EXCHANGE RIGHT

Lakeside at Arbor Place DST
3000 Highway 5, Douglasville, GA 30135

LAKESIDE AT ARBOR PLACE

VALUE-ADD CLASS B MULTIFAMILY PROPERTY IN ATLANTA MSA AVAILABLE FOR 1031 EXCHANGE

Lakeside at Arbor Place is a 246-unit Class B multifamily property with 94%+ average occupancy over the past twelve months and the opportunity to update unit interiors and increase rents by approximately 10% ($80+ per month). The Property is located approximately 25 miles west of the Atlanta CBD with immediate proximity to Interstate 20.

- ***Forecasted Investor Returns***: 6.20% initial investor cash flow and increasing to 7.57% over a 10-year hold. Investors have the ability to participate in additional increased rent should the property outperform underwritten returns.
- ***Unique opportunity***: The property was built in 1988 and expanded in 1996. It has been owned by the same family with this transaction representing the first time the property has changed ownership.
- ***Unit Upgrade Potential***: Of the total 246 units, 57% of units have never had any renovations, and 22% only had partial renovations. Although the property is well-built and has been well maintained, the prior owners have not maximized the earnings potential available through renovating unit interiors.
- ***Conservative Growth Assumptions***: Similar upgrades of apartments within our market have achieved over $100 more in rent per month. Our underwriting forecasts rental increases of $80 per month following renovations.
- ***Submarket***: There is limited new supply with no new recent products. This has benefited the apartment submarket with comparable properties averaging 95%+ occupancy.
- ***Location***: The property has ease of access to I-20 and two large shopping centers, yet sits on a parcel that is secluded from noise and traffic with mature trees surrounding the apartment community and a small lake serving as the property's focal point.

OFFERING STRUCTURE AND PROJECTIONS

OFFERING STRUCTURE

EQUITY OFFERING AMOUNT:...........$14,300,000

NON-RECOURSE DEBT:....................$14,000,000

TOTAL OFFERING PRICE:................$28,300,000

OFFERING LOAN TO VALUE (LTV):.......... 49.47%

MINIMUM PURCHASE - 1031:..............$100,000

MINIMUM PURCHASE - CASH:...............$25,000

UNDERWRITING HIGHLIGHTS

- Net cash flow projected to average 7.01% over a 10-year hold.
- Offering Loan to Value of 49.47% with a Debt Service Coverage Ratio averaging 2.89x per annum over a 10-year hold.
- Year 1 Net Operating Income conservatively underwritten to have no growth in year 1 of operations when compared to historical financials.[1]
- 10-year annual revenue growth rate underwritten to 3.07% over a 10-year hold, with a 2.0% terminal growth rate starting in Year 4. This assumption is anticipated to be conservative given the intended renovation plan in the initial years of ownership.
- 10-year operating expense growth rate average underwritten to 4.41%, outpacing EGR growth rate by a factor of 30%.
- Over $2.2mm of accountable reserves have been funded by lender and by investors to execute on the property upgrades and to provide an operating reserve cushion.
  - $950,000 for various capital and construction management expenditures
  - $1.15 million for unit interior renovations
  - $100,000 for operating reserves

[1] *Historical financials are based on trailing 3 month income and trailing 12 month expense actuals as of March 31, 2016*

YEARS	1	2	3	4	5	6	7	8	9	10
Sched. Gross Market Rent	$ 2,707,824	$ 2,816,137	$ 2,900,621	$ 2,958,633	$ 3,017,806	$ 3,078,162	$ 3,139,726	$ 3,202,520	$ 3,266,570	$ 3,331,902
Loss To Lease	$ 209,877	$ 130,590	$ 42,274	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Gross Potential Rent	**$2,497,947**	**$2,685,547**	**$2,858,347**	**$2,958,633**	**$3,017,806**	**$3,078,162**	**$3,139,726**	**$3,202,520**	**$3,266,570**	**$3,331,902**
Less Vacancy Factor	$ 149,877	$ 187,988	$ 214,376	$ 36,691	$ 241,424	$ 246,253	$ 251,178	$ 256,202	$ 261,326	$ 266,552
Less Bad Debt	$ 24,979	$ 26,855	$ 28,583	$ 29,586	$ 30,178	$ 30,782	$ 31,397	$ 32,025	$ 32,666	$ 33,319
Less Model/Employee Units	$ 19,984	$ 21,484	$ 22,867	$ 23,669	$ 24,142	$ 24,625	$ 25,1178	$ 25,620	$ 26,133	$ 26,655
Other Revenue	$ 398,677	$ 410,637	$ 422,957	$ 431,416	$ 440,044	$ 448,845	$ 457,822	$ 466,978	$ 476,318	$ 485,844
Effective Gross Revenue	**$2,701,784**	**$2,859,856**	**$3,015,477**	**$3,100,103**	**$3,162,105**	**$3,225,347**	**$3,289,854**	**$3,355,651**	**$3,422,764**	**$3,491,220**
Operating Expenses	$ 826,653	$ 859,719	$ 894,108	$ 920,931	$ 948,559	$ 977,016	$ 1,006,326	$ 1,036,516	$ 1,067,611	$ 1,099,640
Management Fee	$ 108,071	$ 114,394	$ 120,619	$ 124,004	$ 126,484	$ 129,014	$ 131,594	$ 134,226	$ 136,911	$ 139,649
Property Taxes	$ 227,224	$ 284,030	$ 340,836	$ 351,061	$ 361,593	$ 372,441	$ 383,614	$ 395,122	$ 406,976	$ 419,185
Operating CapEx	$ 61,500	$ 61,500	$ 61,500	$ 61,500	$ 61,500	$ 61,500	$ 61,500	$ 61,500	$ 61,500	$ 61,500
Total Operating Expenses	**$1,223,448**	**$1,319,643**	**$1,417,063**	**$1,457,496**	**$1,498,136**	**$1,539,970**	**$1,583,034**	**$1,627,364**	**$1,672,998**	**$1,719,974**
Net Operating Income	**$1,478,336**	**$1,540,213**	**$1,598,415**	**$1,642,607**	**$1,663,969**	**$1,685,377**	**$1,706,820**	**$1,728,287**	**$1,749,766**	**$1,771,246**
Interest Expense	$ 567,778	$ 567,778	$ 567,778	$ 569,333	$ 567,778	$ 567,778	$ 567,778	$ 569,333	$ 567,778	$ 567,778
Free Cash Flow to Master Lease	**$ 910,558**	**$ 972,435**	**$1,030,637**	**$1,073,274**	**$1,096,191**	**$ 1,117,599**	**$1,139,042**	**$1,158,954**	**$ 1,181,989**	**$1,203,468**
Base Investor Master Lease Payment	$ 657,800	$ 657,800	$ 657,800	$ 657,800	$ 657,800	$ 657,800	$ 657,800	$ 657,800	$ 657,800	$ 657,800
Est. Bonus Master Lease Payment[1]	$ 228,892	$ 277,634	$ 322,604	$ 329,956	$ 339,605	$ 355,708	$ 372,249	$ 389,239	$ 406,689	$ 424,608
Total Estimated Investor Distributions	**$ 886,692**	**$ 935,434**	**$ 980,404**	**$ 987,756**	**$ 997,405**	**$1,013,508**	**$1,030,049**	**$1,047,039**	**$1,064,489**	**$1,082,408**
Est. Annualized Cash Flow to Investors	**6.20%**	**6.54%**	**6.86%**	**6.91%**	**6.97%**	**7.09%**	**7.20%**	**7.32%**	**7.44%**	**7.57%**

[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 property's asset manager will immediately deploy capital of approximately $375,000 to freshen the complex and increase the overall appeal of the property to residents. Upgrades and renovations will include:

- Clubhouse, business center, and fitness center remodels
- Pool remodeling including pool resurfacing and new pool furniture purchases
- Landscaping and signage
- Addition of a dog park
- Seal coating and restriping the asphalt
- Repairing and replacing building roofs as necessary

The asset manager will conduct a rebranding campaign that will include new signs, marketing, website, and other social media efforts to connect to additional potential residents in the submarket.

Apartment unit renovations will commence soon after acquisition and we forecast renovating 192 units, at approximately 7 units per month. Renovations are expected to be completed within 3 years and should add value to the property. The unit upgrades will focus on maximizing rent growth, and shall include:

- Full upgrade for units with no previous renovations (139 units, or 57% of total). These upgrades are expected to cost approximately $7,000 per unit and primarily include new flooring, appliances, cabinets, countertops, paint, and ceiling fans.
- Modest upgrades for units with partial renovations from 2008 (53 units, or 22% of total). These upgrades are expected to cost approximately $3,600 per unit and primarily include new flooring, hardware and lighting, paint, and ceiling fans.

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.

RESERVE SCHEDULE

	# OF UNITS	COST / UNIT	
Full Upgrades	139	$ 6,927	$ 962,880
Modest Upgrades	53	$ 3,630	$ 192,390
Total Interior Unit Upgrades			**$ 1,155,270**
Clubhouse/Business Center			$ 95,000
Amenities (Pool, dog park, fitness, etc.)			$ 128,000
Building Exterior			$ 82,030
Technology, Landscape, Other			$ 70,020
Total Capital Improvement Action Plan			**$ 375,050**
Reserves for future roof replacement, deck repairs, construction costs, contingency			$ 578,016
Operating Cash			$ 100,000
Total Other Reserves			**$ 678,016**
Grand Total Reserves for Repairs, Replacements and Operations			**$ 2,208,336**

MARKET AND PROPERTY OVERVIEW

GENERAL MARKET

Atlanta is ranked the #1 best city for engineers by SpareFoot. Sterling's Best Places ranks Atlanta #1 among the most energetic cities, #3 for telecommuting, the 7th best place to live, 14th for fiscal fitness, the 25th best city for retirement, 26th healthiest, and 30th most competitive for both public and private colleges. Forbes ranks Atlanta the #3 best city for young entrepreneurs and ranks the Atlanta MSA as the 5th best for business and career. Atlanta is also ranked the #6 most cost-friendly business locations among large U. S. cities in a comparative alternatives study performed by KPMG, LLP in 2016 due to its low transportation, utility, and industrial land costs. The Atlanta MSA provides businesses access to consular and trade representation for 68 world governments, according to the Georgia Center for Economic Development. The Bureau of Economic Analysis ranks Atlanta as the 10th largest economy in the nation, with a GDP of $325 billion as of 2014. Fortune ranks Atlanta the 14th best city for building wealth and 6th among states with the most Fortune 500 headquarters (up from 9th in 2014), as well as 3rd among cities with the highest concentration of Fortune 500 companies. Major employers include Delta Air Lines, AT&T, Cox Enterprises, IBM, Lockheed Martin, Turner Broadcasting Systems, EarthLink, BlueLinx, Coca-Cola, Georgia Tech Research Institute, Home Depot, UPS, Delta Airlines, and General Electric.

SUBMARKET

Douglasville is a suburb of Atlanta that is rich in employment opportunities, recreational amenities, premier shopping destinations, and historic charm with a vibrant downtown. There are over 450,000 jobs within a short commute of the Property. From 2000–2015 Douglasville's population grew by 47%, in contrast to Atlanta, which grew by 30% during the same time period. The housing needs of this submarket are underserved and there are no new developments underway. The Property is strategically located on I-20, appealing to those who desire the best of suburban living while maintaining excellent proximity to strong employment and economic centers, including: Downtown, Midtown, Cumberland-Galleria, South Atlanta, and Carrollton. With about 70% of the population in Douglasville commuting to these job centers for work, residents enjoy proximity to Blue Chip employers, a vibrant retail market, and attractive recreational amenities.

DEMOGRAPHIC SUMMARY

	1 MILE	3 MILE	5 MILE
2016 Population	6,142	37,958	79,885
Owner Occupied	994	7,791	17,981
Renter Occupied	1,490	4,984	8,245
2016 Avg. HH Income	$58,568	$64,054	$64,181
MSA Population		5,286,728	

UNIT MIX

UNIT TYPE	# OF UNITS	% OF UNIT MIX	UNIT SQ FT	EFFECTIVE RENT	EFFECTIVE RENT/SQ FT
1 Bed / 1 Bath	50	20%	678	$717	$1.06
1 Bed / 1 Bath	50	20%	830	$764	$0.92
2 Bed / 1 Bath	54	22%	986	$813	$0.82
2 Bed / 1 Bath	7	3%	1,090	$945	$0.87
2 Bed / 2 Bath	50	20%	1,065	$857	$0.80
2 Bed / 2 Bath	14	6%	1,225	$948	$0.77
3 Bed / 2 Bath	21	9%	1,555	$1,039	$0.67
Total / Average	**246**	**100%**	**973**	**$823**	**$0.85**

PROPERTY SUMMARY

Address	3000 Highway 5, Douglasville, GA 30135
Year Built	1988 / 1996
No. of Apartment Buildings	14
Net Rentable Area (Sq Ft)	239, 329
Avg. Sq Ft per Unit	973
Occupancy/Leased	94% / 96%
Avg. Effective Rents	$823
Avg. Effective Rent/Sq Ft	$0.85
No. of Floors	3 / 4
Land Area (Acres)	30.47
Density	12 units / acre

COMMUNITY AMENITIES

- Clubhouse
- Fitness Center
- Gated Entrance
- Playground
- Two Tennis Courts
- One Resort-Style Pool
- Picnic Area
- Walking/Biking Trails
- Business Center
- Lake
- Conference Center

APARTMENT AMENITIES

- Vaulted Ceilings*
- Views*
- Alarm
- Fireplace*
- Full Washer and Dryer* (74 Sets)
- Black Appliances*
- Tiled Backsplash
- Washer and Dryer Connections
- Ceiling Fans
- Sunroom*
- Patio/Balcony

**In select units*

ExchangeRight Real Estate, LLC is the sponsor of this offering and currently manages over $400 Million of assets comprised of 176 retail properties and 768 multifamily units, diversified across 27 States. ExchangeRight provides 1031 exchange properties for accredited investors that are structured to deliver long-term, stable income and value preservation. Our 1031 offerings are structured with moderate leverage, high debt coverage ratios, sustainable cash flow, and value-add strategies that are intended to help investors protect and grow their wealth.

In addition to intentionally structuring our 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 provide both 1031 and cash investors with pass-through tax deferral advantages and all of ExchangeRight's offerings have met or exceeded their initial projections.

ExchangeRight is partnering with Irinda Capital as the Co-Asset Manager. Irinda is a well-experienced multifamily real estate investment and advisory firm. The company is headquartered in Atlanta.

Irinda has purchased approximately 7,500 apartments across the country since 2011, representing $750MM in assets. Irinda principals have directly participated in the acquisition of over 30,000 apartment units, representing more than $3 billion of transactions.

Irinda takes an absolute return approach to asset management, with an emphasis on superior risk-adjusted returns and value-add opportunities that create stronger cash flows through physical transformation and better overall property management.

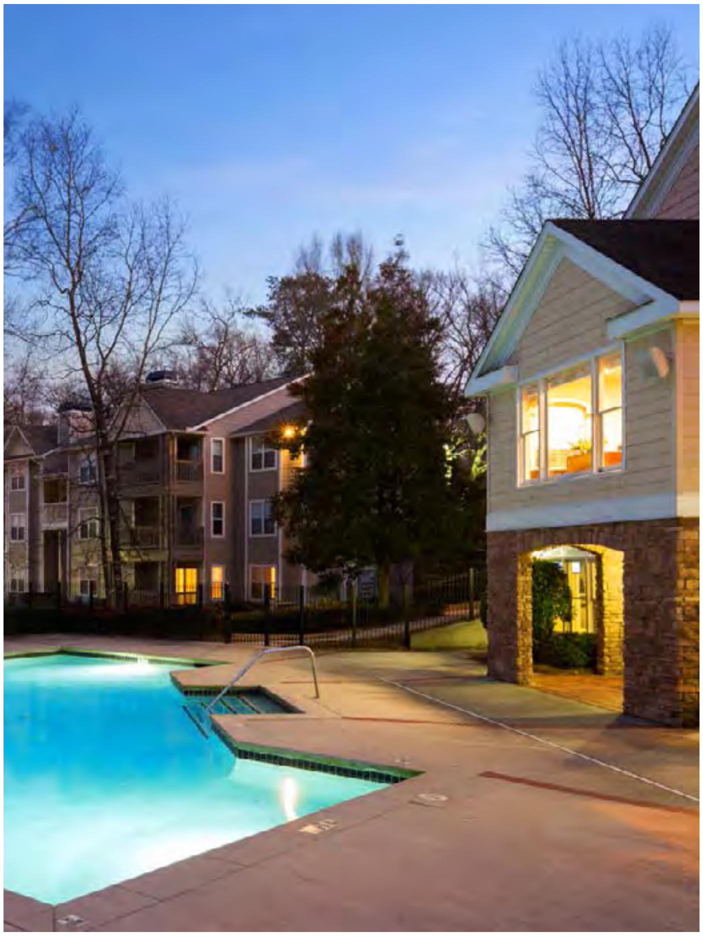
Their management team possesses strong expertise and a deep knowledge of multifamily asset management.

PROPERTY MANAGER

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 luxury, A-rated high rises to challenged or maturing properties. 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.

WORKING TOGETHER

ExchangeRight will work closely with Irinda and RAM Partners to ensure that all potential avenues of income and value creation are being pursued on behalf of investors in this property. Our master lease is structured to align our interests. ExchangeRight receives no asset management fee and only participates in the revenues of the Property if we are able to control expenses and drive rents and effective gross revenue higher. Investors will participate in 50% of the excess effective gross revenue growth that we are able to achieve over the hold period.



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