EXCHANGE RIGHT

EL PASO APARTMENT PORTFOLIO, DST

Value-Add Class B Multifamily Portfolio in El Paso, Texas Available for 1031 Exchange

Villa Sierra is a 243-unit apartment community located in El Paso, Texas. The property has 17, two- and three-story garden-style buildings totaling approximately 222,270 rentable square feet situated on approximately 10.18 acres. Averaging approximately 915 square feet in four individual floor plans, the property features large and spacious one-, two-, and three-bedroom units, along with two-bedroom penthouse units. With Villa Sierra being terraced along the Franklin Mountainside, the property provides its residents with unmatched beauty resulting from views of both the mountain and city.

Wyndchase is a 150-unit apartment community located in El Paso, Texas. The property has 16, two-story garden-style buildings totaling approximately 152,740 rentable square feet situated on approximately 5.75 acres. The property features one-, two-, and three-bedroom units in six individual floor plans averaging a very spacious 1,018 square feet.

Villa Sierra Apartment City View

El Paso Apartment Portfolio, DST is a 393-unit Class B Multifamily portfolio that is projected to provide year-1 investor cash flow of 5.75% which is expected to grow to 7.59% over the hold period through a value-added unit renovation plan.

Growing Investor Returns

Projected initial cash flow of 5.75% to investors with an expectation to grow to 7.59% by year 10.[1]

Conservative Underwriting Assumptions

Expenses are underwritten to grow faster than revenue. In the event of revenue outperformance, investors share in upside from modeled returns through the master lease structure.

Stable and Growing Market

El Paso market rents have grown over 12% over the last 5 years, and occupancy has averaged 94% for Class A and B assets.[2] The El Paso market is also forecasted to continue its sustainable growth with 2.3% rent growth and only 4.4% vacancy forecasted by REIS over the next 5 years.

Property Value-Add Potential

Over $280,000 is intended to be invested in upgrading the properties' common areas and amenities. There is also potential to fully renovate over half of the properties' units over a 3-year period, which is anticipated to generate approximately 7-10% rental increases for renovated units. $963,500 has been set aside for unit interior renovations.

Excess Upfront and Ongoing Reserves

The DST has been capitalized with nearly $2.1 million of upfront reserves to complete renovations, perform common area improvements, and provide extra cushion for operations and maintenance items. The offering is forecast to set aside approximately $859,000 more in reserves than is identified 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 REIS

EQUITY OFFERING AMOUNT:	$12,230,000	OFFERING LOAN TO VALUE (LTV):	51.33%
NON-RECOURSE DEBT:	$12,900,650	MINIMUM PURCHASE–1031:	$100,000
TOTAL OFFERING PRICE:	$25,130,650	MINIMUM PURCHASE–CASH:	$25,000

UNDERWRITING HIGHLIGHTS

- Cash flow is projected to average 6.51% through the hold period, starting at 5.75% and growing to 7.59% by year 10.
- Hold period physical occupancy is underwritten at approximately 92.6% though the properties are currently 96.2% and the market occupancy is 95.2%.[1]
- Year 1 Net Operating Income (NOI) is conservatively underwritten to have no growth during the first year of operations when compared to historical financials despite the value-added asset management strategy being deployed.[2]
- Loan to Offering Price is approximately 51% with a Debt Service Coverage Ratio average of 3.00x per annum over a 10-year hold.
- 10-year operating expense growth rate average is underwritten to 2.81%, outpacing underwritten EGR growth rate. NOI growth over 10-year hold period is underwritten at 1.87%.
- Approximately $2.1 million of accountable reserves are being funded by the lender and investors to execute on the properties' upgrades and to provide an operating reserve cushion, with $859,000 in excess reserves above identified replacements projected over the next 10 years even after performing all planned common area improvements and unit renovations. A summary of these reserves include:
  - $963,500 for unit interior renovations
  - $283,000 for capital improvement upgrades and amenities
  - $849,000 for upfront replacement reserve funding and contingency

[1] Current occupancy as of 1/23/2018. Market occupancy is based on REIS 2Q 2017 report.

[2] Historical financials are based on trailing 3-month income and trailing 12-month expense actuals as of December 31st, 2017.

Villa Sierra

Wyndchase

YEAR	1	2	3	4	5	6	7	8	9	10
Scheduled Gross Rent	$3,694,146	$3,779,111	$3,866,031	$3,954,949	$4,045,913	$4,138,969	$4,234,165	$4,331,551	$4,431,177	$4,533,094
Loss To Lease	$284,907	$204,431	$161,207	$165,514	$169,321	$173,215	$177,199	$181,275	$185,444	$189,709
Gross Potential Rent	**$3,409,239**	**$3,574,680**	**$3,704,824**	**$3,789,435**	**$3,876,592**	**$3,965,754**	**$4,056,966**	**$4,150,277**	**$4,245,733**	**$4,343,385**
Less Vacancy Factor	$279,635	$275,440	$285,630	$273,213	$279,497	$285,925	$292,502	$299,229	$306,111	$313,152
Less Concession	$68,185	$71,494	$74,096	$75,789	$77,532	$79,315	$81,139	$83,006	$84,915	$86,868
Less Bad Debt	$40,940	$42,967	$44,592	$45,613	$46,662	$47,736	$48,834	$49,957	$51,106	$52,281
Less Model/Employee Units	$17,499	$18,335	$18,982	$19,414	$19,861	$20,317	$20,785	$21,263	$21,752	$22,252
Total Rental Income	**$3,002,980**	**$3,166,445**	**$3,281,524**	**$3,375,406**	**$3,453,041**	**$3,532,461**	**$3,613,707**	**$3,696,822**	**$3,781,849**	**$3,868,832**
Other Revenue	$532,734	$543,388	$554,256	$565,341	$576,648	$588,181	$599,945	$611,944	$624,182	$636,666
Effective Gross Revenue	**$3,535,713**	**$3,709,833**	**$3,835,780**	**$3,940,748**	**$4,029,689**	**$4,120,642**	**$4,213,652**	**$4,308,766**	**$4,406,032**	**$4,505,498**
Payroll & Benefits	$453,164	$466,759	$480,762	$492,781	$505,101	$517,728	$530,671	$543,938	$557,537	$571,475
Property Management Fees	$106,071	$111,295	$115,073	$118,222	$120,891	$123,619	$126,410	$129,263	$132,181	$135,165
Repair & Maint/Contract Services	$303,702	$312,813	$322,197	$330,252	$338,509	$346,971	$355,646	$364,537	$373,650	$382,992
Ad Marketing/Promotion	$51,557	$53,104	$54,697	$56,065	$57,466	$58,903	$60,375	$61,885	$63,432	$65,018
General & Administrative	$78,177	$80,522	$82,937	$85,011	$87,136	$89,315	$91,547	$93,836	$96,182	$98,587
Utilities	$471,988	$486,147	$500,732	$513,250	$526,081	$539,233	$552,714	$566,532	$580,695	$595,213
Property Taxes	$543,311	$570,476	$599,000	$616,970	$635,479	$654,544	$674,180	$694,405	$715,237	$736,695
Texas Franchise Tax	$11,703	$12,280	$12,696	$13,044	$13,338	$13,639	$13,947	$14,262	$14,584	$14,913
Insurance	$95,180	$98,035	$100,976	$103,501	$106,088	$108,740	$111,459	$114,245	$117,101	$120,029
Other Operating Costs	$9,411	$9,694	$9,985	$10,234	$10,490	$10,752	$11,021	$11,297	$11,579	$11,869
Replacement Reserves	$117,900	$117,900	$117,900	$117,900	$117,900	$117,900	$117,900	$117,900	$117,900	$117,900
Total Operating Expenses	**$2,242,165**	**$2,319,025**	**$2,396,957**	**$2,457,230**	**$2,518,480**	**$2,581,345**	**$2,645,871**	**$2,712,100**	**$2,780,079**	**$2,849,854**
Net Operating Income	**$1,293,549**	**$1,390,808**	**$1,438,823**	**$1,483,517**	**$1,511,209**	**$1,539,296**	**$1,567,781**	**$1,596,666**	**$1,625,953**	**$1,655,644**
Interest Expense	$503,704	$503,704	$505,084	$503,704	$503,704	$503,704	$505,084	$503,704	$503,704	$503,704
Asset Management Fee	35,357	37,098	38,358	39,407	40,297	41,206	42,137	43,088	44,060	45,055
Free Cash Flow to Mstr Lease	**$754,488**	**$850,005**	**$895,381**	**$940,406**	**$967,208**	**$994,386**	**$1,020,560**	**$1,049,874**	**$1,078,188**	**$1,106,885**
Base Investor Distribution	$703,225	$703,225	$703,225	$703,225	$703,225	$703,225	$703,225	$703,225	$703,225	$703,225
Est. Bonus Investor Distribution[1]	$0	$24,875	$37,522	$42,997	$63,375	$84,458	$114,168	$146,781	$185,375	$225,020
Tot Est. Investor Distributions	**$703,225**	**$728,100**	**$740,747**	**$746,222**	**$766,600**	**$787,683**	**$817,393**	**$850,006**	**$888,600**	**$928,245**
Est. Annlzd Cash Flow to Investors	**5.75%**	**5.95%**	**6.06%**	**6.10%**	**6.27%**	**6.44%**	**6.68%**	**6.95%**	**7.27%**	**7.59%**

[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 of up to approximately 132 units at Villa Sierra and 77 units at Wyndchase representing 53% of the total units.

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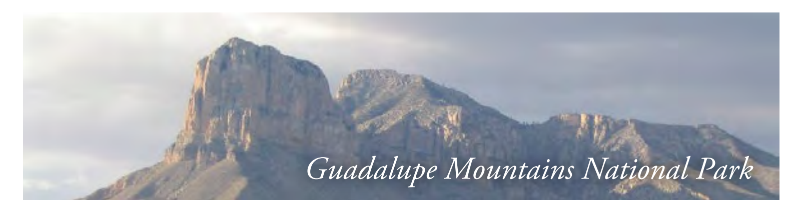
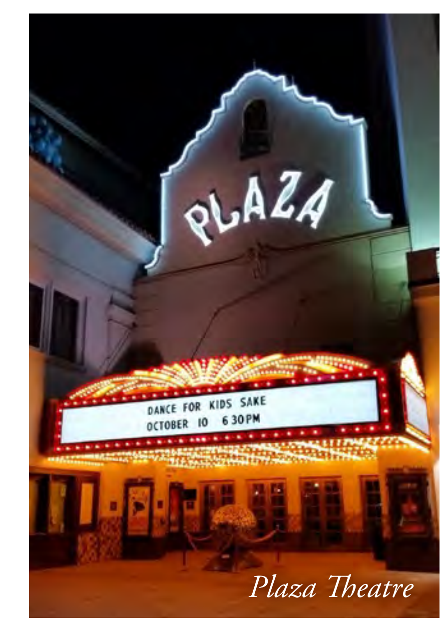
There is no assurance that our asset management strategy and objectives will be carried out successfully. There are material risks involved with any real estate ownership or investment, including this offering. Please carefully review "Risk Factors" in the accompanying Private Placement Memorandum for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

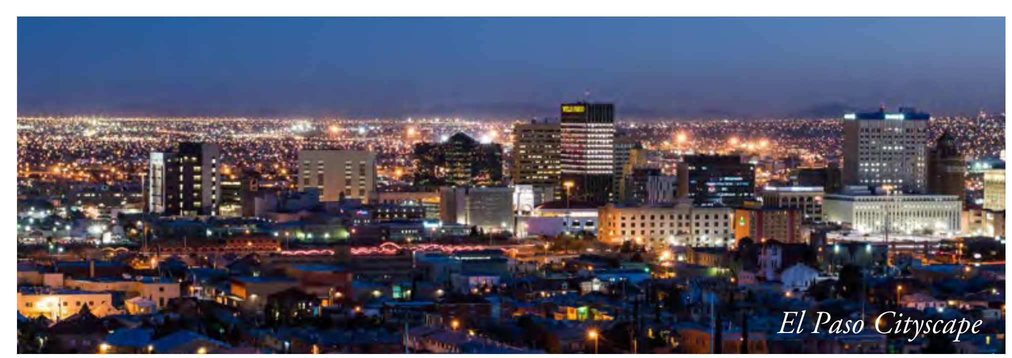

St. Patrick Cathedral


Guadalupe Mountains National Park


Wyler Aerial Tramway

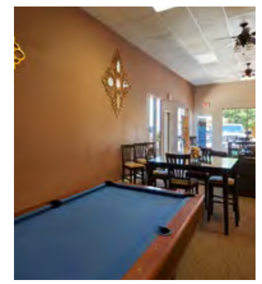


Plaza Theatre


El Paso Cityscape

PROPERTY DETAILS



Villa Sierra Apartments, 2435 McKinley Avenue, El Paso, Texas

VILLA SIERRA PROPERTY SUMMARY

Year Built	1969
No. of Units	243 units
Net Rentable Area	222,270 sq ft
Avg. SqFt/Unit	915 sq ft
Occupancy/Leased	97.1% (as of 1/23/18)
Land Area	10.18 acres

DEMOGRAPHIC SUMMARY

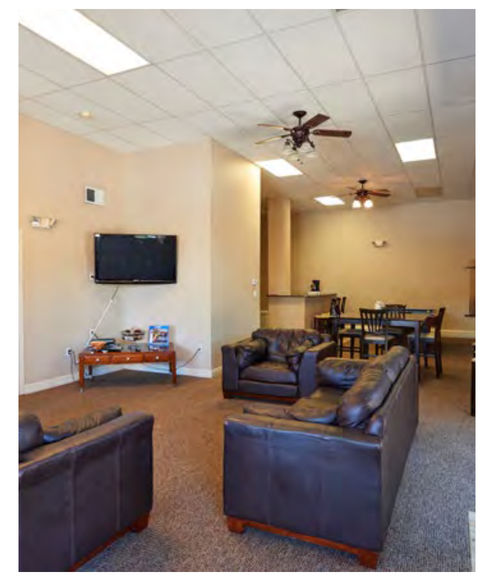
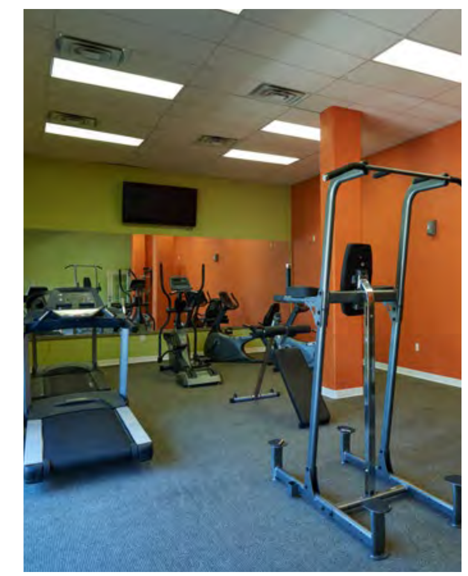
	1 MILE	3 MILE	5 MILE
2016 Population	9,903	85,780	198,314
Owner Occupied	41.1%	35.6%	35.5%
Renter Occupied	47.0%	55.0%	55.6%
2016 Avg. HH Income	$46,348	$50,162	$53,342
MSA Population	856,700		

COMMUNITY AMENITIES

- Clubhouse/ Billiards Table
- Business Center
- Fitness Center with Free Weights
- Two Swimming Pools
- Beautiful Views
- Door-To-Door Mail Service
- Fire Pit
- Pet Park
- Community Playground
- Picnic Area with Barbecue
- Laundry Facilities

VILLA SIERRA UNIT MIX

UNIT TYPE	# OF UNITS	AVG. UNIT SQ FT	TOTAL SF	AVG. OCCUPIED RENT	AVG. OCCUPIED RENT/ SQ FT	CURRENT GROSS POTENTIAL MO. RENT	APPROX. % OCCUPIED
1 Bed / 1 Bath	168	785	131,880	$624	$0.79	$104,800	100%
2 Bed / 2 Bath	48	1,050	50,400	$770	$0.73	$36,939	94%
3 Bed / 2 Bath	20	1,450	29,000	$930	$0.64	$18,606	80%
2 Bed / 2 Bath Pent.	7	1,570	10,990	$977	$0.62	$6,839	100%
Total / Average	**243**	**915**	**222,270**	**$683**	**$0.77**	**$167,184**	**97%**

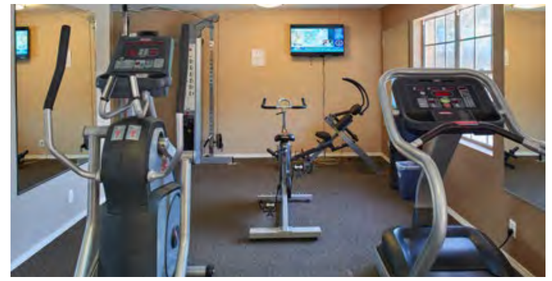


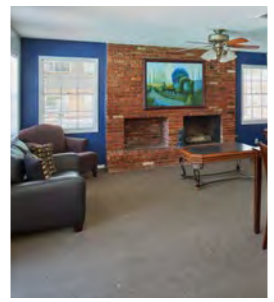
1 BED | 1 BATH
785 SF

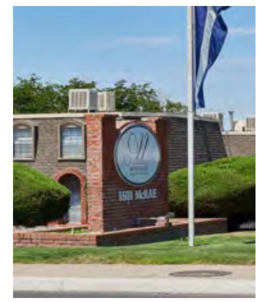

2 BED | 2 BATH
1,050 SF


3 BED | 2 BATH
1,450 SF

PROPERTY DETAILS







Wyndchase Apartments, 1601 McRae Boulevard, El Paso, Texas

WYNDCHASE PROPERTY SUMMARY

Year Built	1970
No. of Units	150 units
Net Rentable Area	152,740 sq ft
Avg. SqFt/Unit	1,018 sq ft
Occupancy/Leased	94.7% (as of 1/23/18)
Land Area	5.75 acres

DEMOGRAPHIC SUMMARY

	1 MILE	3 MILE	5 MILE
2016 Population	18,216	117,243	263,151
Owner Occupied	47.40%	50.10%	52.70%
Renter Occupied	47.10%	43.70%	41.30%
2016 Avg. HH Income	$58,559	$54,936	$54,650
MSA Population	856,700		

COMMUNITY AMENITIES

- Club House
- Swimming Pool
- Playground
- New Fitness Center
- Pet Park
- Fire Pit
- Three Laundry Facilities
- Grilling
- Court Yard Picnic Area(s)

WYNDCHASE UNIT MIX

UNIT TYPE	# OF UNITS	AVG. UNIT SQ FT	TOTAL SF	AVG. OCCUPIED RENT	AVG. OCCUPIED RENT/ SQ FT	CURRENT GROSS POTENTIAL MO. RENT	APPROX. % OCCUPIED
1 Bed / 1 Bath	55	760	41,820	$644	$0.85	$35,421	96%
2 Bed / 1 Bath	20	1,065	21,300	$752	$0.71	$15,039	100%
2 Bed / 2 Bath	24	1,080	25,920	$781	$0.72	$18,748	96%
2 Bed / 1.5 Bath	46	1,200	55,200	$811	$0.68	$37,296	91%
3 Bed / 2.5 Bath	5	1,700	8,500	$1,068	$0.63	$5,340	80%
Total / Average	**150**	**1,018**	**152,740**	**$743**	**$0.75**	**$111,844**	**95%**

1 BED | 1 BATH
760 SF

2 BED | 1 BATH
1,065 SF

2 BED | 1.5 BATH
1,200 SF

2 BED | 2 BATH
1,080 SF

3 BED | 2.5 BATH
1,700 SF

MARKET OVERVIEW

OVERVIEW

Located in western Texas, along the southern border of New Mexico, the El Paso, TX Metropolitan Statistical Area (MSA) has a population of nearly 856,700 residents. Greater El Paso is the sixth most-populated metro area in Texas and boasts a projected gross metropolitan product (GMP) of $30 billion in 2017.

The economy of El Paso is supported primarily by Fort Bliss, and is a major center for international trade. Greater El Paso, combined with its southern Mexican neighbor, forms one of the largest international border regions in the world. In 2016, El Paso surpassed Detroit as the leading U.S. exporter to Mexico, with almost 86% of all El Paso exports going to Mexico. Over the past two decades, El Paso's economy has diversified, attracting multinational corporations to the region, maximizing profits through the process of production sharing, and working symbiotically with Mexico using cross-border production.

FIVE POINTS OF ENTRY

El Paso's strategic location provides access to an extensive transportation network composed of one international airport, one interstate highway (I-10), five international points of entry (the most of any city in the U.S.), and three rail-service providers. Commercial and passenger rail services through El Paso include Union Pacific Railway, Burlington Northern Santa Fe Railroad, Ferromex, and Amtrak's Texas Eagle and Sunset Limited Passenger Lines. All U.S. commercial rail carriers connect with their Mexican counterparts in El Paso. The El Paso International Airport (ELP) connects west Texas, southern New Mexico, and northern Mexico. ELP served more than 2.8 million passengers in 2016. In addition, 2,500 acres of land at the airport are available for future expansion.

UTEP Interdisciplinary Research Building

FORT BLISS

Approximately $5 billion worth of construction projects have been completed since 2005 at Fort Bliss, bringing an estimated 16,000 military personnel and over 9,400 direct and indirect civilian jobs to the area. Currently under construction on 270 acres at Fort Bliss is the six-building, 1.1-million-square foot William Beaumont Army Medical Center. The $670 million development will include a 135-bed hospital building, medical offices, research and development laboratory space, a central utility plant, and over 4,000 parking spaces. The project is estimated to be complete in 2019 and will create a peak of 1,200 construction jobs during the development period.

MEDICAL CENTER OF AMERICA'S CAMPUS

El Paso city and county officials accepted the Medical Center of America's 440-acre master planned medical campus into the city's 2025 Comprehensive Plan. The master plan was formed around the existing Thomason Hospital (now University of El Paso Medical Center) and Texas Tech University Health Sciences Center (TTUHSC). Since 2008, numerous additions have been made, including over $100 million worth of additions to University of Texas El Paso health and bioscience programs in 2009 and 2010, the $120 million El Paso's Children's Hospital in 2012, TTUHSC's $11 million Gayle Greve Hunt School of Nursing in 2015, and the $28 million Cardwell Collaborative Biomedical R&D building in 2016. An 80- to 100-year build-out is expected for the entire development.

UTEP INTERDISCIPLINARY RESEARCH BUILDING

The University of Texas El Paso broke ground on a new 162,000-square-foot, $85 million research building in April 2017. The Interdisciplinary Research Building will allow students and faculty from all areas to collaborate on research and projects while attracting top researchers and projects to El Paso. The Texas Board of Regents approved the final construction plans in November of 2016 and the project is slated to be completed by the fall 2019 semester.

The El Paso metro is currently at a 4.8% vacancy rate among multifamily properties and has averaged 2.5% asking rent growth over the past five years according to REIS 2Q 2017 report. The class B 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 4.4%.

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.

1031 EXIT STRATEGY

At ExchangeRight, we designed our exit strategy with the goal of providing investors with stable cash flow and value-added returns. Our aggregation strategy means that investors have the ability to be diversified across multiple properties, locations, and debt terms, which creates greater opportunities for stable cash flow and exiting at the right time. This diversification and scale enables us to:

- *pay stable cash flow through economic cycles, real estate market cycles, and debt maturities*
- *provide downside protection by diversifying across multifamily properties that are less dependent on economic growth to perform well when inevitable risks assail the markets*
- *maintain significant flexibility and control to maximize investor returns*
- *safeguard investors from being forced to sell before the time is right*
- *preserve investors' ability to complete a 1031 exchange upon exit*

We believe this outcome is best achieved by aggregating multifamily portfolios together to be sold, acquired, or listed in the public markets. In addition to the 1031 exchange, our exit strategy is also designed to provide investors with multiple options to meet their individual tax and financial planning needs at the time of sale.

MANAGEMENT

ExchangeRight and its affiliates are currently managing over $1.1 Billion of assets including over 400 properties that total over 10 million square feet and are located in 28 different 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.

SunRidge Management Group, Inc. is a full-service, third-party real estate management company formed in 1990 by Ronald F. Akin, who remains the company's president. From its inception until today, the company has grown to a corporate staff of 26 and approximately 400 on-site associates. There are currently 95 properties and 19,000 multifamily units being managed by the SunRidge Management Group, Inc. team throughout the United States, with a focus in Texas. The SunRidge team holds certifications that include CPM, ARM, CAM, CAPS, and CPA. SunRidge 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.