DELAWARE STATUTORY TRUST

EDD425

HARTMAN

Hartman Retail I, DST

Equity Remaining *as of 7/15/2015:*

$3,427,077.59

Hartman Retail I, DST

Investment Information

Offering Size:	$7,325,000
Gross Offering Proceeds:	$4,025,000
Minimum Equity Investment:[1]	$100,000
Offering LTV:	45.05%
Estimated Holding Period:	5 years
Suitability:	"Accredited Investors" Only

Permanent Loan Terms

$3,300,000 with C-III Commercial Mortgage (5.64% fixed 10-year Loan. Interest only for 3-years, 30-year amortization, due January 30, 2024.)

Property Summary

Tenant:[2]	Floor & Decor Outlets of America (100% leased) Floor & Decor is a highly differentiated, rapidly growing specialty retailer of hard surface flooring and related accessories with 51 warehouse-format stores across 13 states, as of April 10, 2015.
Address:	17211 North Freeway Houston, TX 77090
Description:	Fee simple ownership of a single tenant, freestanding, retail store containing 109,000 net rentable square feet, situated on approximately 8.1 acres with 468 parking spaces (4.3 per 1,000 SF). Completed in 1979, the property was renovated in 2012.
Location:	The property is situated at the intersection of I-45 and Overland Trail, and has a daily traffic count of 263,709 vehicles. Over 16,712 people live within 1 mile and 95,312 people live within 3 miles. The average vacancy rate for this submarket currently stands at 6.6%.
Neighborhood:	The overall area is approximately 90% built-up, allowing little opportunity for additional development. The neighborhood is located with good accessibility to area developments, major thoroughfares, and surrounding communities. Interstate-45 is the main highway into downtown Houston and the main route that connects Houston to Dallas.

Investment Overview

Hartman is offering to accredited investors the opportunity to purchase beneficial ownership interests in the Hartman Retail I, DST which was formed to acquire a 109,000 square foot retail building located in the Far North Retail Submarket of Houston, TX. The Hartman Retail I, DST should qualify as a real property interest for purposes of completing a like-kind exchange of real property under IRC Section 1031.[5]

Financial Information

Property Purchase Price:	$6,120,000
Property Price per SF:	$56.15
First Year Yield:[3]	6.47%
Property Acquisition CAP Rate:[4]	8.63%

Hartman Retail I, DST

1. Minimum purchase 2.484% interest (equals $100,000 equity and attribution of $81,988 of debt). The Trustee has the right to waive the minimum purchase Requirement.
2. Floor & Decor Outlets of America currently has a lease in place dated October 14, 2003 to lease the entire building. The property is Master Leased by a subsidiary of the Trustee for an original term of 10 years commencing January 30, 2014.
3. Yield based on Base Rent plus Bonus Rent
4. Computed by dividing the first 12 months net operating income by the acquisition price of $6,120,000.

CONSIDER THESE RISK FACTORS BEFORE INVESTING

Please read the Memorandum in its entirety, before investing, for complete information and to learn more about the risks associated with the Offering such as:

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

• There are various risks associated with owning, financing, operating, and leasing real estate in Houston, Texas. If the Property does not generate sufficient cash flow, then the Trust may be unable to pay the debt service or pay distributions and Purchasers' returns may be materially and adversely affected. 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. 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. 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. Poor performance of the Property could significantly and adversely impact the ability of the Beneficial Owners to satisfy their financial objectives.

• The Interests do not represent a diversified investment but an investment in an individual 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. The economic success of an investment in the Interests will depend directly upon, among other factors, Floor & Decor Outlets of America, as Tenant.

• Beneficial Owners must completely rely on the Master Tenant under the Master Lease and the Property Manager to collect the rent ("Rent") and operate, manage, lease, and maintain the Property. While the Sponsor and its executive officers have substantial real estate experience with commercial properties, this is the Sponsor's first individual private offering involving a Delaware Statutory Trust. Accordingly, no assurance can be given that the Trust will be able to successfully manage and operate 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 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. The proceeds realized from the sale of the Property will be distributed among the Beneficial Owners, but only after payment of the Loan (and any other loans) and 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.

• The Master Lease is a long-term lease. The Signatory Trustee anticipates that it may be in the best interests of the Beneficial Owners for the Trust to hold the Property for at least five (5) years.

•There are various conflicts of interest among the Trust, the Property Manager, the Sponsor, the Signatory Trustee, and their Affiliates. The Trust, the Signatory Trustee, and the Property Manager and their Affiliates will not have a fiduciary duty to the Beneficial Owners as would be applicable to a limited liability company, partnership, or corporation and, therefore, 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.

• There is no minimum amount of Offering Proceeds that must be raised or minimum number of Purchasers required in connection with the Offering. Accordingly, if the Sponsor is unable to sell all of the Interests, Holdings will retain unsold Interests or may transfer unsold Interests to the Sponsor or Affiliates Interests. The ownership of the Interests by Holdings 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 investors after an assessment of the merits of the Offering.

• The Interests are illiquid. 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 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. Also, a Purchaser can only transfer an Interest if permitted under the Loan Documents or otherwise approved by the Lender and in accordance with the Trust Agreement. Finally, the sale of the Interests may have adverse federal income tax consequences.

• There are tax risks associated with an investment in the Interests. 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.

• There are risks related to competition from properties similar to and near the Property. Competing commercial properties in the Houston, Texas market may reduce demand for the Property, increase vacancy rates, decrease leasing rates and impact the value of the Property itself.

• There may be environmental risks related to the Property. The Trust will not make any warranties or representations to the Investors regarding the condition of the Property. Further, no assurance can be given that capital reserves for any needed repairs 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 or under the Loan 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.

• The Offering of the Interests will not be registered with the SEC under the Act or the securities agency of any state and are being offered in reliance upon an exemption from the registration provisions of the Act and state securities laws applicable only to offers and sales to Purchasers meeting the suitability requirements set forth in the Memorandum.

• 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.

• The Trust does not intend to obtain, and thus will not provide to prospective Purchasers, audited operating statements regarding the operations of the Property, the Trust is relying on financial information provided by the Original Seller which has not made any representations as to the accuracy of its statements in its Property Purchase and Sale Agreement.

• 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) renegotiating the terms of the Loan or entering into new 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 Holdings or by the Purchasers in connection with the purchase of the Interests that will be distributed to redeem Holdings 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 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. While the Property will remain subject to the Loan 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.

•The utilization of a Delaware statutory trust (such as the Trust in the Offering) to acquire and hold property for purposes of an exchange that complies with Code Section 1031 ("1031 Exchange") is relatively untested under the tax laws.

Revised 7/15/15