EXCHANGE RIGHT

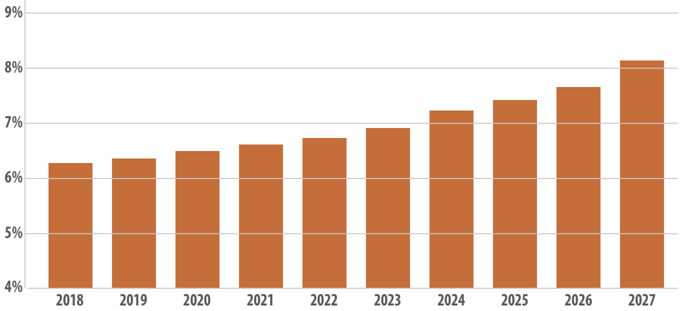
CRYSTAL LAKE FLORIDA APARTMENTS, DST

Value-Add Class B Multifamily Portfolio in Pensacola Available for 1031 Exchange

Crystal Lake Florida Apartments, DST is a 224-unit Class B Multifamily property that is projected to provide year-1 investor cash flow of 6.35% and the potential to add value through capital improvements and full unit upgrades on approximately half of the units.

Growing Investor Returns

Projected initial cash flow of 6.35% to investors with an expectation to grow to over 8.0% by year 10.[1]



Property Value-Add Potential

We anticipate investing $230,000 in upgrading the property common area and amenities. There is also potential to fully renovate approximately half of the property's units over a 4-year period, and we anticipate generating $70 in additional monthly rent per unit on full renovations.

Stable and Growing Market

Rents have grown over 13% over the last 5 years in Pensacola, and occupancy has averaged 96% for Class A and B assets.[2] Pensacola is forecasted to have a 12% population increase by 2020.

Conservative Underwriting Assumptions

Year 1 revenue has been conservatively underwritten, with revenues projected to be equal to trailing performances despite anticipated value creation through renovations and management improvements.

Excess Upfront and Ongoing Reserves

The DST has been capitalized with nearly $1.5 million of upfront reserves to complete renovations, perform common area improvements, and provide extra cushion for maintenance items and ongoing replacement reserves. We forecast that we will have set aside over $1.0 million more in replacement reserves than is required by third-party reports over a 10-year period.

[1] The Sponsor anticipates utilizing an aggregation exit strategy that is expected to occur prior to the maturity date of the loan in 10 years. Please refer to the private placement memorandum for additional details.

[2] Data per Cushman Wakefield and CoStar 2Q 2016 Report

OFFERING STRUCTURE

EQUITY OFFERING AMOUNT:...........$10,895,000	OFFERING LOAN TO VALUE (LTV):.......... 53.50%
NON-RECOURSE DEBT:...................$12,535,000	MINIMUM PURCHASE – 1031:.............$100,000
TOTAL OFFERING PRICE:................$23,430,000	MINIMUM PURCHASE – CASH:...............$25,000

UNDERWRITING HIGHLIGHTS

- Initial cash flow projected to be 6.35%, growing to 8.0%+ over a 10-year period and averaging 7.0% over the hold period.
- Hold-period physical occupancy underwritten at approximately 93.1% though the property is currently 99.5% and the market occupancy for Class B is 96.0%.[1]
- Year 1 Net Operating Income (NOI) conservatively underwritten to have no growth in year 1 of operations when compared to historical financials.[2]
- Offering Loan to Value anticipated to be 53.5% with a Debt Service Coverage Ratio average of 2.71x per annum over a 10-year hold.
- $1.5 million of accountable reserves are being funded by the lender and investors to execute the property upgrades and to provide an operating reserve cushion, with over $1.0 million in excess reserves above identified replacements projected over the next 10 years:
  - $542,000 for unit interior renovations
  - $235,000 for capital improvement upgrades and amenities
  - $700,000 for upfront replacement and operations reserves and contingency
  - $72,558 for net tax and insurance reserves
- The DST will also reserve $250 per unit per year for replacement reserves with the lender and an additional $100 per unit per year in excess of lender's requirements for the benefit of the investors.

[1] *Market occupancy is based on REIS 2Q 2016 report.*

[2] *Historical financials are based on trailing 3-month income and trailing 12-month expense actuals as of November 30, 2016.*

YEAR	1	2	3	4	5	6	7	8	9	10
Scheduled Gross Market Rent	$2,349,256	$2,427,389	$2,507,532	$2,590,271	$2,647,257	$2,705,496	$2,765,017	$2,825,848	$2,888,016	$2,951,553
Loss To Lease	$46,542	$40,366	$41,395	$42,735	$29,120	$29,760	$30,415	$31,084	$31,768	$32,467
Gross Potential Rent	**$2,302,714**	**$2,387,023**	**$2,466,137**	**$2,547,536**	**$2,618,137**	**$2,675,736**	**$2,734,602**	**$2,794,763**	**$2,856,248**	**$2,919,086**
Less Vacancy Factor	$149,676	$155,157	$172,630	$178,328	$183,270	$187,302	$191,422	$195,633	$199,937	$204,336
Less Concession	$23,027	$23,870	$24,661	$25,475	$26,181	$26,757	$27,346	$27,948	$28,562	$29,191
Less Bad Debt	$23,027	$23,870	$24,661	$25,475	$26,181	$26,757	$27,346	$27,948	$28,562	$29,191
Other Revenue	$320,870	$328,089	$335,471	$343,019	$350,737	$358,629	$366,698	$374,949	$383,385	$392,011
Effective Gross Revenue	**$2,427,853**	**$2,512,215**	**$2,579,656**	**$2,661,277**	**$2,733,242**	**$2,793,548**	**$2,855,186**	**$2,918,183**	**$2,982,571**	**$3,048,379**
Operating Expenses	$801,178	$821,208	$841,738	$862,781	$884,351	$906,460	$929,121	$952,349	$976,158	$1,000,562
Management Fee	$72,836	$75,366	$77,390	$79,838	$81,997	$83,806	$85,656	$87,545	$89,477	$91,451
Property Taxes	$213,983	$218,263	$222,628	$227,081	$231,622	$236,255	$240,980	$245,799	$250,715	$255,730
Operating CapEx	$56,000	$56,000	$56,000	$56,000	$56,000	$56,000	$56,000	$56,000	$56,000	$56,000
Total Operating Expenses	**$1,143,997**	**$1,170,837**	**$1,197,756**	**$1,225,700**	**$1,253,970**	**$1,282,521**	**$1,311,756**	**$1,341,694**	**$1,372,350**	**$1,403,743**
Net Operating Income	**$1,283,856**	**$1,341,378**	**$1,381,901**	**$1,435,577**	**$1,479,271**	**$1,511,028**	**$1,543,429**	**$1,576,489**	**$1,610,220**	**$1,644,636**
Interest Expense	$546,491	$546,491	$546,491	$547,988	$546,491	$546,491	$546,491	$547,988	$546,491	$546,491
Asset Management Fee	$12,139	$25,122	$25,797	$26,613	$27,332	$27,935	$28,552	$29,182	$29,826	$30,484
Extra Reserve Funding	$22,400	$22,400	$22,400	$22,400	$22,400	$22,400	$22,400	$22,400	$22,400	$22,400
Free Cash Flow to Master Lease	**$702,826**	**$747,365**	**$787,213**	**$838,576**	**$883,048**	**$914,201**	**$945,986**	**$976,919**	**$1,011,504**	**$1,045,261**
Base Investor Master Lease Payment	$544,750	$544,750	$544,750	$544,750	$544,750	$544,750	$544,750	$544,750	$544,750	$544,750
Est. Bonus Master Lease Payment[1]	$147,127	$159,971	$169,028	$181,819	$197,696	$213,238	$238,139	$266,664	$298,858	$331,762
Total Estimated Investor Distributions	**$691,877**	**$704,721**	**$713,778**	**$726,569**	**$742,446**	**$757,988**	**$782,889**	**$811,414**	**$843,608**	**$876,512**
Est. Annualized Cash Flow to Investors	**6.35%**	**6.47%**	**6.55%**	**6.67%**	**6.81%**	**6.96%**	**7.19%**	**7.45%**	**7.74%**	**8.05%**

[1]Bonus Master Lease Payments are estimated payments that would be paid to investors if the property produces revenues in excess of annual effective gross revenue benchmarks. There is no guarantee that the property will produce the necessary effective gross revenue to earn bonus rent payments.

Projected base master lease cash flows are ultimately dependent on the successful operation of the property. Significant and sustained underperformance of the property could cause a delay or disruption to cash flow. The Trust is expected to be capitalized with upfront and ongoing reserves, but there is no guarantee that these reserves will be sufficient to protect investors from experiencing delays or disruptions to cash flow. Please carefully review the risks of this offering before considering an investment.

Investing in real estate in general, including this offering, involves risk. Please review the Private Placement Memorandum in its entirety, including especially the section that outlines the risks of this offering, before making any investment decision.

The Manager anticipates performing full unit upgrades on up to approximately 111 units and partial upgrades on an additional 17 units, representing 57% of the property's total units. The property's prior owner has been receiving $70–$75 in additional rent for renovated units.

The Manager's renovation plan includes fully renovating 111 units for approximately $4,500 per unit on average and the 17 partially renovated units for $2,500 per unit, representing a total of interior renovation upgrades of approximately $542,000. These upgrades, along with the updates and improvements to the common amenities of the property, are underwritten to increase rents by approximately $40–$70 per month, excluding potential organic rent growth that the properties are currently experiencing, over a four-year renovation time frame.

In addition, the Manager will be deploying approximately $230,000 to improve certain common area amenities that will increase the overall appeal of the property to residents.

These upgrades will include the following:

- New irrigation system and upgraded landscaping
- Upgraded clubhouse entrance
- Replaced windows
- Upgraded resident car wash
- Added stair landings and parking and stair guards

There is no assurance that our asset management strategy and objectives will be carried out successfully. There are material risks involved with any real estate ownership or investment, including this offering. Please carefully review "Risk Factors" in the accompanying Private Placement Memorandum for a more-thorough discussion of the risks that are particular to this offering.

OVERVIEW

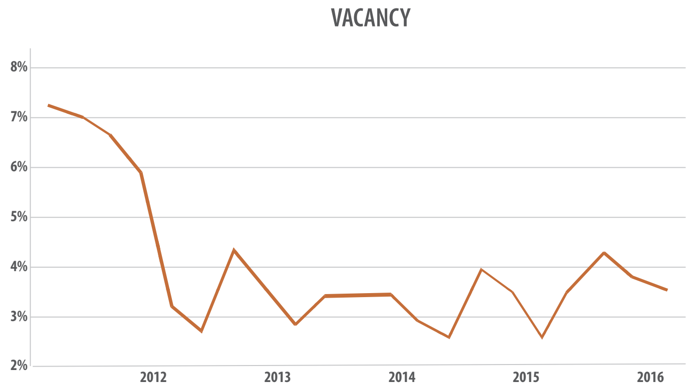
Pensacola is the county seat of Escambia County on the Gulf Coast of Florida. The Pensacola metropolitan area had a population of 483,494 in 2015. Pensacola's population is projected to increase 12% from 2012 to 2020. More than 3.5 million visitors come to the Pensacola Bay Area each year—a $1.2 billion impact on the local economy employing 18,000 residents. The Department of Defense is the largest employer in the region, with more than $7.8 billion in total economic impact annually and more than 80,000 employees collectively. There are three major military centers within 5 miles of the Property, which creates stability and, as the Sponsor believes, reduces macroeconomic risk: the Corry Station (headquarters for the U.S. Navy's Center for Information Dominance), the Naval Air Station (initial primary training base for all Navy, Marine, and Coast Guard aviators and Naval Flight Officers), and Saufley Field (an educational and training program for the Navy).

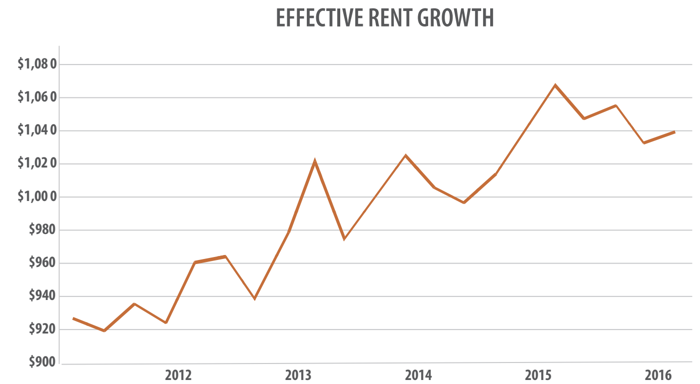
BOISTEROUS ECONOMIC DEVELOPMENT

The city of Pensacola is positioned for strong economic growth over the next 5 years. Greater Pensacola Development forecasts 12% growth in population by 2020. Along with this, several major development projects and expansions are underway in the area. Navy Federal Credit Union is undergoing an expansion to its corporate operations that will push the company's local employment total to 10,000 employees by 2020. Their Nine Mile Campus currently has 4,500 employees. The Pensacola Architectural Review Board just approved plans for a $52 Million development downtown that will feature apartments, retail, and office space.

BOOMING RENT GROWTH

Over the past decade, a notable lack of multifamily development in the Pensacola MSA has resulted in an extremely tight Class A/B rental market. Population growth has exceeded apartment delivery, and Pensacola now has the 2nd lowest number of Class A/B units per capita amongst major coastal markets. This places a heavy premium on quality apartments in the city, as the shortage of rental competition may continue to boost rental rates and occupancies aggressively upwards. Average effective rental rates for Class A/B assets over the past 5 years have risen an estimated $115 (12.5%), and occupancy has remained economically full at 96%. There are only three conventional apartments within a 5-mile radius of the subject that were built after 1990. The Pensacola metro is currently at a 4.0% vacancy rate among properties and has averaged 2.9% asking rent growth over the past year and 2.3% over the past 5 years, according to REIS 2Q 2016 report. The multifamily product is very limited in the surrounding area and, as such, the vacancy rate in the 5-year forecast is projected to remain low at 4.1%.





7680 West Highway 98, Pensacola, Florida

PROPERTY SUMMARY

Year Built	1997
Year Renovated	2015
No. of Units	224 units
Net Rentable Area	219,680 sq ft
Avg. SqFt/Unit	981 sq ft
Occupancy/Leased	99.5% (as of 1/20/17)
Land Area	24.09 acres

DEMOGRAPHIC SUMMARY

	1 MILE	3 MILE	5 MILE
2016 Population	5,710	43,437	103,032
Owner Occupied	38.0%	44.1%	45.1%
Renter Occupied	48.6%	40.9%	40.4%
2016 Avg. HH Income	$51,197	$47,595	$49,760
MSA Population	483,494		

COMMUNITY AMENITIES

- Dog Park/Dog Run
- Emergency Maintenance
- Extra Storage
- Grilling/Picnic Area(s)
- Laundry Facility
- Nature Trail
- Pet Friendly
- Community Playground
- Resident Car Wash
- Sand Volleyball Court
- Stocked Lake
- Swimming Pool

UNIT MIX

UNIT TYPE	# OF UNITS	# FULLY RENOVATED UNITS	AVG. UNIT SQ FT	MARKET RENT	AVG. MARKET RENT/ SQ FT	CURRENT GROSS POTENTIAL MO. RENT	APPROX. % OCCUPIED
1 Bed / 1 Bath	1	0	980	$792	$0.81	$792	100%
2 Bed / 2 Bath	215	94	980	$842	$0.86	$180,866	99.5%
2 Bed / 2 Bath L	8	2	1,000	$832	$0.83	$6,652	100%
Total / Average	**224**	**96**	**981**	**$841**	**$0.86**	**$188,310**	**99.55%**

ExchangeRight is committed to providing 1031-exchangeable DST offerings of value-added multifamily properties and net-leased portfolios.

In addition to intentionally structuring offerings with an alignment of interest with investors, the principals of the company have taken a personal investment position in each DST offering that has been brought to market. Each of our DST offerings provides both 1031 and cash investors with pass-through tax deferral advantages, and all of ExchangeRight's offerings have met or exceeded their initial projections.

EXIT STRATEGY

We designed our exit strategy with the goal of providing investors stable cash flow and value-added returns. We believe that this is best achieved by aggregating our portfolios together to be sold, acquired, or listed in the public markets. Combining portfolios helps mitigate lease and debt rollover risk through scale and diversification. Bringing the larger, aggregated portfolio to the public markets aims to capitalize on the premium typically paid for liquidity, diversification, and convenience. This strategy is anticipated to provide investors with the opportunity to sell and perform another 1031 exchange or exchange their DST interests for ownership in a REIT under IRC section 721 in a REIT sale, merger, IPO, or public listing.

MANAGEMENT

ExchangeRight and its affiliates are currently managing over $700 million of assets including 22 apartment communities consisting of over 4,000 units in Alabama, Louisiana, North Carolina, South Carolina, Texas, Georgia, and Florida and 216 single-tenant retail properties located across 27 states. ExchangeRight principals have an extensive background investing in Class B multifamily over the past 15 years, taking a value-added approach through common-area and unit upgrades, hands-on management, and operating expense control to maximize cash flow and total returns.

RAM Partners, LLC, is a full-service third-party real estate management company with approximately 32,000 multifamily units under management that range in class from Class B value-added apartments to luxury, A-rated high-rises. RAM was designated an "Accredited Management Organization" by the Institute of Real Estate Management for meeting stringent standards of experience, financial stability, integrity, and ethics. The RAM team holds certifications that include CPM, ARM, CAM, CAPS, and CPA. RAM is well insured; maintains memberships in Real Estate, Apartment, and Multifamily Associations and Councils throughout the United States; and is an Approved Property Management Company under HUD, FDIC, FHLMC, FNMA, and DCA.

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