGREED THAT SAID AMOUNT CONSTITUTES A REASONABLE ESTIMATE OF THE DAMAGES TO SELLER PURSUANT TO VIRGINIA LAW. THE PARTIES FURTHER ACKNOWLEDGE AND AGREE THAT THE AMOUNT OF LIQUIDATED DAMAGES IS FAIR AND REASONABLE CONSIDERING ALL OF THE FACTS AND CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, INCLUDING THE RELATIONSHIP OF SUCH AMOUNT TO THE RANGE OF HARM TO SELLER THAT COULD BE ANTICIPATED, AND THE ANTICIPATION THAT PROOF OF CAUSATION, FORESEEABILITY AND ACTUAL DAMAGES WOULD BE COSTLY AND/OR IMPRACTICAL. BUYER AND SELLER AGREE THAT IT IS IMPOSSIBLE OR IMPRACTICAL TO PRESENTLY PREDICT WHAT MONETARY DAMAGES WOULD BE SUFFERED IN SUCH EVENT. BUYER DESIRES TO LIMIT THE MONETARY DAMAGES FOR WHICH BUYER MIGHT BE LIABLE HEREUNDER AND BUYER AND SELLER DESIRE TO AVOID THE COSTS AND DELAYS THEY WOULD INCUR IF A LAWSUIT WERE COMMENCED TO COLLECT DAMAGES AND THEREFORE AGREE THAT SUCH LIQUIDATED DAMAGES SHALL CONSTITUTE THEIR SOLE AND EXCLUSIVE REMEDY IF CLOSING FAILS TO OCCUR DUE TO BUYER'S DEFAULT. BY INITIALING THIS PROVISION BELOW, THE PARTIES SPECIFICALLY CONFIRM THE ACCURACY OF SUCH FACTS, THE FACT THAT THEY POSSESS APPROXIMATELY EQUAL BARGAINING STRENGTH AND SOPHISTICATION AND THE FACT THAT EACH OF THEM WAS REPRESENTED BY COUNSEL WHEN ENTERING INTO THIS AGREEMENT, WHICH COUNSEL EXPLAINED THE CONSEQUENCES OF THIS SECTION TO THEM AT THE TIME THIS AGREEMENT WAS MADE. NOTHING CONTAINED HEREIN SHALL BE DEEMED TO LIMIT ANY OBLIGATIONS OF BUYER OTHER THAN A DEFAULT CAUSING CLOSING TO FAIL TO OCCUR THAT SURVIVE THE CLOSING OR EARLY TERMINATION OF THIS AGREEMENT AND SELLER SHALL HAVE THE RIGHT TO PURSUE ANY CAUSE OF ACTION IT MAY HAVE AGAINST BUYER FOR BUYER'S FAILURE TO PERFORM ANY OTHER COVENANT**

UNDER THE TRANSACTION DOCUMENTS OR UNDER THIS AGREEMENT AFTER THE CLOSING OR EARLIER TERMINATION OF THIS AGREEMENT. BY THE ACT OF AN AUTHORIZED REPRESENTATIVE OF EACH PARTY AFFIXING HIS OR HER INITIALS HEREIN, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE ABOVE STATEMENTS AND ITS AGREEMENT WITH THEM.

_____ _____

Seller's Initials Buyer's Initials

7. Buyer Representations and Warranties.

7.1 Intentionally omitted.

7.2 PURCHASE AS-IS. AS FURTHER PROVIDED IN THE MEMORANDUM, BUYER REPRESENTS AND WARRANTS THAT IT IS RELYING SOLELY UPON ITS OWN INSPECTIONS, INVESTIGATIONS AND ANALYSES OF THE PROPERTY IN ENTERING INTO THIS AGREEMENT AND BUYER IS NOT RELYING IN ANY WAY UPON ANY REPRESENTATIONS, STATEMENTS, AGREEMENTS, WARRANTIES, STUDIES, REPORTS, DESCRIPTIONS, GUIDELINES OR OTHER INFORMATION OR MATERIAL FURNISHED BY SELLER OR ITS REPRESENTATIVES OR AFFILIATES, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, OF ANY NATURE WHATSOEVER REGARDING ANY SUCH MATTERS AND IS PURCHASING THE INTEREST (AND IS TAKING THE INTEREST IN THE DST IN THE PROPERTY) IN AN "AS-IS" CONDITION. BUYER IS A SOPHISTICATED AND EXPERIENCED REAL ESTATE INVESTOR AND WILL RELY ENTIRELY UPON ITS OWN INDEPENDENT INVESTIGATION AND REVIEW OF THE PROPERTY. BUYER ACKNOWLEDGES THAT, PRIOR TO THE DATE OF THIS AGREEMENT, BUYER HAS HAD THE OPPORTUNITY TO CONDUCT ANY AND ALL PHYSICAL INSPECTIONS OF THE PROPERTY AS BUYER DEEMS NECESSARY, TO REVIEW AND APPROVE EACH OF THE TRANSACTION DOCUMENTS, TO REVIEW AND APPROVE (I) THE OPERATING STATEMENTS FOR THE PROPERTY FOR THE MOST RECENT TWELVE (12) MONTHS, (II) A CURRENT TENANT RENT ROLL, AND (III) THE MOST RECENT PROPERTY TAX BILLS, AND TO CONDUCT SUCH OTHER TESTS, INVESTIGATIONS AND REVIEW AS BUYER DEEMS NECESSARY. BUYER ACKNOWLEDGES THAT SELLER HAS NOT YET, OR ONLY RECENTLY, ACQUIRED THE PROPERTY AND HAS LIMITED KNOWLEDGE REGARDING THE CONDITION OF THE PROPERTY.

7.3 NO TAX REPRESENTATIONS. EXCEPT AS PROVIDED IN THE OPINION ATTACHED AS AN EXHIBIT TO THE MEMORANDUM, BUYER REPRESENTS AND WARRANTS THAT IT IS NOT RELYING UPON ANY ADVICE OR ANY INFORMATION OR MATERIAL FURNISHED BY SELLER OR ITS REPRESENTATIVES, WHETHER ORAL OR WRITTEN, EXPRESSED OR IMPLIED, OF ANY NATURE WHATSOEVER REGARDING ANY TAX MATTERS, INCLUDING WITHOUT LIMITATION, A DECISION BY BUYER TO EFFECT A TAX-DEFERRED EXCHANGE UNDER INTERNAL REVENUE CODE ("IRC") SECTION 1031, AS AMENDED. BUYER ACKNOWLEDGES THAT THE TAX OPINION IS TAX COUNSEL'S VIEW OF THE ANTICIPATED TAX TREATMENT AND THERE IS NO GUARANTY THAT THE IRS WILL AGREE WITH SUCH OPINION. BUYER FURTHER REPRESENTS AND WARRANTS THAT IT HAS INDEPENDENTLY OBTAINED ADVICE FROM ITS OWN INDEPENDENT LEGAL COUNSEL AND/OR TAX ACCOUNTANT REGARDING ANY SUCH TAX-DEFERRED EXCHANGE, INCLUDING, WITHOUT LIMITATION, WHETHER THE ACQUISITION OF THE INTEREST PURSUANT TO THIS AGREEMENT MAY QUALIFY AS PART OF A TAX-DEFERRED EXCHANGE, AND BUYER IS RELYING SOLELY ON SUCH ADVICE.

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

7.5 Additional Buyer Representations, Warranties, and Acknowledgements. Buyer hereby represents and warrants to Seller that the following are true and correct on the date of this Agreement and shall be true and correct as of the Closing Date.

7.5.1 Buyer acknowledges that it has received, read, and fully understands the Memorandum and all attachments and exhibits thereto. Buyer acknowledges that it is basing its decision to invest in the Interest on the Memorandum and all exhibits and attachments thereto and Buyer has relied only on the information contained in said materials and the advice of Buyer's legal counsel, accountants, or other financial or tax advisors with respect to the legal, tax, and other consequences of acquiring the Interest, and that no other person has made any representation to the Buyer regarding the Interest or the Property. Buyer recognizes that an investment in the Interest involves substantial risk and Buyer is fully cognizant of and understands all of the risk factors related to the purchase of the Interest, including, but not limited to, those risks set forth in the section of the Memorandum entitled "RISK FACTORS."

7.5.2 Buyer is an "Accredited Investor" as defined under Rule 501(a) of Regulation D or is acquiring the Interest in a fiduciary capacity for a person meeting the definition of an "Accredited Investor." Buyer's overall commitment to investments that are not readily marketable is not disproportionate to its individual net worth, and its investment in the Interest will not cause such overall commitment to become excessive. Buyer has adequate means of providing for its financial requirements, both current and anticipated, and has no need for liquidity in this investment. Buyer can bear and is willing to accept the economic risk of losing its entire investment in the Interest.

7.5.3 Buyer acknowledges that the Signatory Trustee and/or the Managing Broker Dealer may require Buyer to provide additional documentation, including bank statements, tax returns, other forms of evidence of net worth or income, or an accreditation letter signed by an appropriate third-party representative to independently verify that Buyer qualifies as an "Accredited Investor" and, in such event, Buyer agrees to provide such documentation.

7.5.4 All information that Buyer has provided to Seller concerning its suitability to invest in the Interest is complete, accurate, and correct as of the date of its signature on the last page of this Agreement. Buyer hereby agrees to notify Seller immediately of any material change in any such information occurring prior to the Closing Date, including any information about changes concerning its net worth and financial position.

7.5.5 Buyer has had the opportunity to ask questions of, and receive answers from, the Seller, the Depositor, and their members, managers, officers, employees and Affiliates, concerning the Property and the terms and conditions of the offering of the Interest, and to obtain any additional information deemed necessary to verify the accuracy of the information contained in the Memorandum. Buyer has been provided with all materials and information requested by either Buyer or others representing Buyer, including any information requested to verify any information furnished Buyer.

7.5.6 Buyer is purchasing the Interest for Buyer's own account and for investment purposes only and has no present intention, agreement or arrangement for the distribution, transfer, assignment, resale or subdivision of the Interest. Buyer understands that, due to the restrictions referred to in Section 7.5.7 below, and the lack of any market existing or to exist for the Interest, Buyer's investment in the Interest will be highly illiquid and may have to be held indefinitely.

7.5.7 Buyer understands that, if the Interest is ever certificated, legends will be placed on such certificate with respect to restrictions on distribution, transfer, resale, assignment or subdivision of the Interest imposed by applicable federal and state securities laws. Buyer is fully aware that the Interest has not been registered with the Securities and Exchange Commission in reliance on the exemptions specified in Regulation D issued by the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended, which reliance is based in part upon Buyer's representations set forth herein. Buyer understands that the Interest has not been registered under applicable state securities laws and is being offered and sold pursuant to the exemptions specified in said laws, and unless it is registered, it may not be re-offered for sale or resold except in a transaction or as a security exempt under those laws. Buyer further understands that the specific approval of such resales by the state securities administrator may be required in some states and that any transfer of the Interest must be made in accordance with the Trust Agreement.

7.5.8 BUYER UNDERSTANDS THAT SELLER HAS NOT OBTAINED A RULING FROM THE INTERNAL REVENUE SERVICE ("IRS") THAT THE INTEREST WILL BE TREATED AS AN UNDIVIDED INTEREST IN REAL PROPERTY AS OPPOSED TO A PARTNERSHIP INTEREST. BUYER UNDERSTANDS THAT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE INTEREST, ESPECIALLY THE TREATMENT OF THE TRANSACTION UNDER IRC SECTION 1031 AND THE RELATED TREASURY REGULATIONS, ARE COMPLEX AND VARY WITH THE FACTS AND CIRCUMSTANCES OF EACH INDIVIDUAL PURCHASER. BUYER SPECIFICALLY REPRESENTS AND WARRANTS THAT: (I) HE HAS CONSULTED HIS OWN INDEPENDENT TAX ADVISOR REGARDING AN INVESTMENT IN THE INTERESTS AND THE QUALIFICATION OF THE TRANSACTION UNDER SECTION 1031 AND APPLICABLE STATE TAX LAWS, (II) EXCEPT FOR THE TAX OPINION ATTACHED AS AN EXHIBIT TO THE MEMORANDUM, HE IS NOT RELYING ON SELLER, THE DST, DEPOSITOR ANY OF THEIR AFFILIATES, OR THEIR AGENTS, INCLUDING THEIR COUNSEL AND ACCOUNTANTS, OR ANY MEMBER OF THE SELLING GROUP FOR TAX ADVICE REGARDING THE QUALIFICATION OF THE INTERESTS UNDER SECTION 1031 OR ANY OTHER MATTER, (III) EXCEPT FOR THE TAX OPINION ATTACHED AS AN EXHIBIT TO THE MEMORANDUM, WHICH IS BASED ON NUMEROUS ASSUMPTIONS AND QUALIFICATIONS THAT MAY NOT BE APPLICABLE TO THE BUYER, HE IS NOT RELYING ON ANY STATEMENTS MADE IN THE MEMORANDUM REGARDING THE QUALIFICATION OF THE INTERESTS UNDER SECTION 1031, (IV) HE UNDERSTANDS THE TAX OPINION IS COUNSEL'S VIEW OF THE ANTICIPATED TAX TREATMENT AND THERE IS NO GUARANTY THAT THE IRS WILL AGREE WITH SUCH OPINION, (V) HE IS AWARE THAT THE IRS HAS ISSUED REVENUE RULING 2004-86, 2004-2 C.B. 191 SPECIFICALLY ADDRESSING DELAWARE STATUTORY TRUSTS, THE REVENUE RULING IS MERELY GUIDANCE AND IS NOT A "SAFE HARBOR" FOR TAXPAYERS AND, WITHOUT THE ISSUANCE OF A PRIVATE LETTER RULING ON A SPECIFIC OFFERING, THERE IS NO ASSURANCE THAT THE INTERESTS WILL NOT BE DEEMED PARTNERSHIP INTERESTS FOR FEDERAL INCOME TAX PURPOSES, AND (VI) HE SHALL, FOR FEDERAL INCOME TAX PURPOSES, REPORT THE PURCHASE OF THE INTEREST PURSUANT TO THIS AGREEMENT AS A PURCHASE OF A DIRECT OWNERSHIP INTEREST IN THE PROPERTY.

7.5.9 Buyer understands that none of the Seller, Depositor, DST or their members, managers, officers, employees or Affiliates, in-house legal counsel, outside legal counsel, or advisors represent Buyer in any way in connection with the purchase of the Interest and the entering into any of the related agreements associated with the purchase, including, but not limited to the Trust Agreement. Buyer also understands that in-house legal counsel and outside legal counsel to the Seller, Depositor, DST and their Affiliates do not represent, and shall not be deemed under the applicable codes of professional responsibility to have represented or to be representing, Buyer.

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

7.5.11 **Buyer hereby agrees to indemnify, defend and hold harmless the Seller, DST, Depositor, and each of their members, managers, officers, Affiliates and advisors (together, the "Indemnified Parties") of and from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs) that they may incur by reason of Buyer's failure to fulfill all of the terms and conditions of this Agreement or by reason of the untruth or inaccuracy of any of the representations, warranties, covenants or agreements contained herein or in any other documents Buyer has furnished to any of the foregoing in connection with this transaction. This indemnification includes, but is not limited to, any damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs) incurred by 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 Buyer has furnished to any of the foregoing in connection with this transaction. In addition, if any person asserts a claim to a real estate brokerage commission or finder's fee pursuant to a relationship with the Buyer in connection with the Buyer's purchase of an Interest, Buyer shall indemnify and hold harmless the Indemnified Parties from and against any such claim.

7.5.12 Buyer acknowledges that the Interest being acquired will be governed by the terms and conditions of the Trust Agreement, and under certain circumstances by the limited liability company agreement contemplated by the Trust Agreement, both of which the Buyer accepts and by which Buyer agrees by execution of this Agreement to be legally bound notwithstanding that his signature may not be required on either agreement.

7.5.13 Buyer agrees not to sell or transfer the Interest 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 or a plan within the meaning of IRC Section 4975(e)(1) that is subject to IRC Section 4975 (a "plan"), including a qualified plan (any pension, profit sharing, or stock bonus plan that is qualified under IRC Section 401(a)) or an individual retirement account; (ii) any person that is directly or indirectly acquiring the Interest on behalf of, as an investment manager of, as a 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.

7.5.14 Buyer agrees that the information in the Memorandum, including but not limited to Property-related information, reports, summaries, and other agreements, documents, and other written or oral information with respect to the proposed purchase of the Interest is confidential ("Confidential Information"). Buyer acknowledges and agrees that such Confidential Information is intended for the Buyer's limited use and benefit in determining his desire to purchase the Interest and that Buyer will keep such information permanently confidential and not disclose or divulge any Confidential Information to, or reproduce any Confidential Information for the benefit of, any person other than those individuals who are actively and directly participating in the analysis of the proposed investment on behalf of the Buyer and who have been informed of the confidential nature of such information.

7.5.15 Buyer acknowledges and agrees that Seller has the unconditional right to accept or reject any offer to purchase the Interest.

7.5.16 Buyer represents and warrants that (i) if an individual, the Buyer is at least nineteen (19) years of age; (ii) if an individual, the Buyer is a United States citizen; (iii) the Buyer has adequate means of providing for his current financial needs; (iv) the Buyer has no need for liquidity in Buyer's investment in the Interest; (v) all of Buyer's investments in and commitments to illiquid investments are, and following the purchase of the Interest will be, reasonable in relation to the Buyer's net worth and financial needs; and (vi) all personal and financial information provided by Buyer to Seller, or subsequently provided, does or will accurately reflect the Buyer's financial condition.

7.5.17 Within three (3) days after receipt of a written request from Seller, Buyer agrees to provide such information and to execute and deliver such documents as may be reasonably necessary to comply with any and all laws and regulations to which Seller or Buyer is subject.

7.6 The representations and warranties of Buyer set forth herein above shall survive the Closing or termination of this Agreement.

7.7 Seller hereby represents and warrants to Buyer that the following are true and correct as of the date of this Agreement and shall be true and correct as of the Closing Date:

7.7.1 Except as otherwise disclosed to Buyer in writing, Seller has not received any written notice of any violation of any applicable governmental licenses, permits or other approvals with respect to the Property or any violation of building codes and/or zoning ordinances or any other applicable laws, statutes, ordinances or other governmental regulations, including without limitation, laws, statutes, ordinances and governmental regulations with respect to hazardous or toxic substances and the protection of the environment, with respect to the Property.

7.7.2 Except as otherwise disclosed to Buyer in writing, there are no pending or, to Seller's knowledge, threatened condemnation suits or actions with respect to the Property.

7.7.3 To the best of Seller's knowledge, no fact or condition exists that would or could result in the termination or impairment of the furnishing of service to the Property of water, sewer, gas, electric, telephone, drainage or other such utility services.

7.7.4 Seller has received no written notice from any insurance carrier alleging any defects or inadequacies in the Property that, if not corrected, would result in termination of insurance coverage or an increase in the normal and customary cost of any or all of its insurance policies.

7.7.5 Except as otherwise disclosed to Buyer in writing, Seller has not received any material written notice from any governmental agency of any violation of the Property with the requirements of the Americans With Disabilities Act of 1990 (42 U.S.C. §12101, et. seq.), any state and local laws and ordinances related to access for disabled or handicapped person(s) (or any other similar laws or ordinances applicable to the Property) or any rules, regulations and orders issued pursuant to any of the foregoing, including, without limitation, the Americans With Disabilities Act Accessibility Guidelines for Buildings and Facilities.

7.8 The representations and warranties of Seller set forth herein above shall survive the Closing or termination of this Agreement.

8. General Provisions.

8.1 Interpretation. The use herein of (i) one gender includes the masculine and the feminine, (ii) the singular number includes the plural, whenever the context so requires and (iii) the words I and me include we and us if Buyer is more than one person. Captions in this Agreement are inserted for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or any of the terms hereof. All exhibits referred to herein and attached hereto are incorporated by reference. This Agreement together with the other Transaction Documents contain the entire agreement between the parties relating to the transactions contemplated hereby, and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein.

8.2 Modification. No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by the party against which the enforcement thereof is or may be sought.

8.3 Cooperation. Buyer and Seller acknowledge that it may be necessary to execute documents other than those specifically referred to herein to complete the acquisition of the Interest as provided herein. Buyer and Seller agree to cooperate with each other in good faith by executing such other documents or taking such other action as may be reasonably necessary to complete this transaction in accordance with the parties' intent evidenced in this Agreement.

8.4 Assignment. Buyer shall not assign its rights under this Agreement to any person except for Accommodator without first obtaining Seller's written consent, which consent may be withheld in Seller's sole and absolute discretion. No such assignment shall operate to release the assignor from the obligation to perform all obligations of Buyer hereunder. Seller shall have the absolute right to assign its rights and obligations under this Agreement.

8.5 Notices. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be addressed as follows:

If to Seller, to:

CS1031 Texas Active Living New Braunfels, DST

c/o Capital Square Realty Advisors, LLC
4851 Lake Brook Drive
Glen Allen, Virginia 23060
Attn: DST Closing Department

If to Buyer, to Buyer's Address. Either party may change such address by written notice to the other party. Unless otherwise specifically provided for herein, all notices, payments, demands or other communications given hereunder shall be deemed to have been duly given and received: (i) upon personal delivery, or (ii) as of the third business day after mailing by United States registered or certified mail, return receipt requested, postage prepaid, addressed as set forth above, or (iii) the immediately succeeding Business Day after deposit with FedEx or other similar overnight delivery system.

8.6 Eminent Domain. If, prior to the Closing, the Property is taken or appropriated by any public or quasi-public authority under the power of eminent domain or Seller receives actual notice of any pending or threatened condemnation proceedings affecting the Property, then Buyer may terminate this Agreement without further liability hereunder and the parties shall proceed in accordance with Section 2.4.

8.7 Loss or Damage. Buyer shall have no right to terminate this Agreement in the event of any loss or damage to the Property, provided that Buyer shall have the right to receive an assignment of any insurance proceeds received by Seller, based on the percentage interest in the DST represented by the Interest, with respect to such loss upon the Closing. The parties acknowledge and agree in no event shall the Closing be extended due to any such loss or damage. Notwithstanding the foregoing, the assignment of any insurance proceeds as provided herein shall not include any proceeds received for items not related to the physical condition of the Property, such as proceeds from Seller's business interruption insurance, if any.

8.8 Periods of Time. All time periods referred to in this Agreement include all Saturdays, Sundays, and state or federal holidays, unless Business Days are specified, provided that if the date or last date to perform any act or give any notice with respect to this Agreement falls on a Saturday, Sunday, or state or federal holiday, such act or notice may be timely performed or given on the next succeeding Business Day.

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

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

8.11 Joint and Several Liability. If any party consists of more than one person or entity, the liability of each such person or entity signing this Agreement shall be joint and several.

8.12 Choice of Law. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia, without regard to its conflict of laws principles.

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

8.14 Third-Party Beneficiaries. Buyer and Seller do not intend to benefit any party (including any other purchaser of an Interest) that is not a party to this Agreement and no such party shall be deemed to be a third-party beneficiary of this Agreement or any provision hereof.

8.15 Severability. If any term, covenant, condition, provision or agreement herein contained is held to be invalid, void or otherwise unenforceable by any court of competent jurisdiction, such fact shall in no way affect the validity or enforceability of the other portions of this Agreement.

8.16 Election to Effect an Internal Revenue Code Section 1031 Exchange. In the event Buyer so elects, Seller agrees to accommodate Buyer in effecting a tax-deferred exchange under IRC Section 1031, as

amended. Buyer shall have the right to elect a tax-deferred exchange at any time prior to the Closing Date. If Buyer elects to effect a tax-deferred exchange, Seller agrees to execute revised or additional instructions, documents, agreements, or instruments to effect the exchange, provided that Seller shall incur no additional costs, expenses, fees or liabilities, nor shall the Closing be delayed, as a result of the exchange. Buyer may assign this Agreement to an Accommodator in order to effect such exchange and, thereafter, such assignee will perform Buyer's obligations under this Agreement.

8.17 Binding Agreement. Subject to any limitation on assignment set forth herein, all terms of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective legal representatives, successors and assigns.

8.18 ARBITRATION OF DISPUTES.

8.18.1 ALL CLAIMS SUBJECT TO ARBITRATION. ANY DISPUTE, CONTROVERSY OR OTHER CLAIM ARISING UNDER, OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, OR ANY AMENDMENT THEREOF, OR THE BREACH OR INTERPRETATION HEREOF OR THEREOF, SHALL BE DETERMINED AND SETTLED BY BINDING ARBITRATION IN THE COUNTY OF HENRICO, COMMONWEALTH OF VIRGINIA, BEFORE A SOLE ARBITRATOR, ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION IN ACCORDANCE WITH ITS ARBITRATION RULES FOR THE REAL ESTATE INDUSTRY. THE SUBSTANTIALLY PREVAILING PARTY SHALL BE ENTITLED TO AN AWARD OF ITS REASONABLE COSTS AND EXPENSES INCLUDING BUT NOT LIMITED TO ATTORNEY'S FEES AND COSTS. ANY AWARD RENDERED THEREIN SHALL BE FINAL AND BINDING ON EACH AND ALL OF THE PARTIES THERETO AND THEIR PERSONAL REPRESENTATIVES, AND JUDGMENT MAY BE ENTERED THEREON IN ANY COURT OF COMPETENT JURISDICTION.

8.18.2 WAIVER OF LEGAL RIGHTS. THE PARTIES ACKNOWLEDGE AND AGREE TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THIS ARTICLE DECIDED BY NEUTRAL ARBITRATION AS PROVIDED UNDER VIRGINIA LAW AND THAT THEY ARE WAIVING ANY RIGHTS THEY MAY POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR BY JURY TRIAL. THE PARTIES FURTHER ACKNOWLEDGE AND AGREE THAT THEY ARE WAIVING THEIR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL EXCEPT TO THE EXTENT SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THIS ARTICLE. IF EITHER PARTY REFUSES TO SUBMIT TO ARBITRATION AFTER EXECUTION OF THIS AGREEMENT AND INITIALING BELOW, SUCH PARTY MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF VIRGINIA LAW. EACH PARTY'S AGREEMENT TO THIS ARTICLE IS VOLUNTARY. THE PARTIES HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THIS ARTICLE TO NEUTRAL ARBITRATION.

8.19 ACCEPTANCE OR REJECTION OF BUYER'S OFFER. THIS AGREEMENT DOES NOT CONSTITUTE AN OFFER OF ANY KIND BY SELLER AND SHALL NOT BIND SELLER UNLESS DULY EXECUTED AND DELIVERED BY SELLER. TO SUBMIT AN OFFER, BUYER SHALL DELIVER TO SELLER (1) THREE COMPLETED AND EXECUTED ORIGINALS OF THIS AGREEMENT, (2) CASH IN THE AMOUNT OF BUYER'S DEPOSIT, AND (3) THE PURCHASER QUESTIONNAIRE. SELLER SHALL HAVE THIRTY (30) DAYS TO EITHER ACCEPT OR REJECT BUYER'S OFFER. IF SELLER DOES NOT ACCEPT BUYER'S OFFER WITHIN SUCH THIRTY (30)-DAY PERIOD, THE OFFER SHALL BE DEEMED REJECTED. IN THE EVENT THE OFFER IS REJECTED, BUYER'S DEPOSIT SHALL BE RETURNED TO BUYER WITHOUT INTEREST AND THIS AGREEMENT SHALL NOT BECOME EFFECTIVE.

8.20 Non-Disclosure. Except as expressly provided otherwise in this Agreement, neither party shall make public disclosure with respect to this transaction before the Closing is completed, except to such attorneys, accountants, present or prospective sources of financing, partners, directors, officers, managers, employees and representatives of either party or of such party's advisors who need to know such information for the purpose of evaluating and consummating this transaction, or as may otherwise be required by applicable law.

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

SELLER:

CS1031 Texas Active Living New Braunfels, DST,
a Delaware statutory trust

By: CS1031 Texas Active Living New Braunfels ST, LLC,
a Delaware limited liability company
Its: Signatory Trustee

By: Louis J. Rogers
Its: Director

Dated: _____ ___, 20___

BUYER:

_____
_____

By: _____

Dated: _____ ___, 20___

PARTIES MUST ALSO INITIAL SECTION 6.1
BUYER MUST ALSO INITIAL FRONT PAGE

LIST OF EXHIBITS

Exhibit A ..... Legal Description of the Property

Exhibit B..... Defined Terms

Exhibit C..... Wiring Instructions

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

TRACT 1:
Being Lot 1, Block 1, EMERALD COTTAGES AT WV, a Subdivision in Comal County, Texas, according to the plat thereof recorded in Document No. 201506042067, of the Map and Plat Records of Comal County, Texas.

TRACT 2:
Non-exclusive easements as created and defined in that certain Shared Access Easement and Road Construction Agreement executed by Westpointe Commercial, Ltd. and TSL NB Invest Co, LLC, dated January 29, 2014, filed January 31, 2014, and recorded in Document No. 201406003360, Official Public Records, Comal County, Texas.

TRACT 3:
Non-exclusive easements as created and defined in that certain Shared Access Easement and Road Construction Agreement executed by Westpointe Commercial, Ltd., Orion Sky Development Co., L.L.C. and Emerald Cottages of New Braunfels, Ltd., dated October 23, 2015, filed October 29, 2015 and recorded in Document No. 201506043889, Official Public Records, Comal County, Texas.

TRACT 4:
Non-exclusive easements as created and defined in that certain Declaration of Easements, Covenants, Conditions and Maintenance Agreement for Water Quality Facilities executed by Westpointe Commercial, Ltd., Orion Sky Development Co., L.L.C. and Emerald Cottages of New Braunfels, Ltd., dated October 23, 2015, filed October 29, 2015 and recorded in Document No. 201506043888, Official Public Records, Comal County, Texas.

EXHIBIT B

DEFINED TERMS

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

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

"Buyer's Address" means the address listed in the Contact Information Section of the Purchaser Questionnaire submitted by the Buyer.

"Cash" shall mean (i) currency of the United States of America, (ii) cashier's check(s) currently dated and payable to Seller, as required under this Agreement, drawn and paid through a banking or savings and loan institution, tendered to Seller, as required under this Agreement at least two (2) Business Days before funds are otherwise required to be delivered under this Agreement, or (iii) an amount credited by wire transfer to Seller's bank account, as required under this Agreement.

"Closing" means the date and time the Seller disburses funds upon satisfaction of the conditions described in Section 3.1 of this Agreement.

"Closing Date" is anticipated to be on or about _____, 20__, or such earlier date as agreed to by Buyer and Seller.

"Contribution Agreement" means that certain agreement of contribution to the Trust pursuant to which Depositor contributes the Property or the right to acquire the Property to the DST.

"Delaware Trustee" means Sorensen Entity Services LLC.

"Deposit" means a payment in the amount of $5,000.

"Depositor" means CS1031 Texas Active Living New Braunfels Holdings, LLC, a Delaware limited liability company.

"DST" means CS1031 Texas Active Living New Braunfels, DST, a Delaware statutory trust.

"Interest" means the beneficial interest in the DST described in Section 1.1.

"Master Lease" means that certain Master Lease between the DST, as landlord, and the Master Tenant, as tenant, with respect to the Property.

"Master Tenant" means CS1031 Texas Active Living New Braunfels Master Lessee, LLC, a Delaware limited liability company.

"Memorandum" means the Confidential Private Placement Memorandum for beneficial interests in CS1031 Texas Active Living New Braunfels, DST, dated September 24, 2026, as supplemented from time to time, with all exhibits thereto.

"Property" shall mean the following real estate and improvements: 3025 Oak Run Parkway, New Braunfels, Texas 78132, as more particularly described in Exhibit A.

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

"Segregated Account" means the account listed on Exhibit C.

"Seller" shall mean CS1031 Texas Active Living New Braunfels ST, LLC, a Delaware limited liability company, in its capacity as Signatory Trustee of the DST.

"Signatory Trustee" means CS1031 Texas Active Living New Braunfels ST, LLC, a Delaware limited liability company.

"Transaction Documents" means this Agreement and the Trust Agreement.

EXHIBIT C

WIRING INSTRUCTIONS

Bank:	KeyBank, N.A. 4910 Tiedeman Road Brooklyn, OH 44144
ABA Routing Number:	041001039
Account Name:	CS1031 Texas Active Living New Braunfels, DST – Segregated Account
Account Number:	_____
Investor Name:	_____
Investor Number:	_____

EXHIBIT F

PROJECTIONS

CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS, DST INVESTMENT SUMMARY

PROPERTY SUMMARY

Property Name	Emerald Cottages of New Braunfels
Property Location	3025 Oak Run Parkway, New Braunfels, TX
Purchase Price (Unloaded)	$31,075,000
Total Units	72
Cap Rate (Unloaded)	5.45%
Price/Unit	$431,597

OFFERING DETAILS

Offering Price	$37,350,000
Cap Rate (Loaded)	4.53%

FINANCING TERMS

No Debt - This is an All-Cash Transaction

INCOME & EXPENSE SUMMARY- YEAR 1

Net Operating Income - Year 1	$1,693,122
Non-Operating Expenses	
Bank Charges	$4,200
Signatory Trustee Fee	$1,800
Total	$6,000
Cash Avail. for Master Lease Rent	**$1,687,122**

MASTER LEASE SUMMARY- YEAR 1

Master Lease Payments - Year 1	
Annual Base Rent	$1,661,815
Total Master Lease Rent Payments	$1,661,815
Estimated Cash on Cash Return – Year 1	**4.45%**

ESTIMATED USE OF PROCEEDS

OFFERING EXPENSES

Selling Commissions	$2,241,000
Broker-Dealer Allowance	$373,500
O&O Expenses	$466,875
Wholesaling Fee	$373,500
Dealer Management	$149,400
Total Offering Expenses	$3,604,275

ACQUISITION & DUE DILIGENCE FEE

Acquisition Fee	$621,500
CapEx Due Diligence & Assessment	$25,000
Total Acquisition and Loan Fee	$646,500

TOTAL ACQUISITION COST

Down Payment	$31,075,000
Closing Costs	$50,000
Legal	$25,000
DST Admin, Accounting & Investor Services	$27,500
Title Expenses & Recordation Tax	$46,613
Sponsor Credit Facility Carry	$699,925
Total Acquisition Costs	$31,924,038

CLOSING COSTS

Third Party Due Diligence Expenses	$50,000

RESERVES

Capital Expense Reserve	$720,000
Investor Reserves	$155,188
Startup Costs & Prepaid Interest, Insurance & Taxes	$250,000
Total Reserves/Escrows	$1,125,188
TOTAL USE OF EQUITY PROCEEDS	**$37,350,000**

CS1031 TEXAS ACTIVE LIVING NEW BRAUNFELS, DST INVESTMENT SUMMARY

ANNUAL CASH FLOW

Forecasted Statement of Cash Flows **For Year Ending**		**Year 1** **9/30/2027**	**Year 2** **9/30/2028**	**Year 3** **9/30/2029**	**Year 4** **9/30/2030**	**Year 5** **9/30/2031**	**Year 6** **9/30/2032**	**Year 7** **9/30/2033**	**Year 8** **9/30/2034**	**Year 9** **9/30/2035**	**Year 10** **9/30/2036**
Revenues	$/Unit										
Base Rental Revenue	$41,543	$ 2,991,064	$ 3,080,796	$ 3,173,220	$ 3,268,417	$ 3,366,469	$ 3,467,463	$ 3,571,487	$ 3,678,632	$ 3,788,991	$ 3,902,661
Gross Potential Rent	$41,543	$ 2,991,064	$ 3,080,796	$ 3,173,220	$ 3,268,417	$ 3,366,469	$ 3,467,463	$ 3,571,487	$ 3,678,632	$ 3,788,991	$ 3,902,661
Vacancy Loss	($2,908)	$ (209,375)	$ (154,040)	$ (158,661)	$ (163,421)	$ (168,323)	$ (173,373)	$ (178,574)	$ (183,932)	$ (189,450)	$ (195,133)
Model Unit	($577)	$ (41,543)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Credit Loss	($104)	$ (7,478)	$ (7,702)	$ (7,933)	$ (8,171)	$ (8,416)	$ (8,669)	$ (8,929)	$ (9,197)	$ (9,472)	$ (9,757)
Net Rental Income	($3,589)	$ 2,732,670	$ 2,919,054	$ 3,006,626	$ 3,096,825	$ 3,189,730	$ 3,285,421	$ 3,383,984	$ 3,485,504	$ 3,590,069	$ 3,697,771
Other Income	$50	$ 3,605	$ 3,713	$ 3,825	$ 3,939	$ 4,057	$ 4,179	$ 4,305	$ 4,434	$ 4,567	$ 4,704
Effective Gross Income	**$38,004**	**$ 2,736,275**	**$ 2,922,768**	**$ 3,010,451**	**$ 3,100,764**	**$ 3,193,787**	**$ 3,289,601**	**$ 3,388,289**	**$ 3,489,937**	**$ 3,594,635**	**$ 3,702,475**
Operating Expenses											
Payroll and Benefits	$2,104	$ 151,500	$ 155,288	$ 159,170	$ 163,149	$ 167,228	$ 171,408	$ 175,694	$ 180,086	$ 184,588	$ 189,203
Advertising and Leasing	$296	$ 21,300	$ 21,833	$ 22,378	$ 22,938	$ 23,511	$ 24,099	$ 24,701	$ 25,319	$ 25,952	$ 26,601
Repairs and Maintenance	$648	$ 46,620	$ 47,786	$ 48,980	$ 50,205	$ 51,460	$ 52,746	$ 54,065	$ 55,417	$ 56,802	$ 58,222
General and Administrative	$400	$ 28,800	$ 29,520	$ 30,258	$ 31,014	$ 31,790	$ 32,585	$ 33,399	$ 34,234	$ 35,090	$ 35,967
Turnover	$186	$ 13,392	$ 13,727	$ 14,070	$ 14,422	$ 14,782	$ 15,152	$ 15,531	$ 15,919	$ 16,317	$ 16,725
Contract Services	$642	$ 46,200	$ 47,355	$ 48,539	$ 49,752	$ 50,996	$ 52,271	$ 53,578	$ 54,917	$ 56,290	$ 57,697
Total Controllable Expenses	$4,275	$ 307,812	$ 315,507	$ 323,395	$ 331,480	$ 339,767	$ 348,261	$ 356,968	$ 365,892	$ 375,039	$ 384,415
Property Management Fee	$1,140	$ 82,088	$ 87,683	$ 90,314	$ 93,023	$ 95,814	$ 98,688	$ 101,649	$ 104,698	$ 107,839	$ 111,074
Utilities	$3,267	$ 235,200	$ 241,080	$ 247,107	$ 253,285	$ 259,617	$ 266,107	$ 272,760	$ 279,579	$ 286,568	$ 293,733
Insurance	$775	$ 55,800	$ 58,590	$ 61,520	$ 64,595	$ 67,825	$ 71,217	$ 74,777	$ 78,516	$ 82,442	$ 86,564
Real Estate Taxes	$5,031	$ 362,253	$ 383,736	$ 390,501	$ 401,240	$ 416,322	$ 433,005	$ 450,359	$ 468,409	$ 487,184	$ 506,713
Total Non-Controllable Expenses	$10,213	$ 735,341	$ 771,089	$ 789,441	$ 812,143	$ 839,578	$ 869,017	$ 899,545	$ 931,202	$ 964,034	$ 998,084
Total Operating Expenses	**$14,488**	**$ 1,043,153**	**$ 1,086,596**	**$ 1,112,836**	**$ 1,143,623**	**$ 1,179,345**	**$ 1,217,278**	**$ 1,256,512**	**$ 1,297,094**	**$ 1,339,073**	**$ 1,382,499**
Net Operating Income	**$23,516**	**$ 1,693,122**	**$ 1,836,171**	**$ 1,897,614**	**$ 1,957,142**	**$ 2,014,442**	**$ 2,072,322**	**$ 2,131,777**	**$ 2,192,843**	**$ 2,255,563**	**$ 2,319,975**
	YOC	*5.45%*	*5.91%*	*6.11%*	*6.30%*	*6.48%*	*6.67%*	*6.86%*	*7.06%*	*7.26%*	*7.47%*
Non-Operating Expenses											
DST & Admin Fee	$0	$ -	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Signatory Trustee Fee	$25	$ 1,800	$ 1,800	$ 1,800	$ 1,800	$ 1,800	$ 1,800	$ 1,800	$ 1,800	$ 1,800	$ 1,800
Bank Charges	$58	$ 4,200	$ 4,200	$ 4,200	$ 4,200	$ 4,200	$ 4,200	$ 4,200	$ 4,200	$ 4,200	$ 4,200
Asset Management Fee	$0	$ -	$ 46,688	$ 65,363	$ 93,375	$ 93,375	$ 93,375	$ 93,375	$ 93,375	$ 93,375	$ 93,375
Other Payments Before Debt Service											
Capital Expenses	$1,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000
Trust Capital Expense Reserve Draws	($1,000)	$ (72,000)	$ (72,000)	$ (72,000)	$ (72,000)	$ (72,000)	$ (72,000)	$ (72,000)	$ (72,000)	$ (72,000)	$ (72,000)
Net Cash Flow	**$23,432**	***$ 1,687,122***	***$ 1,758,484***	***$ 1,801,252***	***$ 1,832,767***	***$ 1,890,067***	***$ 1,947,947***	***$ 2,007,402***	***$ 2,068,468***	***$ 2,131,188***	***$ 2,195,600***

MASTER LEASE RECAP

Annual Rent ($)	***$ 1,661,815***	***$ 1,732,107***	***$ 1,774,233***	***$ 1,805,275***	***$ 1,861,716***	***$ 1,918,728***	***$ 1,977,290***	***$ 2,037,441***	***$ 2,099,220***	***$ 2,162,666***
Annual Rent (% of Equity)	***4.45%***	***4.64%***	***4.75%***	***4.83%***	***4.98%***	***5.14%***	***5.29%***	***5.45%***	***5.62%***	***5.79%***

Cumulative Cash Flow Returns	$ 19,030,493
Average Annual Cash on Cash Return	5.10%
Holding Period	10 Years

FORECASTED TRUST RESERVE ACCOUNTS INFLOWS/OUTFLOWS

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Forecasted Reserve Account											
Offering Reserves		$ 155,188									
Sponsor Cap Ex Reserve (held in investor reserves)		$ 720,000									
Total Beginning Balance	$12,155 /Unit	$ 875,188	$ 803,188	$ 731,188	$ 659,188	$ 587,188	$ 515,188	$ 443,188	$ 371,188	$ 299,188	$ 227,188
Reserve Inflows (+)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reserve Outflows (-)		$ (72,000)	$ (72,000)	$ (72,000)	$ (72,000)	$ (72,000)	$ (72,000)	$ (72,000)	$ (72,000)	$ (72,000)	$ (72,000)
Ending Balance - Paid to Investors at Disposition if unused		$ 803,188	$ 731,188	$ 659,188	$ 587,188	$ 515,188	$ 443,188	$ 371,188	$ 299,188	$ 227,188	$ 155,188

10 YEAR DISPOSITION ANALYSIS

Projected Holding Period	10 Years
Projected Sales Date	Sep-2036

Disposition Value Calculation

NOI - Year of Disposition	$ 2,389,574	$ 2,389,574	$ 2,389,574
Terminal Cap Rate	**5.45%**	**5.70%**	**5.95%**
Terminal Sales Price	$ 43,857,461	$ 41,933,383	$ 40,171,032
$/Unit	$ 609,131	$ 582,408	$ 557,931
Less: Estimated Closing Costs			
Broker's Fee (1.0%)	$ 438,575	$ 419,334	$ 401,710
Closing Costs (0.5%)	$ 219,287	$ 209,667	$ 200,855
Subtotal	$ 657,862	$ 629,001	$ 602,565
Less: Sponsor Disposition Fee (2.95%)	$ 1,293,795	$ 1,237,035	$ 1,185,045
Net Sales Price	$ 41,905,804	$ 40,067,347	$ 38,383,421
Return of Initial Capital	$ 37,350,000	$ 37,350,000	$ 37,350,000
Net Sales Proceeds	$ 4,555,804	$ 2,717,347	$ 1,033,421
Investor Returns Analysis			
Cumulative Cash Flow Distributions	$ 19,030,493	$ 19,030,493	$ 19,030,493
Net Sales Proceeds	$ 4,555,804	$ 2,717,347	$ 1,033,421
Return of Reserves	$ 155,188	$ 155,188	$ 155,188
Total Returns	$ 23,741,485	$ 21,903,027	$ 20,219,101
Cumulative Equity Multiple	1.64x	1.59x	1.54x
Internal Rate of Return	5.98%	5.62%	5.28%

EXHIBIT G

SPONSOR AUDITED BALANCE SHEET

AVAILABLE UPON REQUEST

EXHIBIT H

AUDITED FULL-CYCLE MULTIFAMILY DST TRACK RECORD

CAPITAL SQUARE

Full-Cycle Multifamily DST Track Record

EXAMINED BY INDEPENDENT AUDIT FIRM

FEBRUARY 17, 2026

167.06%
Average Total Return

14.32%
Average Internal Rate of Return

4.9 Years
Average Hold Period

FULL-CYCLE MULTIFAMILY DST OFFERINGS

CS1031 Promenade at Newnan Apartments, DST

298-unit multifamily community in Newnan, Georgia

Acquisition Price:	$65.86 million
Total Investment Cost:	$73.47 million
Sale Price:	$79 million
Total Return:	143.03%
Internal Rate of Return:	8.03%
Annual Distribution Rate:	5.42%
Hold Period:	5.2 years
Acquisition Date:	October 5, 2020
Sale Date:	December 18, 2025

CS1031 Misty Ridge Apartments, DST

409-unit multifamily community in Woodbridge, Virginia

Acquisition Price:	$80.5 million
Total Investment Cost:	$93.47 million
Sale Price:	$100 million
Total Return:	144.41%
Internal Rate of Return:	7.09%
Annual Distribution Rate:	5.74%
Hold Period:	6.4 years
Acquisition Date:	July 31, 2019
Sale Date:	December 10, 2025

CS1031 Marina Pointe Apartments

308-unit multifamily community in Chattanooga, Tennessee

Acquisition Price:	$44.5 million
Total Investment Cost:	$53.65 million
Sale Price:	$57.5 million
Total Return:	139.89%
Internal Rate of Return:	8.00%
Annual Distribution Rate:	5.99%
Hold Period:	4.9 years
Acquisition Date:	October 13, 2020
Sale Date:	September 9, 2025

CS1031 Olde Towne Lofts Apartments, DST

223-unit multifamily property in Petersburg, Virginia

Acquisition Price:	$21.5 million
Total Investment Cost:	$24.784 million
Sale Price:	$27.25 million
Total Return:	152.53%
Internal Rate of Return:	7.82%
Annual Distribution Rate:	5.42%
Hold Period:	6.5 years
Acquisition Date:	June 20, 2018
Sale Date:	December 20, 2024

CS1031 Bedford Parke Apartments, DST

232-unit multifamily property in Warner Robins, Georgia

Acquisition Price:	$24.75 million
Total Investment Cost:	$29.215 million
Sale Price:	$38.3 million
Total Return:	200.44%
Internal Rate of Return:	15.82%
Annual Distribution Rate:	6.29%
Hold Period:	5.3 years
Acquisition Date:	July 3, 2019
Sale Date:	October 23, 2024

CS1031 Bellemeade Apartments, DST

316-unit multifamily property in Leesburg, VA

Acquisition Price:	$69.75 million
Total Investment Cost:	$79.437 million
Sale Price:	$83.9 million
Total Return:	136.64%
Internal Rate of Return:	6.61%
Annual Distribution Rate:	5.59%
Hold Period:	5.6 years
Acquisition Date:	February 9, 2019
Sale Date:	September 24, 2024

CS1031 High Ridge Apartments, DST

160-unit multifamily property in Athens, Georgia

Acquisition Price:	$15.5 million
Total Investment Cost:	$18.695 million
Sale Price:	$26.990 million
Total Return:	226.30%
Internal Rate of Return:	15.54%
Annual Distribution Rate:	6.26%
Hold Period:	6.5 years
Acquisition Date:	December 8, 2017
Sale Date:	May 23, 2024

CS1031 Richmond VA Apartments, DST

296-unit multifamily property in Chesterfield County, Virginia

Acquisition Price:	$39.5 million
Total Investment Cost:	$46.807 million
Sale Price:	$53.250 million
Total Return:	156.19%
Internal Rate of Return:	10.05%
Annual Distribution Rate:	5.57%
Hold Period:	5.2 years
Acquisition Date:	September 14, 2018
Sale Date:	December 12, 2023

CS1031 Saltmeadow Bay Apartments, DST

Class A multifamily property in Virginia Beach, Virginia

Acquisition Price:	$48.6 million
Total Investment Cost:	$55.6 million
Sale Price:	$72 million
Total Return:	181.93%
Internal Rate of Return:	20.07%
Annual Distribution Rate:	5.69%
Hold Period:	3.6 years
Acquisition Date:	August 12, 2019
Sale Date:	March 30, 2023

CS1031 Woodshire Apartments, DST

288-unit multifamily property in Virginia Beach, VA

Acquisition Price:	$42.8 million
Total Investment Cost:	$49.9 million
Sale Price:	$59.9 million
Total Return:	160.22%
Internal Rate of Return:	13.94%
Annual Distribution Rate:	5.73%
Hold Period:	4 years
Acquisition Date:	December 27, 2018
Sale Date:	December 16, 2022

CS1031 Hickory Creek Apartments, DST

294-unit multifamily property in Richmond, VA suburb

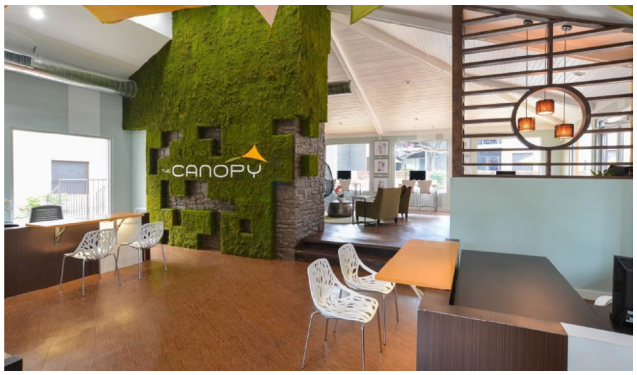
Acquisition Price:	$45.6 million
Total Investment Cost:	$52.9 million
Sale Price:	$65 million
Total Return:	162.61%
Internal Rate of Return:	16.45%
Annual Distribution Rate:	5.64%
Hold Period:	3.5 years
Acquisition Date:	April 23, 2019
Sale Date:	October 20, 2022

CS1031 Ivy Commons Apartments, DST

344-unit multifamily property in Marietta, Georgia

Acquisition Price:	$46.35 million
Total Investment Cost:	$53.2 million
Sale Price:	$75.5 million
Total Return:	201.60%
Internal Rate of Return:	20.22%
Annual Distribution Rate:	5.49%
Hold Period:	4.2 years
Acquisition Date:	July 26, 2018
Sale Date:	September 28, 2022

CS1031 Canopy Apartments, DST



220-unit multifamily property in San Antonio, Texas

Acquisition Price:	$18 million
Total Investment Cost:	$20.525 million
Sale Price:	$26.180 million
Total Return:	177.93%
Internal Rate of Return:	12.41%
Annual Distribution Rate:	5.73%
Hold Period:	5.5 years
Acquisition Date:	July 29, 2016
Sale Date:	February 16, 2022

CS1031 Fairway View Apartments, DST

243-unit multifamily property in Atlanta, GA suburb

Acquisition Price:	$28 million
Total Investment Cost:	$32.105 million
Sale Price:	$45.75 million
Total Return:	191.72%
Internal Rate of Return:	19.25%
Annual Distribution Rate:	5.99%
Hold Period:	4.1 years
Acquisition Date:	September 26, 2017
Sale Date:	October 28, 2021

CS1031 Kay Alexander Pointe Apartments, DST

232-unit multifamily property in Jacksonville, Florida

Acquisition Price:	$20.4 million
Total Investment Cost:	$24.026 million
Sale Price:	$41.350 million
Total Return:	260.84%
Internal Rate of Return:	25.84%
Annual Distribution Rate:	6.36%
Hold Period:	4.5 years
Acquisition Date:	February 15, 2017
Sale Date:	September 2, 2021

CSRA Galeria Del Rio, DST

101-unit multifamily property in Tucson, Arizona

Acquisition Price:	$19.3 million
Total Investment Cost:	$21.145 million
Sale Price:	$32.025 million
Total Return:	222.23%
Internal Rate of Return:	18.12%
Annual Distribution Rate:	5.76%
Hold Period:	5.3 years
Acquisition Date:	March 24, 2016
Sale Date:	July 14, 2021

CS1031 Kay Maple Springs Apartments, DST

268-unit multifamily property in Richmond, Virginia

Acquisition Price:	$23.95 million
Total Investment Cost:	$27.388 million
Sale Price:	$34.8 million
Total Return:	167.22%
Internal Rate of Return:	13.94%
Annual Distribution Rate:	6.29%
Hold Period:	4.4 years
Acquisition Date:	November 30, 2016
Sale Date:	April 13, 2021

CSRA Perry Place Apartments, DST

71-unit multifamily property in Richmond, Virginia

Acquisition Price:	$8.075 million
Total Investment Cost:	$9.35 million
Sale Price:	$11.40 million
Total Return:	143.54%
Internal Rate of Return:	8.70%
Annual Distribution Rate:	5.71%
Hold Period:	4.8 years
Acquisition Date:	December 30, 2015
Sale Date:	November 3, 2020

CSRA Candleglow Apartments, DST

152-unit multifamily property in Tampa, Florida

Acquisition Price:	$7.30 million
Total Investment Cost:	$8.495 million
Sale Price:	$13.825 million
Total Return:	253.31%
Internal Rate of Return:	21.31%
Annual Distribution Rate:	6.07%
Hold Period:	5.3 years
Acquisition Date:	May 28, 2015
Sale Date:	September 24, 2020

CSRA Ashford Club Apartments, DST

102-unit multifamily property in Tallahassee, Florida

Acquisition Price:	$8 million
Total Investment Cost:	$9.015 million
Sale Price:	$11.385 million
Total Return:	169.95%
Internal Rate of Return:	10.86%
Annual Distribution Rate:	6.75%
Hold Period:	6 years
Acquisition Date:	May 31, 2013
Sale Date:	May 24, 2019

CS1031 Crossroads Apartments, DST

316-unit multifamily property in Phoenix, Arizona

Acquisition Price:	$25.2 million
Total Investment Cost:	$28.62 million
Sale Price:	$33.5 million
Total Return:	145.25%
Internal Rate of Return:	18.35%
Annual Distribution Rate:	6.05%
Hold Period:	2.3 years
Acquisition Date:	August 30, 2016
Sale Date:	January 2, 2019

CSRA Bridgeview Apartments, DST

348-unit multifamily property in Tampa, Florida

Acquisition Price:	$31 million
Total Investment Cost:	$33.68 million
Sale Price:	$43 million
Total Return:	172.02%
Internal Rate of Return:	13.49%
Annual Distribution Rate:	6.34%
Hold Period:	4.8 years
Acquisition Date:	September 9, 2013
Sale Date:	July 11, 2018

ABOUT CAPITAL SQUARE

Capital Square is a national investment sponsor specializing in tax-advantaged real estate offerings, including Delaware statutory trusts, qualified opportunity zone funds, a real estate investment trust (REIT) and development funds. The firm is a leading sponsor of Delaware statutory trust offerings for investors seeking replacement property as part of a Section 1031 exchange and cash investors. Capital Square sponsors turn-key real estate investment offerings with low investment minimums to provide investors access to larger and higher quality real estate than they would be able to acquire on their own.

FOR SALES & OTHER INFORMATION, CONTACT:
Capital Square | 4851 Lake Brook Drive | Glen Allen, VA 23060
Toll Free: 877.626.1031 | Phone: 804.290.7900 | Fax: 804.888.7776 | www.CapitalSq.com

This document is dated February 17, 2026. Metrics related to full-cycle DST offerings with 2024 and 2025 sales dates were examined by Keiter. Metrics related to offerings with sale dates prior to 2024 were audited by Kostizka, Wicks and Company Certified Public Accountants in accordance with the cash basis of accounting.

Full-Cycle DST Track Record average metrics are based on weighted averages that treat each investment dollar equally and are calculated after summing the results of all Capital Square full-cycle deals. The "total investment cost" is equal to the maximum gross offering amount per the private placement memorandum. The "total return" represents the ratio of total sales proceeds and distributions through the life of the asset over the total initial equity invested. The "internal rate of return" is cash flow during the hold period of the investment; including initial investment, distributions and net sale proceeds. The "annual distribution rate" annualizes the monthly distributions paid to individual investors from property cash flows over the entire life cycle of the investment. These metrics represent the return for the investment on the whole. No representationis made that any investment will or is likely to achieve profits or losses similar to those achieved in the past or that losses will not be incurred.

Securities offered through WealthForge Securities, LLC, Member FINRA/SIPC. Capital Square and WealthForge Securities, LLC are separate entities. There are material risks associated with investing in DST properties and real estate securities including illiquidity, tenant vacancies, general market conditions and competition, lack of operating history, interest rate risks, the risk of new supply coming to market and softening rental rates, general risks of owning/operating commercial and multifamily properties, short term leases associated with multi-family properties, financing risks, potential adverse tax consequences, general economic risks, development risks, long hold periods, and potential loss of the entire investment principal. Past performance is not a guarantee of future results. Potential cash flow, returns and appreciation are not guaranteed. IRC Section 1031 is a complex tax concept; consult your legal or tax professional regarding the specifics of your particular situation. This is not a solicitation or an offer to see any securities Please read the Private Placement Memorandum (PPM) in its entirety, paying careful attention to the risk section prior to investing. Private placements are speculative.

WealthForge approval stamp number: 20260223-5243806-16535507

EXHIBIT I

AUDITED TRACK RECORD OF CAPITAL SQUARE-SPONSORED INVESTMENT OFFERINGS

CAPITAL SQUARE

Track Record

$8.9B+
in Real Estate Transacted

145+
Sponsored Investment Offerings

175+
Real Estate Assets

6,000+
Investors Served

$3,459,439,633
Equity Raised for All Offerings

OPEN INVESTMENT OFFERINGS

Offering	Date Real Estate Acquired	Status	Max Equity Raise
Asheville NC Apartment Portfolio, DST[1]	08/31/22	Open	$73,090,000
CSRA Opportunity Zone Fund IX, LLC	04/04/24	Open	$77,395,000
Zero Coupon DFW Hospitality, DST	08/19/25	Open	$9,230,000
Villages at Miami Gardens BFR Housing, DST	09/30/25	Open	$10,400,000
Capital Square Blue Horizons BFR Housing, LLC	12/17/25	Open	$24,066,000
Richmond Active Living Apartments, DST	12/17/25	Open	$33,300,000

CLOSED INVESTMENT OFFERINGS

Offering	Date Real Estate Acquired	Date Closed	Total Equity Raised	Number of Investors	Projected Distribution	Current Distribution
ECU MOB, DST[2]	08/30/13	09/24/13	$1,375,000	4	7.00%	4.95%
MOB TX Portfolio III, DST[3]	11/20/14	06/19/15	$9,475,000	42	6.50%	0.00%
MOB Portfolio II, DST[4]	09/25/14	07/10/15	$8,630,000	47	7.00%	0.00%
Richmond MOB, DST	09/18/15	11/18/15	$2,316,000	13	5.95%	5.95%
Columbus OH Fitness, DST[5]	09/14/15	12/27/16	$7,277,000	31	6.00%	0.00%
Tampa Pharma, DST	12/19/17	02/28/18	$3,671,000	11	6.15%	6.15%
California MOB I, DST	11/16/17	07/30/18	$3,630,000	16	5.75%	5.75%
Ashland MOB, DST	02/21/18	08/15/18	$2,622,000	11	5.60%	5.60%
Jacksonville FL HQ, DST	06/08/18	10/23/18	$7,618,000	30	7.50%	7.50%
Diversified Dialysis Portfolio, DST	05/02/18	10/10/18	$9,999,000	45	5.65%	5.65%
Houston Memory Care, DST	09/07/18	04/02/19	$4,167,000	10	5.70%	5.70%
Carolina Industrial, DST	10/31/18	01/25/19	$8,630,000	17	6.40%	6.40%
So Cal MOB, DST	05/03/19	09/27/19	$10,728,000	57	6.30%	6.30%
Carolina Tech HQ, DST[6]	12/14/18	11/06/19	$19,264,000	76	5.95%	0.00%
Houston Memory Care II, DST	04/26/19	01/03/20	$4,876,000	17	5.60%	5.60%
Midwest Dialysis, DST	04/25/19	05/14/20	$4,302,000	27	5.15%	5.15%
MOB TX V, DST	11/21/19	05/28/20	$12,897,000	43	5.80%	5.80%
Augusta MOB, DST[7]	01/27/20	07/13/20	$8,935,000	27	5.35%	0.00%
2000 West Creek Apartments, DST	10/24/19	08/13/20	$47,725,000	115	5.35%	5.35%
MOB TX VI, DST	03/09/20	10/21/20	$5,796,000	22	5.70%	5.70%
Residence at Riverwatch Apartments, DST	07/20/20	12/09/20	$27,000,000	58	4.50%	4.50%
SE MOB Portfolio, DST	07/07/20	12/14/20	$10,008,000	35	5.60%	5.60%
Midwest Industrial, DST[8]	02/05/20	01/05/21	$9,200,000	28	6.20%	4.04%
SE Apartment Portfolio, DST[9]	01/10/20	01/11/21	$38,915,000	93	5.03%	0.00%
Fairlane Harbor MHC, DST	06/30/20	01/13/21	$29,000,000	101	5.45%	5.45%
Abbington Place Apartments, DST	04/14/20	01/29/21	$26,000,000	65	4.70%	4.70%
Williamsburg VA Apartments, DST	09/11/20	03/10/21	$21,505,000	78	4.56%	4.56%

CLOSED INVESTMENT OFFERINGS

Offering	Date Real Estate Acquired	Date Closed	Total Equity Raised	Number of Investors	Projected Distribution	Current Distribution
Sun Key Village MHC, DST	04/28/21	04/28/21	$26,300,000	1	5.25%	5.25%
The Falls at Ormond Beach MHC, DST	12/15/20	04/30/21	$76,000,000	47	6.55%	6.55%
Colorado Power, DST	02/12/21	06/03/21	$16,942,000	70	5.10%	5.10%
Canopy at Ginter Park Apartments, DST	12/30/20	06/04/21	$39,072,000	116	6.05%	6.05%
Streets of Greenbrier Apartments, DST	03/17/21	06/18/21	$35,528,000	85	6.19%	6.19%
SE Apartment Portfolio II, DST	01/10/20	07/02/21	$54,230,000	138	5.04%	5.04%
California Data Center, DST	01/08/21	08/06/21	$5,026,000	25	4.50%	4.50%
Whispering Pines MHC, DST	11/24/20	08/23/21	$34,500,000	137	6.00%	6.00%
SomerHill Farms Apartments, DST	02/25/21	08/24/21	$23,236,000	76	5.94%	5.94%
Foxwood Village MHC, DST	03/23/21	09/01/21	$44,850,000	131	5.65%	5.65%
Maplewood Estates MHC, DST	09/15/20	09/07/21	$38,600,000	120	5.25%	5.25%
Integra Vistas Apartments, DST	06/10/21	10/01/21	$27,000,000	87	5.65%	5.65%
MOB AZ I, DST[10]	07/14/21	10/01/21	$5,817,000	22	4.60%	0.00%
Midway Estates MHC, DST	08/13/21	10/28/21	$12,100,000	46	5.15%	5.15%
SouthLawn Lawrenceville Apartments, DST	04/28/21	11/09/21	$64,350,000	188	5.20%	5.20%
MOB TX VII, DST	06/29/21	11/10/21	$18,834,000	58	5.15%	5.15%
Lullwater at Big Ridge Apartments, DST	07/01/21	11/24/21	$27,900,000	107	5.10%	5.10%
17 Broad Apartments, DST[2]	09/16/21	12/13/21	$18,465,000	64	4.48%	2.84%
Residences at 393 North Apartments, DST	10/20/21	12/14/21	$23,300,000	55	5.00%	5.00%
Livingston Apartment Flats, DST	07/29/21	12/22/21	$44,586,000	138	5.33%	5.33%
Flats at West Broad Village Apartments, DST	10/15/21	03/08/22	$73,100,000	177	4.44%	4.44%
The Quincy Apartments, DST[2]	10/28/21	03/23/22	$63,820,000	144	4.61%	3.04%
Artistry at Winterfield Apartments, DST	12/17/21	03/28/22	$35,200,000	52	4.66%	4.66%
Twin Palms MHC, DST	11/15/21	03/29/22	$36,000,000	77	4.75%	4.75%
Harbor View MHC, LLC[11]	08/13/20	04/04/22	$13,600,000	88	3.84%	3.84%
Coach House MHC, DST	09/29/21	04/13/22	$56,700,000	196	4.80%	4.80%
One Riverside Apartments, DST	12/16/21	05/04/22	$45,550,000	127	3.41%	3.41%
Capstone at Banks Crossing, DST	12/23/21	05/13/22	$32,030,000	60	3.93%	3.93%
Palm Lake Club MHC, DST	01/27/22	05/23/22	$24,300,000	52	4.25%	4.25%
MOB AZ II, DST[10]	01/27/22	06/15/22	$10,867,000	36	4.60%	0.00%
Vista Brooklyn Apartments, DST[2]	12/30/21	07/05/22	$63,700,000	187	3.25%	2.26%
Zero Coupon Fulfillment Center, DST[12]	02/01/22	07/22/22	$52,270,000	216	0.00%	0.00%
Houston Apartments, DST[2]	04/12/22	08/05/22	$56,550,000	116	3.38%	1.60%
Sterling Manor Apartments, DST	03/31/22	08/05/22	$42,400,000	115	3.44%	3.44%
Villas at Ridgeview Falls Apartments, DST[2]	12/30/21	08/11/22	$35,200,000	107	4.06%	2.75%
Rivergate Apartments, DST[2]	07/15/22	09/23/22	$46,500,000	111	4.99%	3.32%
Trails at Short Pump Apartments, DST	06/30/22	12/28/22	$54,500,000	128	4.11%	4.11%
Retreat at Arden Farms Apartments, DST[2]	06/14/22	12/30/22	$68,000,000	138	3.58%	2.57%

CLOSED INVESTMENT OFFERINGS

Offering	Date Real Estate Acquired	Date Closed	Total Equity Raised	Number of Investors	Projected Distribution	Current Distribution
Village at Westland Cove Apartments, DST	05/24/22	01/20/23	$52,810,000	161	3.40%	3.40%
Country Lakes Villages MHC, DST	07/15/22	03/20/23	$65,120,000	160	4.00%	4.00%
Lakeside on Riverwatch Apartments, DST[2]	08/10/22	04/26/23	$26,800,000	62	4.29%	1.45%
Hunter's Chase Apartments, DST	05/25/22	06/02/23	$48,200,000	118	3.63%	3.63%
Ashford Townes BFR Housing, DST	02/17/23	07/28/23	$13,650,000	44	4.03%	4.03%
The Louis Apartment Flats, DST	03/25/22	08/4/23	$60,475,000	128	3.32%	3.32%
Brighton Woodstock BFR Housing, DST	01/12/23	08/16/23	$22,530,000	83	3.47%	3.47%
FarmHaus Apartments, DST[2]	09/29/22	08/17/23	$55,900,000	177	3.54%	1.58%
Aspen Vista BFR Housing, DST	05/25/23	10/04/23	$20,500,000	66	4.08%	4.08%
Holiday MHC, DST	09/14/22	07/12/24	$38,300,000	133	4.00%	4.00%
Summit Place BFR Housing, DST	12/21/23	07/12/24	$18,420,000	33	3.40%	3.40%
Valley Ridge BFR Housing, DST	09/26/24	12/06/24	$20,250,000	76	4.17%	4.17%
Sidbury Station BFR Housing, DST	07/22/24	02/25/25	$22,900,000	92	3.85%	3.85%
Zero Coupon LV Training Facility, DST[12]	12/14/22	09/30/25	$57,592,000	355	0.00%	0.00%
Tapestry West Apartments, DST	08/31/22	12/12/25	$60,687,000	160	4.50%	4.50%
Lyric at Norton Commons Apartments, DST	09/01/22	12/12/25	$67,525,000	170	5.00%	5.00%
Parkland Apartments, DST	12/08/22	12/12/25	$105,700,000	249	5.00%	5.00%
Texas Active Living I, DST	07/31/25	11/26/25	$34,000,000	100	4.50%	4.50%

Closed Development Offering	Date Real Estate Acquired	Date Closed	Total Equity Raised	Number of Investors	Current Distribution
Opportunity Zone Fund I, LLC[13]	09/12/19	06/08/20	$7,750,000	40	0.00%
Opportunity Zone Fund II, LLC[13]	07/15/19	10/28/20	$7,100,000	25	0.00%
Opportunity Zone Fund III, LLC[13]	12/31/19	10/19/21	$8,200,000	45	0.00%
CSRA/GS Opportunity Zone V, LLC[14]	12/15/20	12/27/21	$31,355,750	159	3.36%
Opportunity Zone Fund VI, LLC[15]	04/20/20	03/30/22	$52,100,000	183	0.00%
Opportunity Zone Fund IV, LLC[15]	06/25/19	07/25/22	$15,162,000	101	0.00%
Steamboat Basecamp, LLC[15]	06/25/20	10/20/22	$16,882,000	144	0.00%
Capital Square Denton BFR, LLC[15]	01/17/23	12/18/23	$15,915,000	127	0.00%
Opportunity Zone Fund VIII, LLC[15]	01/24/23	07/31/24	$46,684,000	170	0.00%
Opportunity Zone Fund VII, LLC[15]	06/08/22	09/18/24	$65,046,000	210	0.00%
Capital Square Glendale BFR, LLC[15]	09/22/23	07/10/25	$42,797,098	224	0.00%

FULL-CYCLE DST OFFERINGS

Offering	Acquisition Price	Total Investment Cost	Sale Price	Total Return	Internal Rate of Return	Avg. Annual Distr. Rate	Hold Period (Years)
Bridgeview Apartments, DST	$31,000,000	$33,680,000	$43,000,000	172.02%	13.49%	6.34%	4.8
GM Dothan, DST*	$7,300,000	$8,475,000	Foreclosed*	20.32%	-56.97%	4.36%	4.7
MHC Portfolio I, DST	$22,400,000	$25,455,000	$25,800,000	148.12%	11.05%	7.58%	4.3

Offering	Acquisition Price	Total Investment Cost	Sale Price	Total Return	Internal Rate of Return	Avg. Annual Distr. Rate	Hold Period (Years)
Crossroads Apartments, DST	$25,200,000	$28,620,000	$33,500,000	145.25%	18.35%	6.05%	2.3
1530 West Covina, DST	$16,200,000	$18,325,000	$20,725,000	149.44%	11.73%	6.51%	4.0
Ashford Club Apartments, DST	$8,000,000	$9,015,000	$11,385,000	169.95%	10.86%	6.75%	6.0
NY MOB, DST	$7,000,000	$8,020,000	$10,500,000	189.95%	15.63%	6.39%	5.0
Newcastle North, DST	$14,500,000	$16,875,000	$16,925,000	150.55%	8.86%	5.98%	5.7
Candleglow Apartments, DST	$7,300,000	$8,495,000	$13,825,000	253.31%	21.31%	6.07%	5.3
Perry Place, DST	$8,075,000	$9,350,000	$11,400,000	143.54%	8.70%	5.71%	4.8
Maple Springs, DST	$23,950,000	$27,388,000	$34,800,000	167.22%	13.94%	6.29%	4.4
Riverwood Corporate Center, DST	$19,015,000	$20,800,000	$18,500,000	159.31%	7.22%	6.02%	8.3
Galeria del Rio, DST	$19,300,000	$21,145,000	$32,025,000	222.23%	18.12%	5.76%	5.3
Alexander Pointe Apartments, DST	$20,400,000	$24,026,000	$41,350,000	260.84%	25.84%	6.36%	4.5
Fairway View Apartments, DST	$28,000,000	$32,105,000	$45,750,000	191.72%	19.25%	5.99%	4.1
5901 Golden Triangle, DST	$11,350,000	$12,800,000	$11,461,250	106.33%	1.02%	5.63%	8.4
Canopy Apartments, DST	$18,000,000	$20,525,000	$26,180,000	177.93%	12.41%	5.73%	5.5
Ivy Commons Apartments, DST	$46,350,000	$53,154,000	$75,500,000	201.60%	20.22%	5.49%	4.2
Hickory Creek Apartments, DST	$45,600,000	$52,862,000	$65,000,000	162.61%	16.45%	5.64%	3.5
Woodshire Apartments, DST	$42,800,000	$49,906,000	$59,850,000	160.22%	13.94%	5.73%	4.0
Komar Desert Center, DST	$23,788,000	$26,413,000	$26,400,000	146.60%	5.36%	4.42%	8.9
Raleigh MOB, DST	$5,290,000	$5,998,000	$6,950,000	191.20%	10.75%	6.09%	7.5
NC MOB, DST	$5,000,000	$5,555,000	$6,035,000	157.57%	6.96%	5.20%	7.9
Winchester MOB, DST	$4,317,000	$5,074,000	$5,715,000	149.59%	6.78%	5.69%	7.4
Dallas MOB, DST	$2,700,000	$2,945,000	$2,925,000	151.08%	7.07%	5.88%	7.3
Kinston MOB, DST	$1,980,000	$2,462,000	$2,820,000	147.63%	7.15%	5.71%	6.7
Saltmeadow Bay Apartments, DST	$48,600,000	$55,635,000	$72,000,000	181.93%	20.07%	5.69%	3.6
Richmond VA Apartments, DST	$39,500,000	$46,807,000	$53,250,000	156.19%	10.05%	5.57%	5.2
High Ridge Apartments, DST	$15,500,000	$18,695,000	$26,990,000	226.30%	15.54%	6.26%	6.5
Richmond Golf Retail, DST	$5,833,000	$6,770,000	$6,100,000	143.58%	4.9%	5.41%	9.2
Bellemeade Farms Apartments, DST	$69,750,000	$79,437,000	$83,900,000	136.64%	6.61%	5.59%	5.6
Bedford Parke Apartments, DST	$24,750,000	$29,215,000	$38,300,000	200.44%	15.82%	6.29%	5.3
Chicago Parking I, DST**	$12,300,000	$14,340,000	Foreclosed**	33.37%	-28.59%	3.29%	10.1
Old Towne Loft Apartments, DST	$21,500,000	$24,784,000	$27,250,000	152.53%	7.82%	5.42%	6.5
CSRA MOB I, DST	$16,475,000	$18,662,000	$16,625,000	150.52%	5.22%	5.50%	10.6
2700 S. Las Vegas, DST***	$30,150,000	$33,275,000	Foreclosed***	28.89%	-27.27%	2.61%	11.1
CSRA MOB TX IV, DST	$6,225,000	$7,070,000	$6,000,000	137.20%	4.35%	6.03%	9.7
CSRA Grocery Portfolio I, DST	$12,483,000	$14,490,000	$15,075,000	183.04%	7.77%	5.49%	10.0
CSRA Grocery Portfolio II, DST	$9,589,000	$11,099,000	$11,425,000	168.55%	6.71%	4.94%	9.9
CS1031 Marina Pointe Apartments, DST	$44,500,000	$53,645,000	$57,500,000	139.89%	8.0%	5.99%	4.9
CS1031 Misty Ridge Apartments, DST	$80,500,000	$93,470,000	$ 100,000,000	144.41%	7.09%	5.74%	6.4
CS1031 Louisburg MOB, DST	$4,083,513	$4,924,000	$4,950,000	143.71%	5.03%	5.21%	8.9
CS1031 Promenade at Newnan Crossing, Apartments DST	$65,858,000	$73,470,000	$79,000,000	143.03%	8.03%	5.42%	5.2
CS1031 Morganton MOB, DST	$6,155,955	$6,956,000	$7,200,000	154.78%	5.98%	5.60%	9.2
CS1031 Birmingham MOB, DST	$4,310,000	$4,818,000	$5,000,000	156.01%	6.07%	5.74%	9.3

FOOTNOTES

1. Projected distributions paid through September 2024. Distributions temporarily suspended due to damage caused by Hurricane Helene which has resulted in full vacancy at the River Mill Lofts property.
2. Projected distributions temporarily reduced due to operational challenges affecting cash flow.
3. Projected distributions paid through December 2023. The lender exercised its right to collect all rents 12 months prior to loan maturity (December 6, 2024). Excess funds held by lender will be distributed when the property is sold. The loan has since been refinanced, and distributions are still suspended pursuant to a cash management agreement with the new lender.
4. Projected distributions paid through September 2023. The lender exercised its right to collect all rents 12 months prior to loan maturity (October 6, 2024 loan maturity). Excess funds held by lender will be distributed when the property is sold.
5. Projected distributions paid through February 2020. Distributions initially suspended as a result of the closure of LA Fitness clubs due to the adverse impacts of the COVID-19 pandemic. LA Fitness ceased paying rent in May 2023 indicating that it did not intend to pay rent going forward. Capital Square filed a lawsuit against the Tenant and Guarantor, and the legal process has been resolved. The accelerated rents received are being held by the lender for eventual distribution at sale.
6. Projected distributions paid through February 2024. Distributions are suspended due to the tenant occupancy and lender cash trap provisions.
7. Projected distributions temporarily suspended due to tenant vacating unexpectedly.
8. The portfolio was purchased from Creative Extruded under a 20-year absolute net lease at three properties. However, operations ceased following significant disruptions to the automotive industry caused by the COVID-19 pandemic. Creative Extruded's private equity ownership group failed to continue funding operations, leading to insolvency. In January 2022, Creative sold its business operations to Meteor Creative. Following the sale, Meteor Creative leased only the primary facility at 1414 Commerce Park Drive, leaving 1455 West Main Street and 1420 Commerce Park Drive to be leased independently by CSAM. The two smaller properties were sold in 2025.
9. Projected distributions temporarily suspended to raise funds for a required capital project.
10. Projected distributions temporarily suspended due to to tenant bankruptcy filing.
11. The original business plan for Harbor View MHC contemplated a refinance of the senior loan with Fannie Mae at the end of the fifth year of the holding period. However, prevailing high interest rates would preclude us from returning 50% of the original equity as intended and would significantly decrease the cash flow available for distributions projected for years six through ten. Accordingly, the best result for investors is to continue operating the property and servicing the existing senior loan, while adjusting the annual distribution rate to account for the start of the amortization period, which began in October 2025. The modified annual distribution rate of 3.84% took effect in November 2025 and was reflected in the distribution payment made on or about December 10, 2025.
12. This offering is structured as a "zero coupon" DST, with a high loan-to-value ratio and no distributions for certain tax situations.
13. Project completed on time and on budget, and stabilization has been achieved. The opportunity zone tax requirements to generate tax deferral and exclusion for investors as a qualified opportunity zone fund have been satisfied. Quarterly distributions being paid as cash flow permits.
14. Project completed on time and on budget, and stabilization has been achieved. The opportunity zone tax requirements to generate tax deferral and exclusion for investors as a qualified opportunity zone fund have been satisfied. Quarterly distributions have commenced.
15. Fund expects to make quarterly distributions after development activities have been completed, property reaches stabilization and achieves positive cash flow. Development activities have begun and are in process.

DISCLAIMERS

*Gander Mountain, the tenant, filed for bankruptcy in March 2017, and the lender foreclosed on the property in August 2018. Investors collectively lost $3.225 million in this offering and, as a result of this experience, Capital Square has since declined to sponsor any retail properties. The annual distribution rate for GM Dothan, DST is equal to distributions made before foreclosure, divided by initial capital, divided by months held.

**Chicago Parking, I, DST, consisted of two parking garages in Chicago's CBD, acquired in 2014. The property experienced a 70–80% revenue decline during COVID-19, leading to suspended debt service, loan default, and a forbearance request. The loan transferred to special servicing (Rialto Capital), was accelerated, and foreclosure proceedings began in May 2022, with a receiver appointed the following month. In lieu of foreclosure, the receiver marketed the assets for sale, which closed in June and September 2024.

***2700 S. Las Vegas, DST was vacated by the tenant in 2018 but rent continued through the loan's maturity (April 2024). While the loan was not in default during that period, the asset operated under a cash management (cash trap) arrangement through maturity. Ownership actively marketed the property for both lease and sale; however, despite these efforts, a default ultimately occurred and the special servicer ultimately foreclosed on the property in April 2025.

Metrics related to open investment offerings, closed investment offerings, and full-cycle DST offerings with 2024 and 2025 sale dates were examined by Keiter. Metrics related to full-cycle DST offerings with sale dates prior to 2024 were audited by Kostizka, Wicks and Company.

Current investment offerings and full-cycle offerings dated as of December 31, 2025. No representation is made that any investment will or is likely to achieve profits or losses similar to those achieved in the past or that losses will not be incurred. The distribution payments are not guaranteed and may be modified at the program's discretion.

Full-Cycle DST metrics are based on weighted averages that treat each investment dollar equally. The "total investment cost" is equal to the maximum offering amount per the private placement memorandum. The "total return" represents the ratio of total sales proceeds and distributions through the life of the asset over the total initial equity invested. The "internal rate of return" is cash flow during the hold period of the investment; including initial investment, distributions and net sale proceeds. The "annual distribution rate" annualizes the monthly distributions paid to individual investors from property cash flows over the entire life cycle of the investment. These metrics represent the return for the investment on the whole. No representation is made that any investment will or is likely to achieve profits or losses similar to those achieved in the past or that losses will not be incurred.

Closed offerings "projected distribution" is the latest annualized distribution rate effective as of December 31, 2025 as indicated by the Private Placement Memorandum and supplements for the DST.

"Current distribution" for Closed Development Offerings is the annualized rate of the last quarter distribution paid in early 2026. "Current distribution" for other open offerings is the annualized rate of the last distribution that was paid by December 31, 2025.

Securities offered through WealthForge Securities, LLC, Member FINRA/SIPC. Capital Square and WealthForge Securities are not affiliated. Check the background of Capital Square on FINRA's Broker Check: https://brokercheck.finra.org/. Past performance is not indicative of future results. Investing in real estate involves significant risk and is suitable only for investors who have adequate financial means, desire a relatively long-term investment, who will not need immediate liquidity from their investment and can afford to lose their entire investment. There are various risks associated with owning, financing, operating and leasing commercial properties. If the tenant does not renew or extend the lease, or terminates or defaults on the lease, the operating results of the property could be adversely affected by the loss of revenue and beneficial owners could lose the benefits of Section 1031. Other risks include potential environmental conditions at the property, changes in economic conditions, changes in the investment climate for real estate investments, new competition, changes in the demand from competing properties, changes in local market conditions, changes in lease-up periods, changes in real estate tax rates and other operating expenses. There can be material tax consequences and prospective investors should consult their own tax advisors to evaluate the tax consequences of a DST interest. This is neither an offer to sell nor a solicitation of an offer to buy a DST interest. Offers are made solely pursuant to the confidential private placement memorandums. Private placements are speculative and illiquid.

ABOUT CAPITAL SQUARE

Capital Square is a national investment sponsor specializing in tax-advantaged real estate offerings, including Delaware statutory trusts, qualified opportunity zone funds, a real estate investment trust (REIT) and development funds. The firm is a leading sponsor of Delaware statutory trust offerings for investors seeking replacement property as part of a Section 1031 exchange and cash investors. Capital Square sponsors turn-key real estate investment offerings with low investment minimums to provide investors access to larger and higher quality real estate than they would be able to acquire on their own.

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Keiter
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REPORT OF INDEPENDENT ACCOUNTANTS

To Capital Square Realty Advisors LLC

We have examined the accompanying information related to Open Investment Offerings and Closed Investment Offerings (collectively, "Current Investment Offerings") as included in the accompanying Track Record (the "Track Record") of Capital Square (the "Company") as of December 31, 2025. The Company's management is responsible for presenting the Track Record in accordance with the criteria described in the endnotes to the Track Record. Our responsibility is to express an opinion on the accompanying information related to Current Investment Offerings as included in the Track Record based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Track Record information related to Current Investment Offerings is calculated in accordance with the criteria described in the endnotes to the Track Record, in all material respects. An examination involves performing procedures to obtain evidence about the Track Record. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Track Record, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

We previously performed examinations over information included in the Track Record that relates to Full-Cycle DST Offerings with sale dates after December 31, 2023. Our most recent report dated February 17, 2026 expressed an unmodified opinion.

We have not performed an examination or performed any procedures over information included in the Track Record that relates to Full-Cycle DST Offerings with sale dates prior to January 1, 2024. The information in the Track Record as presented by the Company that relates to Full-Cycle DST Offerings with sale dates prior January 1, 2024 was audited by other auditors whose report dated March 4, 2024 expressed an unmodified opinion.

In our opinion, the accompanying information related to Current Investment Offerings as included in the accompanying Track Record of Capital Square is presented in accordance with the criteria described in the endnotes to the Track Record, in all material respects.

Keiter

March 6, 2026
Glen Allen, Virginia

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