

**MANUFACTURING ESSENTIAL ASSET II, DST
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
BENEFICIAL INTERESTS IN A DELAWARE STATUTORY TRUST**

August 20, 2024

\$22,284,282.41

1% Interest equals \$222,842.82
Minimum Purchase: 0.4487% Interest, or \$100,000.00
Maximum Offering Amount: \$22,284,282.41

Manufacturing Essential Asset II, DST, a Delaware statutory trust (the “*Trust*”), was formed for the purpose of acquiring that certain property (the “*Property*”) containing approximately 22.28 acres located at 308 Church Street, Honea Path, South Carolina 29654. The Property consists of nine (9) buildings containing approximately 96,204 total square feet. The Tenant (as defined below) acquired the Property together with various equipment and intellectual property immediately prior to the sale of the Property to the Trust. According to information provided by the Tenant, the Tenant acquired the Property, equipment, and associated assets to produce raw materials necessary in the production of surgical gloves. The Tenant has stated that it is currently using the Property to produce such raw materials, which are being shipped to its affiliate’s production facility in Harvard, Illinois. See “DESCRIPTION OF THE PROPERTY.”

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*”). Pursuant to the terms of the Trust Agreement (“*Trust Agreement*”), the form of which is attached hereto as Exhibit A, the Trust will be managed by Manufacturing Essential Asset II ST, LLC, a Delaware limited liability company (“*Signatory Trustee*”), and Wilmington Corporate Services, LLC (“*Delaware Trustee*”) will serve as the Delaware statutory trustee for the Trust. The sponsor of the Offering is CAI Investments, LLC, a Nevada limited liability company (the “*Sponsor*”), which is further described below in the section titled “MANAGEMENT.” The maximum offering amount (“*Maximum Offering Amount*”) for this Offering is \$22,284,282.41. In the event the Sponsor does not sell all of the Interests, Manufacturing Essential Asset Holdings II, LLC, a Delaware limited liability company and Affiliate of Sponsor (the “*Depositor*”), will retain unsold Interests or may transfer unsold Interests to its Affiliates. 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. **You should read this Memorandum in its entirety before making an investment decision.**

The Trust acquired the Property on August 2, 2024, as part of a sale-leaseback transaction from US Medical Nitrile & Polyisoprene Chemical Company LLC, a Delaware limited liability company (the “*Property Seller*” or “*Tenant*”) pursuant to that certain Real Estate Purchase Agreement dated August 2, 2024 (the “*Property Purchase Agreement*”). Under the Property Purchase Agreement, the Trust purchased the Property for a purchase price of \$18,000,000.00 (the “*Property Purchase Price*”). The Trust obtained copies of two separate appraisal reports for the Property prepared by CBRE, Inc. (collectively, the “*Appraisals*”). The most recent of the Appraisals reflects the current “as-is leased fee interest” market value of the Property as \$18,100,000.00, which is greater than the Property Purchase Price but less than the total Investment Cost (as defined below). See “DESCRIPTION OF THE PROPERTY – Appraisals of the Property.” See also “RISK FACTORS – Real Estate Risks – Appraised Value.”

Simultaneously with the Trust’s acquisition of the Property, the Trust leased the Property to Manufacturing Essential Asset II Master Lessee, LLC, a Delaware limited liability company and Affiliate of the Sponsor (the “*Master Tenant*”), pursuant to a master lease agreement in substantially the same form as attached to this Memorandum as Exhibit B (the “*Master Lease*”). The Master Tenant then leased the Property to the Tenant pursuant to a Lease (the “*Lease*”) by and between Tenant, as tenant, and Master Tenant (as hereafter defined), as landlord. See “SUMMARY OF THE LEASE.” Additionally, the Lease is guaranteed by an Affiliate of the Tenant, US Medical Glove Company L.L.C., a Kentucky limited liability company (the “*Lease Guarantor*”). See “DESCRIPTION OF THE TENANT AND LEASE GUARANTOR.” Capitalized terms relating to the Master Lease that are not defined in this Memorandum are defined in the Master Lease. The Master Tenant entered into a commercial management agreement

with Silver State Realty & Investments, Inc., a Nevada corporation, an Affiliate of the Sponsor, which will serve as the initial property manager (the “*Property Manager*”). The Master Tenant is responsible for payment of all property management fees payable to the Property Manager under the commercial management agreement. See “SUMMARY OF THE MASTER LEASE.”

Except as provided otherwise in the Trust Agreement and as summarized in this Memorandum, 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. The Trust expects to hold the Property for approximately ten (10) years, subject to the Tenant’s right to purchase the Property. See “RISK FACTORS – Real Estate Risks – Tenant Purchase Option” and “SUMMARY OF THE LEASE.”

The Tenant is a newly-formed entity which was formed on April 17, 2024, and is an Affiliate of the Lease Guarantor. According to information provided by the Tenant and Lease Guarantor, the Tenant was formed to acquire the Property together with various equipment and intellectual property to produce raw materials necessary in the production of surgical gloves. The Tenant has stated that it is currently using the Property to produce such raw materials, which are being shipped to the Lease Guarantor’s production facility in Harvard, Illinois. It is anticipated by the Lease Guarantor that the Tenant will continue to utilize the Property as a chemical manufacturing facility to vertically integrate the Lease Guarantor’s surgical glove manufacturing supply chain. Both the Lease Guarantor and Tenant are privately-held companies. Accordingly, there is limited information available regarding the Tenant’s and Guarantor’s financial condition. See “DESCRIPTION OF THE TENANT AND LEASE GUARANTOR.”

The Lease Guarantor is also a tenant of a property in Harvard, Illinois, which is owned by a Delaware statutory trust controlled and sponsored by the Sponsor and its Affiliates (the “*MEA Harvard DST*”). The property owned by the MEA Harvard DST is used by the Lease Guarantor for the manufacture of (i) surgical gloves and (ii) the equipment necessary for surgical glove manufacturing. The Lease Guarantor provided the Sponsor with the following information in connection with the MEA Harvard DST and the related private securities offering (the “*First MEA Offering*”):

- In addition to its private contracts, on May 27, 2021, the Department of Defense, on behalf of and in coordination with the Department of Health and Human Services, awarded a \$63.6 million contract to the Lease Guarantor to increase the domestic production capacity of nitrile gloves. Per the Department of Defense website, such contract was expected to be completed in May of 2023.
- The Lease Guarantor provided Sponsor with a limited set of financial statements which suggested that the Lease Guarantor had a net worth in excess of \$100 million as of March 2023. It should be noted that these financial statements have not been audited and Sponsor did not receive a complete set of financial of financial statements from the Lease Guarantor. A copy of the Lease Guarantor’s financial statements from 2023 will be provided to investors upon request, but the Lease Guarantor requires that you first sign a non-disclosure agreement. We encourage you to obtain and review the Lease Guarantor financial statements. See “RISK FACTORS – Real Estate Risks – Tenant’s Limited Operational History,” “RISK FACTORS – Real Estate Risks – Incomplete and Unaudited Financial Statements from the Lease Guarantor,” and “DESCRIPTION OF THE TENANT AND LEASE GUARANTOR.”

Interests will be sold to the Purchasers on the terms and conditions described in this Memorandum for a total cost (the “*Investment Cost*”) of \$22,284,282.41, which consists of the costs described herein, including: (i) the Property Purchase Price; (ii) Selling Commissions and Expenses (as hereafter defined); (iii) legal fees; and (iv) closing costs, including, but not limited to, title insurance, acquisition fees, escrow fees, prorations, document preparation fees, miscellaneous recording fees and charges and certain other fees payable to the Sponsor and its Affiliates as set forth herein. 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 reduce the beneficial interests held by the Depositor.

The Property is not encumbered by any debt, and therefore, you will not be treated as having assumed any debt for the purpose of calculating the amount of your Section 1031 replacement property. The Trust closed on its acquisition of the Property in part through proceeds of a preferred equity investment in the Depositor by the Property

Seller (the “*Seller Bridge Financing*”). The Seller Bridge Financing in the form of a preferred equity investment in the Depositor’s parent company (the “*Parent*”) is not secured by the Property, and the terms of the Seller Bridge Financing do not permit the Seller to control the Trust or Master Tenant following any default thereunder. It is expected that proceeds of the offering will be used by the Parent to redeem the Property Seller’s preferred equity investment as Interests are sold to Purchasers. See “ACQUISITION TERMS AND FINANCING.”

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 commercial real estate in Anderson County, South Carolina.
- The Interests do not represent a diversified investment.
- Beneficial Owners must completely rely on the Master Tenant 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 is sub-leased to the Tenant.
- The Property is primarily a single-tenant facility.
- The Tenant has a limited operating history, is largely reliant upon certain material contracts, and as a private company does not have publicly available or audited financial statements, and the financial statements provided by the Tenant are dated as of March 2023.
- The Lease with the Tenant is at above market pricing.
- There are various conflicts of interest among the Trust, the Master Tenant, the Property Manager, the Sponsor, the Signatory Trustee, the Depositor 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.

INVESTORS 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 \$222,842.82. The minimum purchase is a 0.4487% Interest, or \$100,000.00 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.”

	Equity Price to Purchasers	Selling Commissions and Expenses ⁽¹⁾	Proceeds to Trust
Per 1% Interest in the Trust	\$222,842.82	\$24,401.29	\$198,441.53
Maximum Offering ⁽²⁾	\$22,284,282.41	\$2,440,128.92	\$19,844,153.49

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*”). Emerson Equity LLC (the “*Managing Broker-Dealer*”), a member of FINRA, will act as Managing Broker-Dealer for the Offering. The following commissions and expenses will be paid from the gross equity proceeds from the sale of Interests (the “*Gross Proceeds*”) to the Managing Broker-Dealer: (i) selling commissions (the “*Selling Commissions*”) of up to 6.0% of the Gross Proceeds, which will either be paid to Affiliates of the Managing Broker-Dealer or may be re-allowed to the Selling Group, including employees and contractors of the Sponsor; (ii) a managing broker-dealer fee of up to 1.2% of the Gross

Proceeds (the “*Managing Broker-Dealer Fee*”), which may be re-allowed to Affiliates of the Managing Broker-Dealer or to registered representatives of the Managing Broker-Dealer; (iii) a non-accounting marketing and due diligence allowance of up to 1.0% of the Gross Proceeds (the “*Due Diligence Allowance*”), which may be re-allowed to Affiliates of the Managing Broker-Dealer or may be re-allowed to the Selling Group; and (iv) a wholesaling fee of up to 1.75% of the Gross Proceeds (the “*Wholesaling Fee*”), which will be paid to wholesalers, including Affiliates of the Managing Broker-Dealer or to registered representatives affiliated with the Managing Broker-Dealer. Certain employees and/or Affiliates of the Sponsor are registered representatives of the Managing Broker-Dealer and may receive a portion of the Selling Commissions and/or Wholesaling Fee in connection with the sale of Interests. In addition, the Sponsor or an Affiliate will receive a non-accountable organization, marketing, and offering cost allowance (the “*Organization and Offering Expenses*”) of up to 1.0% of the Offering Proceeds 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. The Trust reserves the right to pay reduced selling commissions and expenses or waive such sums with respect to Interests purchased by certain Affiliates and other persons. The Selling Commissions, the Managing Broker-Dealer Fee, the Due Diligence Allowance, the Wholesaling Fee, as well as other costs of the Offering, will be paid by the Trust out of the Gross Proceeds. With respect to each of the Managing Broker-Dealer Fee, the Due Diligence Allowance and the Wholesaling Fee, the Managing Broker-Dealer reserves the right to reallocate each of these in different portions in its full discretion. The total aggregate amount of commissions and expense reimbursements (collectively, “*Selling Commissions and Expenses*”) will not exceed 10.95% of the Gross Proceeds. 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 who are Affiliates of the Signatory Trustee or a member of the Selling Group.

2. The minimum purchase is a 0.4487% Interest, or \$100,000.00. The Signatory Trustee has the right, in its sole discretion, to waive the minimum purchase requirement.

The Signatory Trustee’s mailing address is 9325 W. Sahara Avenue, Las Vegas, Nevada 89117, and its telephone number is (888) 488-2441.

Neither the Securities and Exchange Commission (“*SEC*”) nor the securities regulatory authority of any state have approved or disapproved these securities or 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 (as defined in this Memorandum) who meet the requirements described in the “WHO MAY INVEST” section of this Memorandum. 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. They may not be transferred or resold except as permitted under the Securities Act of 1933, as amended (the “*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.

The 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.” Purchase of the Interests is suitable only for persons of substantial financial means who satisfy certain suitability requirements and have no need for liquidity in their investment. See “WHO MAY INVEST.”

The Trust will offer the Interests through the date that is twelve (12) months from the date of this Memorandum, 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.

The Trust has not authorized anyone to make any representations or furnish any information regarding 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 are 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 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 (the “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.

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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 investors in Florida, any Florida investor 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, whichever occurs later. To accomplish this, it is sufficient for a Florida investor 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 issuer of his written binding contract of purchase 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 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 in this Memorandum have not been registered under the Act or the securities laws of any state. They are being offered and sold in reliance on exemptions from the registration requirements of the Act and such laws. The securities are subject to restrictions on transferability and resale. They may not be transferred or resold except as permitted under the Act and such state securities 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 those individuals that meet the Purchaser Suitability Requirements, as defined below.

This Offering is being conducted pursuant to Rule 506(c) of Regulation D and is not being conducted pursuant to Rule 506(b) 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 Purchase Agreement with respect to the type of Accredited Investor he/she is claiming to be and any additional information required by the Signatory Trustee.

Purchaser Suitability Requirements

The purchase of the Interests involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity in this investment. Purchasers should be able to afford the loss of their entire investment. This investment will be sold only to prospective Purchasers who (i) purchase a minimum of \$100,000.00 of equity in the Trust, except that the Trust may permit certain Purchasers, in its sole discretion, to make a smaller investment and (ii) represent in writing that they meet the Purchaser Suitability Requirements (as defined below) established by the Trust and as may be required under federal or state law.

As a prospective Purchaser, you must represent in writing that you meet, among others, all of the following requirements (the “*Purchaser Suitability Requirements*”):

- (a) You have received, read and fully understand this Memorandum and all Exhibits and attachments hereto. You are basing your decision to invest on this Memorandum and all Exhibits and attachments hereto. You have relied solely on the information contained in these materials and have not relied upon any representations made elsewhere or by any other person;
- (b) You understand that an investment in an Interest is speculative and involves substantial risks and you are fully cognizant of and understand all of the risks relating to a purchase of an Interest, including, but not limited to, those risks set forth under “RISK FACTORS” in this Memorandum;
- (c) Your overall commitment to investments that are not readily marketable is not disproportionate to your individual net worth, and your investment in an Interest will not cause such overall commitment to become excessive;
- (d) You have adequate means of providing for your financial requirements, both current and anticipated, and have no need for liquidity in this investment;
- (e) You can bear and are willing to accept the economic risk of losing your entire investment in an Interest;
- (f) You are acquiring an Interest for your own account and for investment purposes only and have no present intention, agreement or arrangement for the distribution, transfer, assignment, resale or subdivision of the Interest;
- (g) You have such knowledge and experience in financial and business matters that you are capable of

evaluating the merits and risks of an investment in an Interest and have the ability to protect your own interests in connection with such investment; and

- (h) You are an Accredited Investor. An “Accredited Investor” is: If a natural person, a person that has (i) an individual net worth, or joint net worth with his or her spouse, of more than \$1,000,000 exclusive of the value of your primary residence or (ii) individual income in excess of \$200,000, or joint income with his or her spouse in excess of \$300,000, in each of the two most recent years and has a reasonable expectation of reaching the same income level in the current year. If not a natural person, one of the following: (i) a corporation, an organization described in Internal Revenue Code of 1986, as amended (the “Code”) Section 501(c)(3) (all references to “Code Section” are references to Sections of the Code, unless otherwise indicated), a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring an Interest, with total assets in excess of \$5,000,000; (ii) a trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring an Interest and whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in an Interest; (iii) a broker-dealer registered pursuant to section 15 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); (iv) an investment company registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”); (v) a business development company (as defined in section 2(a)(48) of the Investment Company Act); (vi) 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; (vii) an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 (“ERISA”), if the investment decision is made by a plan fiduciary (as defined in section 3(21) of ERISA), which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are Accredited Investors; (viii) a private business development company (as defined in section 202(a)(22) of the Investment Advisers Act of 1940, as amended); (ix) a bank as defined in section 3(a)(2) of the Securities Act, or any 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; (x) a knowledgeable employee (as defined in Rule 3c-5(a)(4) under the Investment Company Act of 1940) of the Company; or (xi) an entity in which all of the equity owners are Accredited Investors. In addition, the SEC has issued certain no action letters and interpretations in which it deemed certain trusts to be accredited investors, such as trusts where the trustee is a bank as defined in section 3(a)(2) of the Securities Act and revocable grantor trusts established by individuals who meet the requirements of clauses (i) or (ii) of the first sentence of this paragraph (h). However, these no-action letters and interpretations are very fact specific and should not be relied upon without close consideration of your unique facts.

For purposes of this definition, “net worth” means the excess of total assets at fair market value over total liabilities, except that the value of the principal residence owned by a natural person will be excluded for purposes of determining such natural person’s net worth. In addition, for purposes of this definition, the related amount of indebtedness secured by the primary residence up to the primary residence’s fair market value may be excluded, except in the event such indebtedness increased in the 60 days preceding the purchase of the Interests and was unrelated to the acquisition of the primary residence, then the amount of the increase must be included as a liability in the net worth calculation. Moreover, indebtedness secured by the primary residence in excess of the fair market value of such residence should be considered a liability and deducted from the natural person’s net worth.

Notwithstanding the foregoing, the Purchaser Suitability Requirements were amended on October 9, 2020, in Federal Register, Volume 85, Number 197, page 64276 (such amendment went into effect on December 8, 2020). This amendment provides a number of other ways to qualify as an Accredited Investor. To the extent you desire to qualify as an Accredited Investor in a manner that is not specifically discussed herein, please contact the Trust.

In addition, you must represent in the purchase agreement that you:

- (i) understand that the tax consequences of an investment in an Interest, especially the treatment of the

transaction under Code Section 1031 and the related “1031 exchange” rules, are complex and vary with the facts and circumstances of each individual Purchaser, (ii) understand and are aware that there are substantial uncertainties regarding the treatment of an Interest as real estate for income tax purposes, (iii) have read this entire Memorandum (including any supplements thereto) and fully understand that there is a significant risk that an Interest will not be treated as real estate for income tax purposes, (iv) if you are engaging in a tax-deferred exchange under Code Section 1031, you have independently obtained advice from your legal counsel and/or accountant regarding such tax-deferred exchange, including, without limitation, whether the acquisition of an Interest may qualify as part of a tax-deferred exchange, (v) understand that the Trust will not obtain a ruling from the IRS that an Interest will be treated as an undivided interest in real estate for federal income tax purposes and (vi) understand that the opinion of counsel is only counsel’s view of the anticipated tax treatment and that there is no guaranty that the IRS will agree with such opinion.

Additional representations of each Purchaser are set forth in the Trust Agreement.

Discretion of the Trust

The Purchaser Suitability Requirements stated above represent minimum suitability requirements, as established by the Trust for Purchasers. Accordingly, the satisfaction of the Purchaser Suitability Requirements by a potential Purchaser will not necessarily mean that the Interests are a suitable investment for such prospective Purchaser, or that the Trust will accept the prospective Purchaser as a purchaser of an Interest. Furthermore, the Trust may modify such requirements in its sole discretion, and any such modification may raise the suitability requirements for Purchasers.

The written representations made by a prospective Purchaser will be reviewed to determine the suitability of each prospective Purchaser. The Trust, in its sole discretion, will have the right to refuse a purchase for an Interest for any reason, including, but not limited to, if it believes that a prospective Purchaser does not meet the applicable Purchaser Suitability Requirements, or the Interests otherwise constitute an unsuitable investment for such prospective Purchaser, or for any other reason.

Bad Actor Disqualification. Certain Purchasers who would own 20% or more of the Interests as a result of their subscriptions must execute and deliver a Bad Actor Addendum and Irrevocable Proxy to the Signatory Trustee as a condition to such Purchasers’ purchase of Interests.

THE INTERESTS MAY NOT BE A SUITABLE INVESTMENT FOR A QUALIFIED PLAN, AN IRA OR OTHER TAX-EXEMPT ENTITY. THEREFORE, THIS MEMORANDUM DOES NOT DISCUSS RISKS THAT MAY BE ASSOCIATED WITH AN INVESTMENT IN THE INTERESTS BY A QUALIFIED PLAN, AN IRA OR OTHER TAX-EXEMPT ENTITY.

Also, each Purchaser must represent in writing that he 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 INTERNAL REVENUE CODE SECTION 1031 AND THE RELATED TREASURY REGULATIONS, ARE COMPLEX AND VARY WITH THE FACTS AND CIRCUMSTANCES OF EACH INDIVIDUAL PURCHASER. FURTHER, THE PURCHASER 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) HE IS NOT RELYING ON THE SPONSOR, THE SIGNATORY TRUSTEE OR ANY OF ITS AFFILIATES OR AGENTS, INCLUDING THEIR GENERAL COUNSEL, TAX COUNSEL AND ACCOUNTANTS, OR OTHER INVESTMENT ADVISOR FOR TAX ADVICE REGARDING THE QUALIFICATION OF THE INTERESTS UNDER SECTION 1031 OR ANY OTHER MATTER; (III) HE IS NOT RELYING ON ANY STATEMENTS MADE IN THIS MEMORANDUM REGARDING THE QUALIFICATION OF THE INTERESTS UNDER SECTION 1031; (IV) HE 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) HE 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) HE 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 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 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:

- (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;
- (b) Persons 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 Regulations of the U.S. Treasury Department;
- (c) 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
- (d) 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.

506(e) Disclosure

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

On July 10, 2013, the SEC adopted bad actor disqualification provisions for Rule 506 of Regulation D under the Act to implement Section 926 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The disqualification and related disclosure provisions appear as paragraphs (d) and (e) of Rule 506 of Regulation D. Under Rule 506(e), for disqualifying events that occurred before September 23, 2013, issuers may still rely on Rule 506 but will have to comply with the disclosure provisions of Rule 506(e). Disqualification will not arise as a result of disqualifying events that occurred before September 23, 2013, the effective date of the rule amendments. Matters that existed before the effective date of the rule and would otherwise be disqualifying are, however, required to be disclosed in writing to investors.

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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. The Purchaser Questionnaire may be provided in electronic format.

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. The Purchase Agreement may be provided in electronic format. See "SUMMARY OF THE PURCHASE AGREEMENT."

These documents should be mailed or delivered to:

Manufacturing Essential Asset II ST, LLC
c/o CAI Investments, LLC
9325 W. Sahara Avenue,
Las Vegas, Nevada 89117
Telephone: (888) 488-2441
Attn: Investor Services

The Signatory Trustee will review the signed Purchaser Questionnaire and the Purchase Agreement and 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.

Accredited Investor Status. The Trust is offering and selling its securities 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 Purchase Agreement with respect to the type of Accredited Investor he/she is claiming to be and any additional information required by the Signatory Trustee.

If you are a natural person and you are claiming to be an Accredited Investor on the basis of having a net worth of at least \$1,000,000, you will be required to provide documentary evidence of your assets dated within three months of the date of your 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. You 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 your 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 your Credit Report. You will also be required to represent that you have no other material liabilities other than those appearing on your Credit Report.

If you are a natural person and you are claiming to be an Accredited Investor on the basis of having individual income in excess of \$200,000, or joint income with you or your spouse 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, you will be required to provide all Internal Revenue Service forms you have received or completed with respect to your 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 Purchase Agreement and respond accordingly.

In lieu of providing the documentation required by the Purchase Agreement for the Trust to verify that you are an Accredited Investor, you may include with your Purchase Agreement 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 you are an Accredited Investor within the three months immediately preceding the date

of your Purchase Agreement.

Representations with respect to the foregoing and certain other matters will be made by each Purchaser in the Purchase Agreement. 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 prospective 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 Sponsor, the Depositor, the Signatory Trustee, the Master Lease, the Trust and the Offering. It 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 was formed for the purpose of acquiring the Property, which is located at 308 Church Street, Honea Path, South Carolina 29654. The Property is 100% leased to Tenant pursuant to the Lease. See “DESCRIPTION OF THE PROPERTY,” “SUMMARY OF THE LEASE,” and “DESCRIPTION OF THE TENANT AND LEASE GUARANTOR.” The minimum purchase is a 0.4487% Interest, or \$100,000.00, unless the Signatory Trustee, in its sole discretion, allows a smaller investment. See “PLAN OF DISTRIBUTION.” The Property is projected to generate stable cash flow to the Purchasers during the holding period.

Offering Termination Date: The Trust will offer the Interests through the date that is twelve (12) months from the date of this Memorandum, which date may be extended in the sole and absolute discretion of the Signatory Trustee.

Who May Invest: This Offering is strictly limited to Accredited Investors who meet certain minimum suitability requirements. See “WHO MAY INVEST.”

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, in a form substantially similar to the form 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 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.”

At no time shall the number of Beneficial Owners exceed the number of persons constituting the threshold for registration under Section 12(g) of the Securities Exchange Act of 1934, or any successor provision. See “SUMMARY OF THE TRUST AGREEMENT.”

The Trust: The Trust Agreement governs the rights and obligations of the Beneficial Owners with respect to the Trust and the Trust’s interest in the Property. Wilmington Corporate Services, LLC was appointed as the Delaware Trustee of the Trust and Manufacturing Essential Asset II ST, LLC was appointed as the Signatory Trustee of the Trust. The Signatory Trustee will have 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 the Property. The Signatory Trustee will distribute available cash to the Beneficial Owners on a monthly basis. If the Signatory Trustee determines that the Master Tenant has defaulted in paying rent, the Property is in jeopardy of being lost, 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 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 sale 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 is located at 308 Church Street, Honea Path, South Carolina 29654 and consists of nine (9) buildings containing approximately 96,204 total square feet. The Property contains approximately 22.28 acres and was constructed between 1969 and 2013. It is anticipated that the Tenant will utilize the Property to produce raw materials necessary in the production of surgical gloves. See “DESCRIPTION OF THE PROPERTY.” See also, “DESCRIPTION OF THE TENANT AND LEASE GUARANTOR” for additional information regarding the Tenant’s and Lease Guarantor’s operations and anticipated use of the Property.

The Trust has obtained copies of two Appraisals (as further described below), a Property Condition Report (the “*Property Condition Report*”), and Phase I Environmental Assessment (the “*Site Assessment*”), which are available for review in the data room or upon request.

Appraisal Reports:

The Trust received a copy of an Appraisal Report dated July 30, 2024 (the “*2024 Appraisal*”) prepared by CBRE, Inc., which reflects the current “as-is” value of the property as \$18,100,000. The value conclusion in the 2024 Appraisal is based in large part upon the rent payable under the Lease, about which the 2024 Appraisal notes, “*the base rental rate is \$17.02 per square foot on an absolute net basis, which is considered significantly above market*” (emphasis added). See “MARKET OVERVIEW.” Furthermore, the 2024 Appraisal concludes that, based upon information provided to the Sponsor by the Tenant:

“[I]t is our opinion that an investor would consider the [Property] to be leased and guaranteed by a credit tenant with a long lease term, mainly due to the backing of the U.S. Department of Defense and the fact that the subject is reportedly the only Isolex (Polyisoprene) manufacturing company in the United States, which is a necessary component in nitrile gloves and an integral component to keeping every process of nitrile glove manufacturing within the USA.”

(Although the U.S. Department of Defense is not a guarantor of the Lease or the Tenant, the Tenant has material contracts with the U.S. Department of Defense). See page 29 of the 2024 Appraisal.

Additionally, the Trust received a copy of an Appraisal Report dated December 19, 2023 (the “*2023 Appraisal*”) prepared by CBRE, Inc., which reflected the then-current “as-is” value of the Property as \$5,400,000. The value conclusion in the 2023 Appraisal is based in large part upon the assumption that the Property would be leased to the then-current owner or a similar tenant at a rate of \$4.50/SF/Yr, which is significantly less than the rent payable under the Lease and Master Lease.

See “DESCRIPTION OF THE PROPERTY.” See also “RISK FACTORS – Real Estate Risks – Appraised Value” and “RISK FACTORS – Real Estate Risks – Rent Significantly Above Appraised Value.” You are encouraged to obtain and review copies of the 2023 Appraisal and 2024 Appraisal.

Acquisition of the Property:

The Trust acquired the Property on August 2, 2024, as part of a sale-leaseback transaction from US Medical Nitrile & Polyisoprene Chemical Company LLC, a Delaware limited

liability company (the “*Property Seller*” or “*Tenant*”) pursuant to that certain Real Estate Purchase Agreement dated August 2, 2024 (the “*Property Purchase Agreement*”). Under the Property Purchase Agreement, the Trust purchased the Property for a purchase price of \$18,000,000.00 (the “*Property Purchase Price*”). The Trust obtained the 2024 Appraisal prepared by CBRE, Inc., which reflects the current “as-is” market value of the Property as \$18,100,000.00, which is greater than the Property Purchase Price but less than the total Investment Cost. See “DESCRIPTION OF THE PROPERTY – Appraisals of the Property.” See also “RISK FACTORS – Real Estate Risks – Appraised Value.”

Simultaneously with the Trust’s acquisition of the Property, the Trust leased the Property to Manufacturing Essential Asset II Master Lessee, LLC, a Delaware limited liability company and Affiliate of the Sponsor (the “*Master Tenant*”), pursuant to a master lease agreement in substantially the same form as attached to this Memorandum as Exhibit B (the “*Master Lease*”).

Interests will be sold to the Purchasers on the terms and conditions described herein for a total cost (the “*Investment Cost*”) of \$22,284,282.41, which consists of the costs described herein, including: (i) the Property Purchase Price; (ii) Selling Commissions and Expenses (as hereafter defined); (iii) legal fees; and (iv) closing costs, including, but not limited to, title insurance, acquisition fees, escrow fees, prorations, document preparation fees, miscellaneous recording fees and charges and certain other fees payable to the Sponsor and its Affiliates as set forth herein. 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 AND FINANCING.”

Financing of the Property:

The Property will not be encumbered by any debt. Therefore, you will not be treated as having assumed any debt for the purpose of calculating the amount of your Section 1031 replacement property.

The Trust closed on its acquisition of the Property in part through proceeds of a preferred equity investment in the Depositor by the Property Seller (the “*Seller Bridge Financing*”). The Seller Bridge Financing, which is in the form of a preferred equity investment in the Parent, is not secured by the Property, and the terms of the Seller Bridge Financing do not permit the Seller to control the Trust or Master Tenant following any default thereunder. It is expected that proceeds of the offering will be used by the Parent to redeem the Property Seller’s preferred equity investment as Interests are sold to Purchasers. See “ACQUISITION TERMS AND FINANCING” and “ORGANIZATIONAL CHART.”

Master Lease:

Simultaneously with the Trust’s acquisition of the Property, the Trust entered into the Master Lease with the Master Tenant, which Master Lease is in substantially the same form as 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 twenty-five (25) years and the Master Tenant has the right, in its sole discretion, to renew the Master Lease for four (4) additional terms of five (5) years each. During the term and subject to the provisions of the Master Lease, the Master Tenant will be 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 Capitalization of the Master Tenant.”

Rent from the Master Lease will be distributed to the Beneficial Owners net of any reserves and payment of property expenses incurred by the Trust. Any cash from the Property in excess of the Rent obligations of the Master Tenant under the Master Lease will be deposited into the Master Tenant Reserve, as further defined herein. To the extent not

utilized, the Master Tenant Reserve will belong to the Master Tenant upon termination of the Lease.

Notwithstanding the foregoing, the Master Tenant may defer payment of up to one-half of the Annual Rent (as defined in the Master Lease and as described in “SUMMARY OF THE MASTER LEASE”) payable each month as long as 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. 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.

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 until the last two (2) years of the Master Lease, which the responsibility will be shared between the Master Tenant and the Tenant. The Master Tenant has engaged the Property Manager to manage the Property. The Master Tenant is 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 maintaining the current subtenant occupancy level and maintaining rental rates. 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 the 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 Capitalization of the Master Tenant” and “RISKS RELATING TO THE MANAGEMENT OF THE PROPERTY.”

Property Sale:

The Trust Agreement requires that the Trust hold the Property for a minimum of one (1) year measured from the date of the sale of the last Interest. The Trust is expected to hold the Property for approximately ten (10) years, subject to modification based on market conditions at the time and the Tenant’s right to purchase the Property. See “RISK FACTORS – Real Estate Risks – Tenant Purchase Option.” The Beneficial Owners will not be entitled to approve a sale of the Property or any Transfer Distribution. The decision to sell or 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 Documentation:

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:

1. Purchaser Questionnaire (Exhibit D) (which may be provided in electronic format);
2. Purchase Agreement (Exhibit E) (which may be provided in electronic format); and
3. any documents reasonably requested by the Depositor or the Signatory Trustee.

Closing Arrangements:	Prospective Purchasers must complete, execute and deliver the Purchaser Questionnaire and Purchase Agreement, a form of which is attached hereto as <u>Exhibit D</u> and <u>Exhibit E</u> , respectively (such documents may be provided in electronic format). The Signatory Trustee may accept or reject a Prospective Purchaser at any time within thirty days after receiving the executed documents. If the Signatory Trustee approves the prospective Purchaser's investment, the Purchaser must deliver the full amount of the purchase price to Depositor, no later than two business days prior to closing and satisfy certain other closing conditions set forth in the Purchase Agreement.
Minimum Purchase:	The minimum purchase is a 0.4487% Interest in the Trust, or \$100,000.00. The Signatory Trustee reserves the right, in its sole discretion, to waive the minimum purchase requirement.
Purchaser Suitability Requirements:	The Offering is strictly limited to persons who meet certain minimum financial requirements as to income and net worth, among other 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 of the Property, and (iii) make monthly distributions to the Beneficial Owners from the rent collected under the Master Lease, which is intended to be passive income and may be partially sheltered as a result of depreciation and amortization expenses, and (iv) sell the Property approximately ten (10) years after the Trust's acquisition. 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 Property Manager, the Signatory Trustee and their Affiliates will receive substantial fees and compensation from the Offering and for managing the Trust, as described elsewhere herein. The Sponsor or an Affiliate will receive an acquisition fee equal to \$540,000.00 (the " <i>Acquisition Fee</i> "). The Trust will also pay the Signatory Trustee or an Affiliate Organization and Offering Expenses of \$222,842.82. The Trust will pay an ongoing administrative and accounting fee to Signatory Trustee or an Affiliate annually during each year that the Trust owns the Property. Such administrative and accounting fee will be \$10,000.00 during the first year and will increase by 1.0% each year thereafter. In addition, the Trust will also pay to Pinnacle Fund Management, LLC (" <i>Asset Manager</i> "), an Affiliate of Sponsor, an asset management fee equal to 4.0% of gross annual revenues received by the Trust. The Trust will be obligated to pay a disposition fee to Signatory Trustee or an Affiliate in the amount of 1.5% of the gross sale price (which is separate from any commission that may be owed to third party brokers) upon the sale of the Property (the " <i>Disposition Fee</i> "). Notwithstanding the foregoing, the Disposition Fee shall be subordinate to the return of all investor capital. Finally, any cash from the Property in excess of the Rent obligations of the Master Tenant under the Master Lease will be deposited into the Master Tenant Reserve (as further defined herein). To the extent not utilized, the Master Tenant Reserve will belong to the Master Tenant upon termination of the Lease. See "COMPENSATION OF THE SPONSOR AND AFFILIATES."
Cash from Operations:	The rent will be distributed to the Beneficial Owners, net of any reserves established by the Signatory Trustee and payments of 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:	Upon the sale of the Property, all funds remaining in any reserve accounts held for the benefit of the Trust will be distributed 100% to the Beneficial Owners. Any funds remaining in any reserve accounts established by the Master Tenant, including, but not

limited to, the Master Tenant Reserve, as defined herein, will be retained by the Master Tenant.

The Tenant and Lease Guarantor:

The Tenant is a newly-formed entity which was formed on April 17, 2024, and the Lease Guarantor was formed in October of 2020. Both the Lease Guarantor and Tenant are privately-held companies. Accordingly, there is limited information available regarding the Tenant's and Guarantor's financial condition. According to information provided to the Sponsor by the Lease Guarantor, the Lease Guarantor and its Affiliates were formed in response to the scarcity of personal protective equipment manufactured in the United States demonstrated by the global COVID-19 pandemic. The Lease Guarantor is a vertically integrated, advanced additive manufacturing engineering company, specializing in the manufacture of Nitrile Butadiene Rubber Glove (NBR) making machines.

The Lease Guarantor is also a tenant of a property in Harvard, Illinois, which is owned by a Delaware statutory trust controlled and sponsored by the Sponsor and its Affiliates (the "*MEA Harvard DST*"). The Lease Guarantor provided the Sponsor with the following information in connection with the MEA Harvard DST and the related private securities offering (the "*First MEA Offering*"):

- In addition to its private contracts, on May 27, 2021, the Department of Defense, on behalf of and in coordination with the Department of Health and Human Services, awarded a \$63.6 million contract to the Lease Guarantor to increase the domestic production capacity of nitrile gloves. Per the Department of Defense website, such contract was expected to be completed in May of 2023.
- The Lease Guarantor provided Sponsor with a limited set of financial statements which suggested that the Lease Guarantor had a net worth in excess of \$100 million as of March 2023. It should be noted that these financial statements have not been audited and Sponsor did not receive a complete set of financial of financial statements from the Lease Guarantor. A copy of the Lease Guarantor's financial statements from 2023 will be provided to investors upon request, but the Lease Guarantor requires that you first sign a non-disclosure agreement. We encourage you to obtain and review the Lease Guarantor financial statements. See "RISK FACTORS – Real Estate Risks – Tenant's Limited Operational History," "RISK FACTORS – Real Estate Risks – Incomplete and Unaudited Financial Statements from the Lease Guarantor," and "DESCRIPTION OF THE TENANT AND LEASE GUARANTOR."

The Tenant and Lease Guarantor are not Affiliates of the Sponsor, but an Affiliate of the Sponsor and an Affiliate of the Lease Guarantor are currently engaged in a joint venture with respect to a property located in Illinois and may continue to engage in other business together in the future. See "CONFLICTS OF INTEREST."

Risk Factors:

There are numerous material risk factors associated with the Offering. See "RISK FACTORS."

Tax Opinion:

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 form of Tax Opinion is attached hereto as Exhibit C. See "FEDERAL INCOME TAX

CONSEQUENCES.” The 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 “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 – Other 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 the Sponsor?

CAI Investments, LLC, a Delaware limited liability company, is the Sponsor of this Offering. The Sponsor was founded in 2011 and is headquartered in Las Vegas. CAI is focused on providing secure, attractive investment returns through the strategic acquisition and asset management of distressed real estate based assets in strengthening U.S. Markets of stability and growth. In addition, it finances, develops and manages properties across key markets in the United States. The Sponsor and CAI are part of a family of companies with approximately 20 employees that manage the entire real estate development process.

What am I purchasing?

You are purchasing a beneficial interest in the Trust, which will own fee interests in the Property. For federal income tax purposes, an Interest should constitute an interest in replacement property. There is no debt associated with the Property, and therefore, you will not be treated as having assumed any debt for the purpose of calculating the amount of your Section 1031 replacement property.

Is there a Master Lease associated with the Property?

Yes, the Trust master leased the Property to Manufacturing Essential Asset II Master Lessee, LLC, a Delaware limited liability company, a wholly-owned subsidiary of the Sponsor, pursuant to a Master Lease in substantially the same form as attached hereto as Exhibit B. The Master Tenant sub-leases the Property to the Tenant.

Who is the Tenant?

The Tenant is a newly-formed entity which was formed on April 17, 2024, and is an Affiliate of the Lease Guarantor. According to information provided by the Tenant, the Tenant acquired the Property, equipment, and associated assets to produce raw materials necessary in the production of surgical gloves. The Tenant has stated that it is currently using the Property to produce such raw materials, which are being shipped to the Lease Guarantor's production facility in Harvard, Illinois. See "DESCRIPTION OF THE TENANT AND LEASE GUARANTOR."

The Tenant and Lease Guarantor are not Affiliates of the Sponsor, but an Affiliate of the Sponsor and an Affiliate of the Lease Guarantor are currently engaged in a joint venture with respect to a property located in Illinois and may continue to engage in other business together in the future. See "CONFLICTS OF INTEREST."

Who is the Lease Guarantor?

The Lease Guarantor was formed in October of 2020 in response to the scarcity of personal protective equipment manufactured in the United States demonstrated by the global COVID-19 pandemic. Both the Lease Guarantor and Tenant are privately-held companies. Accordingly, there is limited information available regarding the Tenant's and Guarantor's financial condition. According to information provided to the Sponsor by the Lease Guarantor, the Lease Guarantor is a vertically integrated, advanced additive manufacturing engineering company, specializing in the manufacture of Nitrile Butadiene Rubber Glove (NBR) making machines.

The Lease Guarantor is also a tenant of a property in Harvard, Illinois, which is owned the MEA Harvard DST, a Delaware statutory trust controlled and sponsored by the Sponsor. The Lease Guarantor provided the Sponsor with the following information in connection with the MEA Harvard DST and the related First MEA Offering:

- In addition to its private contracts, on May 27, 2021, the Department of Defense, on behalf of and in coordination with the Department of Health and Human Services, awarded a \$63.6 million contract to the Lease Guarantor to increase the domestic production capacity of nitrile gloves. Per the Department of Defense website, such contract was expected to be completed in May of 2023.

- The Lease Guarantor provided Sponsor with a limited set of financial statements which suggested that the Lease Guarantor had a net worth in excess of \$100 million as of March 2023. It should be noted that these financial statements have not been audited and Sponsor did not receive a complete set of financial of financial statements from the Lease Guarantor. A copy of the Lease Guarantor's financial statements from 2023 will be provided to investors upon request, but the Lease Guarantor requires that you first sign a non-disclosure agreement. We encourage you to obtain and review the Lease Guarantor financial statements. See "RISK FACTORS – Real Estate Risks – Tenant's Limited Operational History," "RISK FACTORS – Real Estate Risks – Incomplete and Unaudited Financial Statements from the Lease Guarantor," and "DESCRIPTION OF THE TENANT AND LEASE GUARANTOR."

Have the Interests been registered with the SEC and States?

No. The Interests have not been, and will not be, registered under the Act or any state securities laws. The Interests will be offered and sold pursuant to an exemption from the registration requirements of the 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;
- no personal liability for Purchasers with regard to the Property; 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.

How do I identify the Property for my 1031 exchange?

You must contact your qualified intermediary and tax advisor for the appropriate identification procedure.

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

To the extent your investment in Interests generates taxable income or loss, such income or loss is expected to be passive income or loss. Generally, your passive income, if any, from an investment in the Interests may be offset by your other passive losses, and your passive losses, if any, from an investment in the Interests may be used to offset your 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. You should consult with your 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, Purchase Agreement and all required documentation. Accordingly, if you are acquiring an Interest as replacement property in a Section 1031 tax-deferred 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. This will be an all-cash deal. Therefore, you will not be treated as having assumed any debt for the purpose of calculating the amount of your Section 1031 replacement property.

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

Yes. You are responsible for all costs associated with your independent accountant, tax advisor, financial advisor, qualified intermediary and attorney. In addition, if you independently use the services of a registered Investment Advisor and not a broker-dealer in connection with your purchase of Interests, the Signatory Trustee, in its sole discretion, may waive the Organization and Offering Expenses with respect to such purchase. The payment of any fees or similar compensation to such Investment Advisor will be your sole responsibility, and the Trust will have no liability for that compensation. Please note that these costs may not be funded from the Section 1031 exchange escrow held by your qualified intermediary, if applicable.

How do I find a qualified intermediary?

If you do not currently have a qualified intermediary, upon request, the Signatory Trustee can provide a list of qualified intermediaries familiar with this type of sophisticated transaction.

How long is the projected holding period and what are the Trust's exit strategies?

The Trust Agreement requires that the Trust hold the Property for a minimum of one (1) year measured from the date of the sale of the last Interest. The Trust is expected to hold the Property for approximately ten (10) years, subject to modification based on market conditions at the time and the Tenant's right to purchase the Property. See "RISK FACTORS – Real Estate Risks – Tenant Purchase Option." The Signatory Trustee will continually evaluate capital markets, local, regional, and national economic trends, tenant performance, length of remaining lease terms and other broad economic factors that influence the value of single tenant net lease properties when considering a potential sale of the Property. Potential buyers of the Property can range from individuals, private equity firms, and institutional capital from both private and public forums. The Property may be sold as a package or as part of a collection of individual portfolios of properties in order to create a larger aggregate price.

Can I keep some of the proceeds from the sale of my relinquished property or do all of the proceeds have to be reinvested?

If you choose to keep some of the proceeds, you will generally be taxed on what you keep. The cash retained is known as "boot" in a Section 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 ERISA to employee benefit plan investors. See "ERISA CONSIDERATIONS." Prospective tax-exempt Purchasers should be aware that investment in the Trust is likely to generate income treated as UBTI for U.S. federal income tax purposes. See "FEDERAL INCOME TAX CONSEQUENCES – Other 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 securities laws. Accordingly, the Interests are subject to restrictions on transfer. The Trust Agreement has additional restrictions on transfer. If you are able to sell your Interest despite such restrictions, you and/or your purchaser(s) 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.

How often will distributions be made to the Purchasers?

The Signatory Trustee intends to make monthly distributions, payable on or about the 15th day of the month, following the first full month of operations. 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 does not intend to obtain an audit of the Property’s cash flow.

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

On or before the end of the first quarter following the end of each calendar year, the Signatory Trustee will provide you with an operating statement and a grantor tax information letter reporting your proportionate share of gross rents and Property operating expenses. You will need to calculate your 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 Section 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?

If you would like to subscribe for the Interests, you must carefully read this Memorandum, including all exhibits. Then, you must complete, execute, and deliver the Purchaser Questionnaire, a form of which is attached to this Memorandum as Exhibit D. The Purchaser Questionnaire may be provided in electronic format. The Purchaser Questionnaire and all other required documentation must be executed and delivered in accordance with the instructions set forth in the section entitled “HOW TO SUBSCRIBE.”

After the Signatory Trustee has received your completed and executed Purchaser Questionnaire, you will be sent the Purchase Agreement (the form of which is attached hereto as Exhibit E) to complete and execute, along with any additional documents necessary for closing that the Signatory Trustee may provide. The Purchase Agreement may be provided in electronic format. You should mail or deliver these documents to:

Manufacturing Essential Asset II ST, LLC
c/o CAI Investments, LLC
9325 W. Sahara Avenue
Las Vegas, Nevada 89117
Telephone: (888) 488-2441
Attn: Investor Services

The Signatory Trustee will review the signed Purchaser Questionnaire and the Purchase Agreement and 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.

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

Purchase of the Interests is speculative and involves a high degree of risk. It is difficult to accurately predict the results to a Purchaser 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.

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 Trust and 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, 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

Limited Experience of Signatory Trustee. The Signatory Trustee is a newly formed entity. There is no assurance that the Signatory Trustee will be successful in selling some or all of the Interests, which would result in the Depositor or its Affiliate retaining unsold Interests longer than anticipated. See “CONFLICTS OF INTEREST.”

No Representation of Beneficial Owners. Each Beneficial Owner acknowledges and agrees in the Purchase Agreement that legal counsel representing the Sponsor, the Signatory Trustee, the Property Manager and their respective 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 respective 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. Provided the Tenant has not exercised its purchase option, the Signatory Trustee intends to list the Property for sale after the anticipated holding period of approximately ten (10) years. The net 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 payment of the Disposition Fee. 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. See “RISK FACTORS – Real Estate Risks – Tenant Purchase Option” and “SUMMARY OF THE LEASE.”

No Fiduciary Duty. The Trust, the Signatory Trustee, the Property Manager and their respective 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 Owners except for the duties expressly contained under the Trust Agreement.

Limited Transferability of and No Market for Securities. 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 in accordance with the Trust Agreement. 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 the SEC or State Securities Authorities. The Offering of the Interests will not be registered with the SEC under the Act or the securities agency of any state. The Interests are being offered in reliance upon exemptions 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 this Memorandum.

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 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 has not received and therefore does not intend to provide to prospective Purchasers audited operating statements regarding the operations of the Property. The Seller makes limited representations and warranties regarding the condition of the Property and

has provided limited information regarding the Property's condition. Consequently, 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.

No Minimum Offering. There is no minimum offering amount of Offering Proceeds that must be raised or minimum number of Purchasers required in connection with this Offering. Accordingly, if the Sponsor is unable to sell all of the Interests, the Depositor, an Affiliate of the Sponsor, will retain unsold Interests or may transfer unsold Interests to its Affiliates. The ownership of the Interests by the Depositor 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 Depositor, 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.

Speculative Investment. No assurance can be given that the Beneficial Owners will realize their investment objectives. No assurance can be given that Beneficial Owners of Interests will realize a substantial return (if any) on their investment or that they will not lose their entire investment in the Trust. For this reason, each prospective Purchaser should carefully read this Memorandum, including all exhibits hereto. **ALL SUCH PERSONS OR ENTITIES SHOULD CONSULT WITH THEIR ATTORNEY OR BUSINESS ADVISOR PRIOR TO MAKING AN INVESTMENT.**

Risks Associated with the Possibility Sponsor May Enter into Consulting Agreements with Selling Group Members. The Sponsor reserves the right, either now or in the future, for Sponsor or its Affiliates to either (a) enter into consulting agreements with principals or Affiliates of broker dealers involved in raising capital pursuant to this Offering; or (b) convey non-voting economic interests in the Sponsor or its Affiliates to principals or Affiliates of broker dealers involved in raising capital pursuant to this Offering; provided that no such consulting agreements or conveyances of economic interests will be based on equity raised in connection with this Offering or any other offering, increase the portion of the Gross Proceeds which are allocated to selling expenses, or increase the compensation of the Sponsor. If Sponsor exercises this right, Affiliates or principals of broker dealers may receive compensation directly from the Sponsor or its Affiliates which is separate from and in addition to the fees broker dealers will paid as disclosed in this Memorandum (but which would be based upon separate services provided for other matters and not the equity raise for this Offering or any other offering). Each Investor should consult with such Investor's broker-dealer to evaluate whether any undue influence or conflicts of interest may result therefrom.

Cybersecurity Breach. The Sponsor and the Signatory Trustee use computers in substantially all aspects of their business operations. The Sponsor may also use mobile devices, social networking and other online activities. Such uses give rise to cybersecurity risks, including security breach, espionage, system disruption, theft and inadvertent release of information. The businesses of the Trust involve the storage and transmission of numerous classes of sensitive and/or confidential information and intellectual property. If the Sponsor or the Signatory Trustee 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 Sponsor and the Signatory Trustee, or the technology systems of third-parties on which the Sponsor and Signatory Trustee rely, could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of a tenant, 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.

Labor Shortages. Companies across the United States are struggling to hire and retain employees, and employers and governments are facing pressure to increase wages. This pressure may result in local, state, or federal minimum wage laws that affect the Trust. The current employment market may result in high employee turnover, which may negatively affect the Trust's financial performance. Furthermore, the Trust may need to increase employee pay to reduce turnover or comply with potential changes to local or national minimum wage laws, which may negatively affect the Trust's financial performance.

Inflation. It is possible that certain actions by the federal government may create significant increased inflation, which reduces purchasing power of money over time. The Sponsor cannot predict changes in inflation, which may result in realized returns to Beneficial Owners having less purchasing power than anticipated.

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 the 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. The decision to sell or 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 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 sell the Property after a specified number of years. 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 the 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 the 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 new financing, except in the case of the Tenant's bankruptcy or insolvency; (d) renegotiating the Master Lease or entering into a new master lease, except in the case of the Master Tenant's bankruptcy or insolvency; (e) making modifications to the Property (other than minor non-structural 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 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." The Beneficial Owners will no longer be considered to own, for federal income tax purposes, a direct ownership interest in the Property following a Transfer Distribution.

Management and Indemnification. The Signatory Trustee will have administrative authority with respect to the Trust. The Trust Agreement will provide that the Trust will indemnify 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 an exchange that complies with Code Section 1031 (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 Section 1031 exchange for an Interest.

Sale of the Property. The Trust may sell the Property at any time after it has held the Property for at least one (1) year measured from the date of the sale of the last Interest upon receipt of a notice from the Signatory Trustee that the Signatory Trustee has determined, in its sole discretion, that a sale of the Property is appropriate. If and when this sale occurs, it 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 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 non-recognition 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.

Transfer to the Springing LLC. If the Signatory Trustee determines that it is necessary to effectuate a Transfer Distribution, the Trust 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. The Signatory Trustee and the Delaware Trustee will manage the operations of the Trust pursuant to the Trust Agreement, the form of which will be substantially similar to the form attached as Exhibit A. The Master Tenant manages the operations of the Property pursuant to the terms of the Master Lease, the form of which is substantially similar to the form attached hereto as Exhibit B. See “SUMMARY OF THE MASTER LEASE.” The Beneficial Owners will have no voting rights with respect to the operations of the Trust or the Property. None of the Beneficial Owners will have the right to direct ownership of any assets of the Trust, including the Property. The Signatory Trustee is under no obligation to make its decision with respect to such prospective sale in accordance with the wishes of the Beneficial Owners.

The Trust is Not a Diversified Investment. An investment in the Interests effectively represents an investment in one 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 would also adversely affect the ability of the Trust to pay distributions 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

Complete Reliance on a Single Tenant at the Property. The Property is 100% leased by the Master Tenant and the Master Tenant sub-leases the entire Property to the Tenant, a single tenant. The Master Tenant, in turn, pays the Rent to the Trust and the Trust will make distributions to Investors. The ability of the Property to generate sufficient cash flow to pay the rent depends upon the terms of the Master Lease which in turn is reliant solely upon

the terms and conditions of the Lease with Tenant. In the event any provision in a Tenant's lease or applicable law provides a Tenant with an opportunity to abate, suspend or otherwise cease or set-off against the payment of rent, due to the limited capitalization of the Master Tenant, the Trust would be without other means of cash-flow generation and 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 Section 1031 exchange of their investment in the Trust. Additionally, if the Tenant fails to renew or extend the Lease by the termination date, or if the Tenant terminates the Lease, the resulting loss of revenue could substantially and adversely affect the operating results of such Property. If the Tenant vacates the Property for any reason during the term and the Property must be re-leased, it may be difficult to find a replacement. Default by the Tenant could, depending on the ability to successfully find a substitute tenant, have a material adverse effect on the financial performance of the Property, and the ability of the Trust to make distributions to the Purchasers.

The Unique Nature of the Property May Make It Difficult to Transfer the Property or Find a Replacement Tenant. The Property is a specialized facility designed and built-out for the Tenant for a specific type of use, otherwise known as a single-use facility. The improvements generally required to conform a property to the Property as currently used by the Tenant, such as upgrading electrical, gas and plumbing infrastructure, are costly and often times operator-specific. As a result, the Property may not be suitable for lease to other industrial tenants with unique needs without significant expenditures or renovations. A new or replacement tenant may require different features in the Property, depending on that tenant's particular operations.

If the Tenant terminates or does not renew its Lease, or the Tenant loses its regulatory authority to operate the Property or defaults on its Lease obligations for any reason, the Trust may not be able to locate, or may incur additional costs to locate, a suitable replacement tenant to lease the Property for its specialized use. Any loss of revenues or additional capital expenditures required as a result may have an adverse effect on the results of operations and the ability of the Trust to make distributions to the Purchaser.

Tenant's Limited Operational History. The Tenant was formed in October of 2020 in response to the scarcity of personal protective equipment manufactured in the United States demonstrated by the global COVID-19 pandemic. Tenant received an advanced purchase order from the U.S. Government in or about May of 2021, at which time its primary manufacturing operations commenced. Accordingly, Tenant has limited operational history. No assurances can be had that Tenant's business model is sound, that it will maintain its existing contractual relationships or be successful in entering into new contractual relationships, or that it will become or maintain any level of financial success sufficient to maintain its obligations under the Lease.

Incomplete and Unaudited Financial Statements from the Lease Guarantor. The Sponsor received incomplete and unaudited financial statements from the Lease Guarantor in connection with the First MEA Offering which were current as of March 2023. The financial statements which were received are compiled statements signed by an outside Certified Public Accountant. The statements have not been audited and therefore are general representations about the Lease Guarantor's finances which have not yet been independently verified. As a non-public company, Lease Guarantor is not required to comply with the types of financial disclosures associated with public companies. Accordingly, neither the Sponsor, its counsel, nor its accounting firm has been able to verify the information contained in financial statements provided by Lease Guarantor.

Risk of Termination Due to Eminent Domain. The Lease grants the Tenant the right to terminate the Lease in the event all or any part of the Property is acquired by the exercise of eminent domain such that the Property becomes unusable by Tenant for its permitted use under the Lease. In the event such exercise of eminent domain occurs, it is likely that both the projected returns to the Beneficial Owners and the value of the Property upon a sale will be adversely impacted.

General Risk of Investment in the Property. The economic success of the Interests will depend upon the results of operations of the Property, which 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 and 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, 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 Beneficial Owners, and the Master Tenant. Such factors include

continued validity and enforceability of the Lease, vacancy rates for properties similar to the Property, financial resources of Tenant, 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.

Appraised Value. The Trust obtained copies of two Appraisals prepared by CBRE, Inc. which contain significantly different conclusions but are based upon significantly different assumptions. The 2024 Appraisal reflects the “as-is” value of the Property as \$18,100,000, while the 2023 Appraisal reflects the then-current “as-is” value of the Property as \$5,400,000. The value conclusion in the 2024 Appraisal is based in large part upon the rent payable under the Lease, about which it notes, *“the base rental rate is \$17.02 per square foot on an absolute net basis, which is considered significantly above market”* (emphasis added). See “MARKET OVERVIEW.” Furthermore, the 2024 Appraisal concludes that, based upon information provided to the Sponsor by the Tenant:

“[I]t is our opinion that an investor would consider the [Property] to be leased and guaranteed by a credit tenant with a long lease term, mainly due to the backing of the U.S. Department of Defense and the fact that the subject is reportedly the only Isolex (Polyisoprene) manufacturing company in the United States, which is a necessary component in nitrile gloves and an integral component to keeping every process of nitrile glove manufacturing within the USA.” See page 29 of the 2024 Appraisal.

The 2023 Appraisal, on the other hand, is based in large part upon the assumption that the Property would be leased to the then-current owner or a similar tenant at a rate of \$4.50/SF/Yr, which is significantly less than the rent payable under the Lease and Master Lease.

There can be no assurance that the assumptions made by CBRE, Inc., or the information provided to the Sponsor by the Tenant, which was in turn relied upon by CBRE, Inc. is accurate. If the information provided by the Tenant regarding its creditworthiness is inaccurate, CBRE, Inc. or any other qualified appraiser may conclude that the Property is worth less than \$18,100,000. You are encouraged to obtain and review copies of the 2023 Appraisal and 2024 Appraisal.

Additionally, if the information provided by the Tenant regarding its creditworthiness is inaccurate, the Tenant may not be able to make payments due under the Lease, in which case, the Trust and/or Master Tenant will likely be unable to find a replacement tenant who will be willing to pay the rent rates due under the Lease, which would likely have a material adverse impact on the value of the Property. See “RISK FACTORS – Real Estate Risks – Incomplete and Unaudited Financial Statements from the Lease Guarantor.”

Rent Significantly Above Appraised Value. As noted in the 2024 Appraisal, *“the base rental rate is \$17.02 per square foot on an absolute net basis, which is considered significantly above market”* (emphasis added). Therefore, if the Tenant defaults under its obligations under the Lease, or otherwise at the conclusion of the Lease term, it is unlikely that the Trust and/or Master Tenant will be able to secure a replacement tenant willing to pay above-market rates. Furthermore, at the conclusion of the anticipated hold period and assuming that rent payable under the Lease remains appreciably above market, the reduced remaining Lease term is likely to adversely impact the sale price the Trust will obtain for the Property. Furthermore, rent during any renewal term will be equal to the fair market value of rent at the time of the renewal. There can be no assurance that market rents will increase sufficiently to prevent a significant decrease in rent upon conclusion of the initial term of the lease, which may negatively impact the value of the Property upon disposition.

Physical Condition of the Property. The Trust obtained a copy of a Property Condition Assessment for the Property dated March 21, 2024, and prepared by Blew & Associates, P.A. (“Blew”). According to Blew, the Property is in good to fair condition, and there are several items requiring “immediate repair” totaling approximately \$393,800 including, but not limited to: (i) repair of cracking at perimeter wall with an estimated cost of \$117,800, (ii) replacement of the 2006 roof with an estimated cost of \$265,100, (iii) upgrades necessary for ADA compliance with an estimated cost of \$5,000, and (iv) repair of concrete walkways with an estimated cost of \$5,000. See “RISK FACTORS – Real Estate Risks – Compliance with the Americans with Disabilities Act.” Blew also identified items requiring “short term” repair totaling approximately \$37,223. In addition to the “immediate repair” and “short term”

repair items, Blew identified items requiring repair during the next twelve years totaling approximately \$417,802, including replacement of a second portion of the roof with an estimated cost of \$247,500 in the third year of the hold period. The Tenant is obligated pursuant to the Lease to conduct the foregoing repairs in the timeframes specified under the Property Condition Report. See “SUMMARY OF THE LEASE.” Although the Tenant is obligated to make such repairs, any failure by the Tenant to fulfill its obligations may force the Master Tenant or Trust to undertake such repairs. See “RISK FACTORS – Delaware Statutory Trust Risks.”

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 modifications 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.

Availability of Financing and Market Conditions. Market fluctuations in real estate financing may affect the availability and cost of funds needed for the Property in the future. Restrictions upon the availability of real estate financing or high interest rates for real estate loans could adversely affect the Property, including the ability to finance the Property and the ability of the Trust to sell the Property at a profit or at any price.

Title and Survey Matters. The Property is subject to various matters affecting title, including, but not limited to, certain 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 are 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 a 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 Capitalization of the Master Tenant. Master Tenant’s capitalization, including a reserve to pay for any property or re-tenanting expenses (“*Master Tenant Reserve*”), is supported solely by the cash flow from the underlying Lease. Master Tenant shall use the Master Tenant Reserve to pay for any property expenses or re-tenanting expenses, which may arise during the term of the Lease to the extent not paid by Tenant pursuant to the terms of the Lease. See “SUMMARY OF THE LEASE.” To the extent not utilized, the Master Tenant Reserve will belong to the Master Tenant upon termination of the Lease. 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 the event the Master Lease is terminated, 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 to have to terminate the 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 Section 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” and “RISK FACTORS – Tax Risks.”

Accrual of Annual Rent. The Master Lease will provide 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 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 acquiring the Property, the Trust became a party to various agreements, including certain 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 after it is acquired by the Trust. The Trust obtained various 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 Trust, the Property Manager, the Master Tenant, and the Tenant must comply. Although the Sponsor and the Trust are not aware of any non-compliance with 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 certain utility, access and maintenance easements. The presence of the easements could limit operations and/or development at a Property, which also could have an adverse financial impact on the Property.

Projected Aggregate Cash Flow. The Sponsor has prepared projected financial results, which are attached as part of Exhibit F to this Memorandum. Neither the Sponsor’s counsel nor its accounting firm has reviewed, analyzed, or otherwise passed upon these projected financial results. Such “forward-looking” statements are based on various assumptions made by the Sponsor that may not prove to be correct including, for example, the continued growth and expansion of the local and regional economies, the ability of the Tenant to make all necessary payments under the Lease, 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 in this Memorandum 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 the 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.

The Condition of the U.S. and Global Financial Markets Has Continued To Be Volatile and May Continue To Be Volatile. Purchasers should be aware that the U.S. and global financial markets are currently quite volatile. Continued volatility and instability could adversely affect the Signatory Trustee’s ability to achieve the Trustor’s objectives. 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. According to the Property Condition Report, the Property is located in a Flood Zone X (shaded), defined as moderate risk areas within the 0.2-percent-annual-chance floodplain, areas of 1-percent-annual-chance flooding where average depths are less than 1 foot, areas of 1-percent-annual-chance flooding where the contributing drainage area is less than 1 square mile, and areas protected from the 1-percent-annual-chance flood by a levee. However, the Sponsor makes no representation as to whether the Property is located within such a flood plain or a high-risk area for wind or seismic activity. Additionally, according to the Property Condition Report, the Property is located in Wind Zone III, an area with wind speeds of up to 200 miles per hour. There can be no assurances that the Property will not be damaged in the future by seismic, high wind, or flood activity. Prospective Purchasers should consider these risks in their evaluation of the Property, particularly since the Trust does

not anticipate obtaining insurance against these risks unless required by applicable law.

Strict Liability for Toxic and Hazardous Materials; No Environmental Indemnity. Federal, state, and local laws impose liability on a landowner for releases, or the otherwise improper presence on the premises, of hazardous substances. This liability is without regard to fault for, or knowledge of, the presence of such substances. A landowner may be held liable for hazardous materials brought onto property before it acquired title and for hazardous materials that are not discovered until after it sells such property. Moreover, the use of the Property as a chemical manufacturing facility and the raw materials used in connection with operations at the Property may increase the risk that hazardous materials are released into the environment leading to liability as discussed herein. Similar liability may occur under applicable state law. The Trust has not made any representations in the Purchase Agreement or otherwise for the Property regarding any environmental matters and has not agreed to indemnify the Purchasers for any environmental liabilities. If any hazardous materials are found within a Property in violation of law at any time, the Trust and, possibly, the Beneficial Owners may be jointly and severally liable for all cleanup costs, fines, penalties and other costs. This potential liability will continue after the Trust sells the Property and the Beneficial Owners sell their Interests and may apply to hazardous materials present within the Property before the Trust acquired the Property and the Beneficial Owners acquired their Interests. If losses arise from hazardous substance contamination that cannot be recovered from a responsible party, the financial viability of the Property may be substantially affected. In extreme cases, the Property may be rendered worthless, or worse, where the owners are obligated to pay cleanup costs in excess of the value of the Property. Hazardous substance contamination in the Property could adversely affect the cash flow from the Property and the ability of the Trust to make distributions to Purchasers. In extreme cases, Purchasers could lose their entire investment in the Trust.

Risk of Mold Contamination. Mold contamination has been linked to a number of health problems, resulting in recent litigation by tenants 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 tenants. It is unclear whether such mold claims would be covered by the customary insurance policies to be obtained for the Trust.

Environmental Assessment. If any hazardous substances are found at any time on the Property, even after the Trust may have sold the Property, the Trust may be held liable for all cleanup costs, fines, penalties and other costs regardless of whether they owned the Property when the releases occurred or when the hazardous substances were discovered. Under one such law, the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), a purchaser of property may qualify for certain defenses to, and exemptions from, liability under CERCLA by obtaining a new or updated Environmental Site Assessment that qualifies as an “All Appropriate Inquiry” under CERCLA, as long as the Assessment was conducted, or updated, within 180 days of the purchase of the property.

The Trust obtained a Phase I Environmental Site Assessment dated May 6, 2024, prepared by Blew & Associates, P.A. for the Property. The Site Assessment did not identify any recognized environmental conditions, controlled recognized environmental conditions, or historical recognized environmental conditions and did not recommend any further investigation.

Uncertain Economic Conditions and Possible Impacts of COVID-19. Any negative change in the general economic conditions in the United States or in Honea Path, South Carolina and its surrounding communities, could adversely affect the financial condition and operating results of the Property. COVID-19 has caused significant market turmoil and economic slowdown since 2020 and it is likely to continue to disrupt lending, financial markets, real estate markets, supply chains and businesses in the future. While it is difficult to assess or predict with precision the broad effects of COVID-19 on industries, companies or communities, management of the issuer is closely monitoring the situation. At present, management for the issuer does not foresee any material adverse effects on the short or long-term future operations of the Property directly attributable from the COVID-19 virus. Nevertheless, because of the uncertainty surrounding the economic impacts of COVID-19, there is no assurance that the financial projections contained in the Offering are accurate. Additionally, there is no assurance that the value of the investment as described in the Offering has not declined, and there is no assurance that it will not drop in the future. The occurrence of such events or other related matters could adversely affect the overall performance and value of the Property, and investors could lose all or a portion of their investment in the Offering.

No Purchaser Reliance on Third Party Reports. Reference is made in this Memorandum to Third Party Reports. These Third Party Reports will not be addressed to the Purchasers, and the Purchasers will not have the right to rely upon them. The Third Party Reports will be provided to Purchasers for reference purposes only. Individual Purchasers will have no contractual rights against the preparers of the Third Party Reports. Copies of the Third Party Reports will be included in the data room once they are available. The summaries of any Third Party Reports herein are qualified in their entirety by reference thereto.

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. While the Trust has not obtained a full ADA Compliance Survey of the Property, Blew did perform a limited scope visual evaluation of the Property as part of preparing the Property Condition Report. Blew noted that (i) the Property does not have the required van-accessible space and loading aisle, (ii) the accessible parking spaces are missing the required signage, and (iii) at least one bathroom will need modification to be ADA compliant. In the event the Tenant fails to make correct the deficiencies noted in the Property Condition Report, the Trust and/or Master Tenant may be required to do so, which may adversely impact the Trust. A full ADA Compliance Survey may reveal additional matters which are not in compliance with the ADA. Additionally, state and federal laws in this area are constantly evolving and any changes in such laws could place a greater cost or burden in the future on the Trust, as the owner of the Property, or the Tenant, as the tenant of the Property. The Signatory Trustee cannot provide any assurance to potential Purchasers that additional ADA violations at the Property will not exist in the future.

Tenant Purchase Option. Pursuant to the terms of a purchase option agreement between the Trust and the Tenant, the Tenant has the option to purchase the Property at any time after the later of (i) twenty-four (24) months after the Lease commencement date, or (ii) the date that is one (1) year after the last investor is admitted to the Trust. The purchase price for such option shall be equal to the greater of: (i) the fair market value of the Property, (ii) 105% of the purchase price paid by the then current owner of the Property, or (iii) \$24,750,000 if the Trust still owns the Property. In the event the Tenant exercises such purchase option, the Trust may be required to sell the Property earlier than anticipated, which means investors may receive less overall distributions than if the Trust held the Property for a longer period of time. See “SUMMARY OF THE LEASE.”

RISKS RELATING TO THE BENEFICIAL OWNERS

Liability of Beneficial Owners. The liability shield afforded to a Beneficial Owner of an Interest is generally respected for most purposes, barring unusual circumstances. Liability associated with the Trust, such as a claim against a Property, should be limited to the Beneficial Owners’ capital and distributions from the Trust. However, under a concept known as “piercing” (commonly used by courts to prevent a fraud on creditors), it is possible that a court could disregard such liability shield and impose personal liability on the Beneficial Owners. Prospective Purchasers should be aware that Delaware statutory trusts are a relatively untested form of legal entity and the law on “piercing” and certain other matters is still evolving. If the liability shield were disregarded, the liability associated with an investment in the Trust would not be limited to the investment of the Beneficial Owners, the amount of distributions to the Beneficial Owners, or otherwise.

Closing Costs. Closing costs payable in connection with the acquisition of the Property include, but are not limited to, title insurance costs, escrow fees, due diligence costs, recording fees, allocation of legal fees and costs, and transfer taxes. The Signatory Trustee or its Affiliates, as applicable, will be partially reimbursed for such costs and expenses from the Offering Proceeds. If the Signatory Trustee has overestimated these costs, the amount of funds collected may exceed the actual costs incurred. If there are additional funds remaining, the Signatory Trustee will retain any such excess funds; the Trust will not retain any excess funds. If, however, the amount of such fees and costs has been underestimated, the Signatory Trustee, and not the Trust, will bear the cost of any excess fees and costs.

Uninsured Losses/Unlimited Liability. The Master Tenant will attempt to maintain adequate insurance coverage against liability for personal injury and property damage on a Property. However, there can be no assurance that insurance will be sufficient to cover any such liabilities. Furthermore, insurance against certain risks, such as terrorism, floods, and/or earthquakes, may be unavailable or available only at an unacceptable cost or in amounts that are less than the full market value or replacement costs of the Property, and the Master Tenant does not intend to obtain terrorism, flood or earthquake insurance unless required by applicable law. In addition, 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, the Beneficial Owners may be personally and jointly and severally liable for any uninsured or underinsured personal injury, death or property damage claims. In such cases, each of the Beneficial Owners may be subject to unlimited liability (however, see “LIABILITY OF BENEFICIAL OWNERS” above).

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.

Limitation of Liability/Indemnification of the Signatory Trustee and Delaware Trustee. The Signatory Trustee and the 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 the 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 “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, the Trust would not be able to pay anticipated distributions to the Beneficial Owners, who therefore would not receive their projected cash flow from the Interests or 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 subject to conformity 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 a 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, which could result in cash distributions to Beneficial Owners being less than projected or the Beneficial Owners losing their entire investment in the Trust. Neither the Trust nor its Beneficial Owners will have any right to property management nor will they have any vote to change the property manager of the Property.

No Operating History of the Master Tenant. The Master Tenant is newly formed and has no prior operating history. There is no assurance that the Master Tenant will manage the Property successfully, or that any related third-

party property managers subcontracted for by the Master Tenant (including, without limitation, the Property Manager) will manage the Property adequately. If the Master Tenant is unable 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 Springing LLC, which likely would have adverse tax consequences to the Purchasers. There is no assurance that the Trust will be successful in these activities.

Limited Capitalization of Master Tenant. The Master Tenant has been capitalized with a nominal amount of capital. The Sponsor believes that, in light of the expected rent to be received under the Lease, the Master Tenant has been sufficiently capitalized for its business purposes; however, there can be no guarantee that the Master Tenant has been adequately capitalized and the Sponsor will have no obligation to provide additional capital to the Master Tenant at any time in the future.

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, or other subtenants under other subleases, 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 master 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, re-leasing of the Property (or bankruptcy of the Master Tenant) may require the Trust to convert to a Springing LLC, and any such conversion would likely have adverse tax consequences to the Purchasers.

Conflicts of Interest. The Master Tenant, Signatory Trustee and Depositor 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 Master Tenant, Signatory Trustee and Depositor, 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 they and Affiliates of the Sponsor are expected to engage in other activities, including ownership and management of other commercial properties and may make guarantees of other equity or debt offerings or property-related loans in the future. As such, the principals and Affiliates of the Sponsor will have conflicts of interest in allocating management time, services, and functions between the Master Tenant's, Signatory Trustee's and Depositor's responsibilities, 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. Furthermore, the Tenant and Lease Guarantor are not Affiliates of the Sponsor, but an Affiliate of the Sponsor and an Affiliate of the Lease Guarantor are currently engaged in a joint venture with respect to a property located in Illinois and may continue to engage in other business together in the future. It is also possible that the Sponsor, its principals, or its Affiliates may make future investments in the Tenant, Lease Guarantor, or their Affiliates. 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.

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 counsel has given an 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 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 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. For example, rather than take the Property subject to a loan, the Trust will own the Property with no debt, and 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 (subject to the terms of the Financing Documents) no later than ninety-one (91) days after the end of the applicable Master Lease Term. Furthermore, under the terms of the Lease, Tenant will have the right to make additions to and alterations of the improvements at the Property. 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 upon the eventual sale of the Property, and 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). Also, the Trust Agreement will grant 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 effect a Transfer Distribution of the Property to a newly formed Delaware limited liability company in certain limited circumstances. Tax Counsel has concluded that based on applicable authority, such differences will not alter Tax Counsel's opinion; however, Tax Counsel's 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 Investment Advisor, or the Trust's accountant or counsel regarding such qualification. Each Purchaser must consult his own tax advisor regarding the qualification of the Interests as like-kind to real property under 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. 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 up to 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 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.

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 I.R.C. § 1031(a)(3)(B). The IRS is not authorized to extend any deadline or grant other relief from the deadline for acquiring replacement property. In the event that the Purchasers are unable to close on their purchase of Interests within the above deadlines for any reason, Purchasers will likely be unable to engage in a like-kind exchange under Code Section 1031.

Use of Exchange Funds. A Purchaser will be obligated to pay his *pro rata* share of reserves and various fees and costs described herein. Certain of these items may constitute the acquisition of property that is not like-kind to real estate for purposes of Section 1031 and, consequently, may represent taxable boot. Each Purchaser must consult his own tax advisor regarding the tax consequences of such designated uses of exchange funds. A Purchaser may elect to pay such expenses from his own funds.

Tax Basis. Due to the fact that the Purchasers are acquiring the Property for the Investment Cost, which is greater than the appraised value of the Property, the IRS may determine that the difference between the Investment Cost and the appraised value of the Property qualifies as taxable "boot." Such determination would affect each Purchaser's overall tax basis in his Interest. Each Purchaser should consult with its own legal, tax, accounting, and financial advisors prior to investing in the Interests.

State Law. The availability of tax-deferred like-kind exchanges under state law varies from state to state. Some states have adopted Section 1031 in whole, other states have adopted 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 an investor resides govern the state law tax consequences from the disposition of an investor'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 Interests are expected to 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. 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. If, after the conversion of the Trust into a Springing LLC, the Purchasers wish to engage in a 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 Section 1031 Exchange once the Trust has been converted into the Springing LLC. 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.**

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. 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, in certain years a Purchaser may have to use funds from other sources to satisfy his tax liability associated with the Property.

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 investor must consult his own tax advisor to determine how the consequences of an investment in Interests will affect his particular situation.

Tax 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 an investor as a taxpayer. The statements were written to support the marketing of the transaction described in this Memorandum. An investor 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 Penalties. The 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 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 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 (as hereinafter defined) 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).

Pending 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. Tax legislation has been proposed by the Biden administration that would limit the application of Code Section 1031. 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.

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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 Signatory Trustee and its 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 total proceeds of \$22,284,282.41.

	Total Proceeds (Equity)	Percentage of Total Proceeds
Sources of Funds		
Purchasers' Equity	\$22,284,282.41	100.00%
Total Sources of Funds	\$22,284,282.41	100.00%
Uses of Funds		
Property Purchase Price	\$18,000,000.00	80.77%
Acquisition Fee	\$540,000.00	2.42%
Leasing Broker Commission ⁽¹⁾	\$537,877.00	2.41%
Real Estate Broker Fees ⁽¹⁾	\$504,000.00	2.26%
Bridge Financing Costs ⁽²⁾	\$12,276.34	0.06%
Third Party Diligence, Legal, and Closing Costs ⁽³⁾	\$250,000.00	1.12%
Adjusted Real Estate Acquisition Price	\$19,844,153.34	89.05%
Organization and Offering Expenses ⁽⁴⁾	\$222,842.82	1.00%
Selling Commissions ⁽⁴⁾	\$1,337,056.94	6.00%
Managing Broker-Dealer Fee ⁽⁴⁾	\$267,411.39	1.20%
Due Diligence Allowance ⁽⁴⁾	\$222,842.82	1.00%
Wholesaling Fee ⁽⁴⁾	\$389,974.94	1.75%
Total Selling Commissions and Expenses	\$2,440,128.92	10.95%
Total Use of Funds⁽⁵⁾	\$22,284,282.41	100.00%

- (1) These numbers include a real estate broker fee and leasing commission payable to Silver State Realty & Investments, an Affiliate of the Sponsor. See "COMPENSATION OF THE SPONSOR AND AFFILIATES."
- (2) The Trust closed on its acquisition of the Property in part through proceeds of a preferred equity investment in the Depositor by the Property Seller (the "*Seller Bridge Financing*"). The Seller Bridge Financing, which is in the form of a preferred equity investment in the Parent, is not secured by the Property, and the terms of the Seller Bridge Financing do not permit the Seller to control the Trust or Master Tenant following any default thereunder. It is expected that proceeds of the offering will be used by the Parent to redeem the Property Seller's preferred equity investment as Interests are sold to Purchasers. See "ACQUISITION TERMS AND FINANCING" and "ORGANIZATIONAL CHART." The amount listed above represents accrued interest which is expected to be paid to the Seller in connection with the Seller Bridge Financing.
- (3) Includes due diligence costs of \$25,000.00, closing costs of \$25,000.00, and legal fees of \$200,000.00.
- (4) Offers and sales of Interests will be made on a "best efforts" basis by broker-dealers by the Selling Group who are members of FINRA. Emerson Equity, LLC, a member of FINRA, will act as Managing Broker-Dealer for the Offering. The following commissions and expenses will be paid from the Gross Proceeds to the Managing Broker-Dealer: (i) Selling Commissions of up to 6.0% of the Gross Proceeds, which will either be paid to Affiliates of the Managing Broker-Dealer or may be re-allowed to the Selling Group, including employees or contractors of the Sponsor; (ii) a Managing Broker-Dealer Fee of up to 1.2% of the Gross Proceeds, which may be re-allowed to Affiliates of the Managing Broker-Dealer or to registered representatives of the Managing Broker-Dealer; (iii) a Due Diligence Allowance of up to 1.0% of the Gross Proceeds, which may be re-allowed to Affiliates of the Managing Broker-Dealer or may be re-allowed to the Selling Group; and (iv) a Wholesaling

Fee of up to 1.75% of the Gross Proceeds, which will be paid to wholesalers, including Affiliates of the Managing Broker-Dealer. Certain employees and/or Affiliates of the Sponsor are registered representatives of the Managing Broker-Dealer and may receive a portion of the Selling Commissions and/or Wholesaling Fee in connection with the sale of Interests. In addition, the Sponsor or an Affiliate will receive Organization and Offering Expenses of up to 1.0% of the Offering Proceeds 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. The Trust reserves the right to pay reduced selling commissions and expenses or waive such sums with respect to Interests purchased by certain Affiliates and other persons. The Selling Commissions, the Managing Broker-Dealer Fee, the Due Diligence Allowance, the Wholesaling Fee, as well as other costs of the Offering, will be paid by the Trust out of the Gross Proceeds. With respect to each of the Managing Broker-Dealer Fee, the Due Diligence Allowance and the Wholesaling Fee, the Managing Broker-Dealer reserves the right to reallocate each of these in different portions in its full discretion. The total aggregate amount of the Selling Commissions and Expenses will not exceed 10.95% of the Gross Proceeds. See “PLAN OF DISTRIBUTION - Marketing of Interests.” 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 who are Affiliates of the Signatory Trustee or a member of the Selling Group.

- (5) The costs shown in this Estimated Use of Proceeds are based on the Signatory Trustee’s expectations for the total costs to subscribe and close the Offering. 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 Signatory Trustee.

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PHOTOS OF THE PROPERTY



[The above photograph was taken prior to the Tenant's acquisition of the Property. According to information provided by the Tenant and Lease Guarantor, the Property is no longer occupied by Medline.]



PHOTOS OF THE PROPERTY

(Continued)



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PHOTOS OF THE PROPERTY

(Continued)



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PHOTOS OF THE PROPERTY

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DESCRIPTION OF THE PROPERTY

Unless otherwise noted below, the information in this section has been excerpted and adopted from the Third Party Reports and other available sources. While the Signatory Trustee believes that the Third Party Reports are generally accurate, the Signatory Trustee has not engaged in any independent review to verify the same, and the Signatory Trustee notes that the scope of such materials is limited as described therein. Therefore, the Signatory Trustee does not warrant the accuracy or completeness of information in such materials. In addition, the Signatory Trustee has not engaged in any independent review to verify Property information obtained from any other source and summarized herein, including, without limitation, information included in the Third Party Reports, and the Signatory Trustee does not warrant the accuracy or completeness of such information.

According to information provided by the Tenant and Lease Guarantor, the Tenant was formed to acquire the Property together with various equipment and intellectual property to produce raw materials necessary in the production of surgical gloves. The Tenant has stated that it is currently using the Property to produce such raw materials, which are being shipped to the Lease Guarantor's production facility in Harvard, Illinois. It is anticipated by the Lease Guarantor that the Tenant will continue to utilize the Property as a chemical manufacturing facility to vertically integrate the Lease Guarantor's surgical glove manufacturing supply chain. See "DESCRIPTION OF THE TENANT AND LEASE GUARANTOR."

Property Overview:	308 Church Street, Honea Path, South Carolina 29654
Ownership Interest:	Fee simple
Number of Buildings:	Nine (9) buildings
Number of Floors:	One (1) floor
Loading Docks:	10 grade level overhead and 2 dock high overhead
Year Built:	1969 – 2015
Gross Building Area:	Approximately 96,204 total square feet (consisting of approximately 10,376 square feet of office area and 85,828 square feet of warehouse area.
Foundation:	Concrete slab
Frame Construction:	Mixture of masonry and steel
Roof:	Mixture of built-up membrane and sloped metal
Parking Surface:	Asphalt
Number of Parking Spaces:	Approximately 53 spaces
Flood Zone:	X (shaded)
Seismic Zone:	2A
Wind Zone:	III

Property Condition Report for the Property

The Trust obtained a copy of a Property Condition Assessment (the "*Property Condition Report*") for the Property dated March 21, 2024 and prepared by Blew & Associates, P.A. ("*Blew*"). According to Blew, the Property is in good to fair condition, and there are several items requiring "immediate repair" totaling approximately \$393,800 including, but not limited to: (i) repair of cracking at perimeter wall with an estimated cost of \$117,800, (ii)

replacement of the 2006 roof with an estimated cost of \$265,100, (iii) upgrades necessary for ADA compliance with an estimated cost of \$5,000, and (iv) repair of concrete walkways with an estimated cost of \$5,000. See “RISK FACTORS – Real Estate Risks – Compliance with the Americans with Disabilities Act.” Blew also identified items requiring “short term” repair totaling approximately \$37,223. In addition to the “immediate repair” and “short term” repair items, Blew identified items requiring repair during the next twelve years totaling approximately \$417,802, including replacement of a second portion of the roof with an estimated cost of \$247,500 in the third year of the hold period. The Tenant is obligated pursuant to the Lease to conduct the foregoing repairs in the timeframes specified under the Property Condition Report. See “SUMMARY OF THE LEASE.” Although the Tenant is obligated to make such repairs, any failure by the Tenant to fulfill its obligations may force the Master Tenant or Trust to undertake such repairs. See “RISK FACTORS – Delaware Statutory Trust Risks.”

Phase I Environmental Site Assessment for the Property

The Trust obtained a Phase I Environmental Site Assessment (the “*Site Assessment*”) dated May 6, 2024, prepared by Blew & Associates, P.A. for the Property. The Site Assessment did not identify any recognized environmental conditions, controlled recognized environmental conditions, or historical recognized environmental conditions and did not recommend any further investigation.

Appraisals of the Property

The Trust received a copy of an Appraisal Report dated July 30, 2024 (the “*2024 Appraisal*”) prepared by CBRE, Inc., which reflects the current “as-is” value of the property as \$18,100,000. The value conclusion in the 2024 Appraisal is based in large part upon the rent payable under the Lease, about which it notes, “***the base rental rate is \$17.02 per square foot on an absolute net basis, which is considered significantly above market***” (emphasis added). See “MARKET OVERVIEW.” Furthermore, the 2024 Appraisal concludes that, based upon information provided to the Sponsor by the Tenant:

“[I]t is our opinion that an investor would consider the [Property] to be leased and guaranteed by a credit tenant with a long lease term, mainly due to the backing of the U.S. Department of Defense and the fact that the subject is reportedly the only Isolex (Polyisoprene) manufacturing company in the United States, which is a necessary component in nitrile gloves and an integral component to keeping every process of nitrile glove manufacturing within the USA.” See page 29 of the 2024 Appraisal.

The 2024 Appraisal notes that the Tenant is a private company, and thus, “no financial data is available for analysis.” See “RISK FACTORS – Real Estate Risks – Incomplete and Unaudited Financial Statements from the Lease Guarantor.” There can be no assurance that the information provided to the Sponsor, which was in turn relied upon by CBRE, Inc., is accurate or complete. You are encouraged to obtain and review copies of the 2023 Appraisal and 2024 Appraisal.

Additionally, the Trust received a copy of an Appraisal Report dated December 19, 2023 (the “*2023 Appraisal*”) prepared by CBRE, Inc., which reflected the then-current “as-is” value of the Property as \$5,400,000. The value conclusion in the 2023 Appraisal is based in large part upon the assumption that the Property would be leased to the then-current owner or a similar tenant at a rate of \$4.50/SF/Yr, which is significantly less than the rent payable under the Lease and Master Lease. See “RISK FACTORS – Real Estate Risks – Appraised Value” and “RISK FACTORS – Real Estate Risks – Rent Significantly Above Appraised Value.”

ADA Compliance

While the Trust has not obtained a full ADA Compliance Survey of the Property, Blew did perform a limited scope visual evaluation of the Property as part of preparing the Property Condition Report. Blew noted that (i) the Property does not have the required van-accessible space and loading aisle, (ii) the accessible parking spaces are missing the required signage, and (iii) at least one bathroom will need modification to be ADA compliant. In the event the Tenant fails to make correct the deficiencies noted in the Property Condition Report, the Trust and/or Master Tenant may be required to do so, which may adversely impact the Trust. A full ADA Compliance Survey may reveal additional matters which are not in compliance with the ADA. Additionally, state and federal laws in this area are constantly evolving and any changes in such laws could place a greater cost or burden in the future on the Trust, as

the owner of the Property, or the Tenant, as the tenant of the Property. The Signatory Trustee cannot provide any assurance to potential Purchasers that additional ADA violations at the Property will not exist in the future.

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MARKET OVERVIEW

Unless otherwise noted below, the information in this section has been excerpted and adopted from the Appraisals and from other available sources. While the Signatory Trustee believes that the information provided is generally accurate, the Signatory Trustee has not engaged in any independent review to verify the same, and the Signatory Trustee notes that the scope of such materials is limited as described therein. Therefore, the Signatory Trustee does not warrant the accuracy or completeness of information in such materials.

Regional Overview

The Property is located in Honea Path, Anderson County, South Carolina, which is in the Metropolitan Greenville, South Carolina warehouse market. According to information referenced in the Appraisals, the Greenville warehouse market consists of approximately 146,929,542 square feet of warehouse space, which as of the first quarter of 2024, was approximately 94.4% occupied. The area achieved average asking rent of \$6.86 per square foot, which indicates an increase from the previous quarter's asking rent of \$6.77 per square foot, and an increase from the asking rent of \$6.77 per square foot from last year.



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Local Area Overview

The Anderson County submarket consist of approximately 31,338,483 square feet of warehouse space, representing approximately 21.3% of the overall market inventory. As of the end of the first quarter of 2024, the submarket had an occupancy rate of approximately 95.6%. Additionally, according to the Appraisals, the Anderson County submarket is projected to achieve average asking rent of \$7.42 per square foot by the end of 2024 with continued projected growth as set forth on the following graph:



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DESCRIPTION OF THE TENANT AND LEASE GUARANTOR

The information provided in this section is derived from information publicly available on the internet and information provided to the Sponsor by the Tenant and Lease Guarantor. Although such information is believed to be accurate, the Signatory Trustee and its Affiliates have not independently verified the accuracy of such information, and no assurance can be given as to the accuracy of such information.

The Tenant: US Medical Nitrile & Polyisoprene Chemical Company LLC

The Tenant is a newly-formed entity which was formed on April 17, 2024 and is an Affiliate of the Lease Guarantor. According to information provided by the Tenant and Lease Guarantor, the Tenant was formed to acquire the Property together with various equipment and intellectual property to produce raw materials necessary in the production of surgical gloves. The Tenant has stated that it is currently using the Property to produce such raw materials, which are being shipped to the Lease Guarantor's production facility in Harvard, Illinois. It is anticipated by the Lease Guarantor that the Tenant will continue to utilize the Property as a chemical manufacturing facility to vertically integrate the Lease Guarantor's surgical glove manufacturing supply chain. The Tenant is a privately-held company. Accordingly, there is limited information available regarding the Tenant's financial condition.

The Tenant and Lease Guarantor are not Affiliates of the Sponsor, but an Affiliate of the Sponsor and an Affiliate of the Lease Guarantor are currently engaged in a joint venture with respect to a property located in Illinois and may continue to engage in other business together in the future. Additionally, it is possible that the Sponsor, its principals, or its Affiliates may make future investments in the Tenant, Lease Guarantor, or their Affiliates. See "CONFLICTS OF INTEREST."

The Lease Guarantor: US Medical Glove Company L.L.C.

The Lease Guarantor was formed in October of 2020 in response to the scarcity of personal protective equipment manufactured in the United States demonstrated by the global COVID-19 pandemic. The Lease Guarantor is a privately-held company. Accordingly, there is limited information available regarding the Tenant's and Guarantor's financial condition. According to information provided to the Sponsor by the Lease Guarantor is a vertically integrated, advanced additive manufacturing engineering company, specializing in the manufacture of Nitrile Butadiene Rubber Glove (NBR) making machines.

The Lease Guarantor is also a tenant of a property in Harvard, Illinois, which is owned by the MEA Harvard DST, a Delaware statutory trust controlled and sponsored by the Sponsor and its Affiliates. The Lease Guarantor provided the Sponsor with the following information in connection with the MEA Harvard DST and the First MEA Offering:

- In addition to its private contracts, on May 27, 2021, the Department of Defense, on behalf of and in coordination with the Department of Health and Human Services, awarded a \$63.6 million contract to the Lease Guarantor to increase the domestic production capacity of nitrile gloves. Per the Department of Defense website, such contract was expected to be completed in May of 2023.
- The Lease Guarantor provided Sponsor with a limited set of financial statements which suggested that the Lease Guarantor had a net worth in excess of \$100 million as of March 2023. It should be noted that these financial statements have not been audited and Sponsor did not receive a complete set of financial of financial statements from the Lease Guarantor. A copy of the Lease Guarantor's financial statements from 2023 will be provided to investors upon request, but the Lease Guarantor requires that you first sign a non-disclosure agreement. We encourage you to obtain and review the Lease Guarantor financial statements. See "RISK FACTORS – Real Estate Risks – Tenant's Limited Operational History," "RISK FACTORS – Real Estate Risks – Incomplete and Unaudited Financial Statements from the Lease Guarantor," and "DESCRIPTION OF THE TENANT AND LEASE GUARANTOR."

The Lease Guarantor and its Affiliates engineer and build capabilities through additive manufacturing machines, and increases the domestic supply of surgical, medical, and industrial nitrile gloves. The Lease Guarantor, a Department of Defense (“DoD”) contractor funded by the United States Department of Health and Human Services (“HHS”), and a member of the Presidential National Emergency Task Force, advances the federal government’s goal of generating industrial scale capabilities to increase capacity to manufacture domestic-made surgical, medical and industrial nitrile gloves. The Lease Guarantor is a successful grantee of the US Government and a committed partner of the State of Illinois Department of Commerce and Governor Pritzker, driving a common mission to engineer, manufacture and implement necessary production facilities that expand Nitrile Butadiene Rubber (“NBR”) glove capabilities in the United States. The Lease Guarantor is an industry-leading American-engineered nitrile glove manufacturing machine builder providing personal protective equipment in furtherance of domestic independence.

In 2021, the Lease Guarantor signed a fifteen (15) year lease for approximately 1,000,000 square feet to re-purpose a former Caterpillar facility in Montgomery, Illinois. In such facility, the Lease Guarantor manufactures high volumes of an array of Nitrile gloves and makes the actual machines necessary for such manufacturing. These gloves are used in a variety of applications from medical examination to aerospace, automotive, and food processing industries. Many countries and consumers are looking to decouple from foreign-made products, and desire to purchase American-made tactical nitrile glove manufacturing production equipment. The Lease Guarantor and its Affiliates are focused on responding to that demand.

The Lease Guarantor supports customers such as America’s first responders and hospitals, DoD, Defense Logistics Agency, Veteran’s Administration and HHS. The Lease Guarantor prides itself on securing America’s health for America by Americans.

For an additional discussion of the Lease Guarantor and its Affiliates, please refer to: <https://usmg.us/>

The Lease Guarantor provided Sponsor with a limited set of financial statements which suggest that Tenant had a net worth in excess of \$100 million as of March 2023. It should be noted that these financial statements have not been audited and Sponsor did not receive a complete set of financial of financial statements from the Lease Guarantor. A copy of the Lease Guarantor’s financial statements from 2023 will be provided to investors upon request, but the Lease Guarantor requires that you first sign a non-disclosure agreement. We encourage you to obtain and review the Lease Guarantor financial statements. See “RISK FACTORS – Real Estate Risks – Incomplete and Unaudited Financial Statements from the Lease Guarantor.”

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SUMMARY OF THE LEASE

The following is only a summary of some of the significant provisions contained in the Lease and is qualified in its entirety by reference thereto. If a prospective Purchaser would like to review a copy of the Lease, such Purchaser should please notify the Signatory Trustee. Capitalized terms used but not otherwise defined in this section shall have the meanings given to them in the Lease. With respect to the Lease, the “Landlord” is the Master Tenant.

Key Lease Terms:

Tenant:	US Medical Nitrile & Polyisoprene Chemical Company LLC, a Delaware limited liability company.
Guarantor:	US Medical Glove Company L.L.C., a Kentucky limited liability company.
Premises:	The Property, located at 308 Church Street, Honea Path, South Carolina 29654.
Initial Term:	22 years
Renewal Options:	Two (2) renewal options of ten (10) years each.
Security Deposit:	None
Rent:	<p>Tenant shall pay Minimum Annual Rent in the amount of \$1,637,000.00; provided, however, that after the first Lease Year of the Lease Term, the Minimum Annual Rent shall increase by two percent (2%) of the immediately preceding Lease Year.</p> <p>In addition to the Minimum Annual Rent, Tenant shall pay directly, as additional rent, the cost of all utilities and taxes, including, but not limited to, real estate taxes. Notwithstanding the foregoing, the Tenant shall not be required to pay any estate, inheritance, transfer, income, capital gains or similar tax of or on Landlord.</p>
Renewal Term Rent:	Rent during any renewal term shall be equal to the fair market value rent, as determined by qualified appraisers as set forth in the Lease.

Repair, Maintenance, and Alterations:

Tenant's Obligations:	<p>Tenant shall, at its own cost and expense, maintain, repair and replace (including capital repairs and replacements) the Buildings, Improvements and Property in good condition and repair (subject to reasonable and ordinary wear and tear and casualty and condemnation).</p> <p>Additionally, the Tenant is obligated to make the repairs outlined in the Property Condition Report within the timelines specified therein at its sole cost. See “DESCRIPTION OF THE PROPERTY – Property Condition Report for the Property.”</p>
Landlord's Obligations:	Except as otherwise expressly set forth in the Lease, Landlord shall have no responsibility to maintain, repair or replace the Buildings, Improvements or Property (or any portion thereof).
Alterations:	Tenant shall not (i) alter the structural elements of the leased Premises in any material manner or (ii) undertake nonstructural alterations to the leased Premises costing in excess of \$1,000,000.00 (the “ <i>Alteration Consent Threshold</i> ”) in any single instance, in each case, without the consent of Landlord, which consent shall not be unreasonably withheld, delayed or

conditioned. The Alteration Consent Threshold shall increase each calendar year based on the increase in the Consumer Price Index.

**Purchase Option
Agreement:**

Simultaneously with its acquisition of the Property, the Trust entered into a purchase option agreement with the Tenant wherein the Tenant has the option and right to purchase the Property at any time after the later of (i) twenty-four (24) months after the Commencement Date, or (ii) the date that is one (1) year after the last investor is admitted to the Trust. The purchase price for such option shall be equal to the greater of: (i) the fair market value of the Property, (ii) 105% of the purchase price paid by the then current owner of the Property, or (iii) \$24,750,000 if the Trust still owns the Property. See “RISK FACTORS – Real Estate Risks – Tenant Purchase Option.”

Additionally, if, at any time during the Lease Term, the Trust desires to sell the Property to a third party, the Tenant shall have a right of first refusal to purchase the Property on the same terms and conditions that the Trust desires to sell the Property to any such third party.

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SUMMARY OF THE MASTER LEASE

General

Simultaneously with closing on its acquisition of the Property, the Trust, as landlord, and the Master Tenant, as tenant, entered into the Master Lease for the Property in its entirety, which Master Lease is in substantially the same form as attached hereto as Exhibit B. 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 commenced on August 2, 2024, and will expire on the 25th anniversary of the commencement date (the “*Original Term*”). In addition, the Master Tenant has the right, in its sole discretion, to exercise four (4) successive renewal terms of five (5) 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; or (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. The Master Lease terminates automatically upon the sale of the Property. 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 – 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

Rent will consist of: (i) an amount, as noted in the table below (the “*Base Rent*”) and (ii) an additional amount, as noted in the table below, which, together with the Base Rent, is expected to be available to make projected distributions to investors (the “*Annual Rent*”) after payment of the Trust’s operating expenses.

<u>Period</u>	<u>Base Rent*</u>	<u>Annual Rent</u>	<u>Total Rent</u>
Lease Year 1	\$ 817,386.00	\$ 817,386.00	\$ 1,634,772.00
Lease Year 2	\$ 833,756.00	\$ 833,756.00	\$ 1,667,512.00
Lease Year 3	\$ 850,453.00	\$ 850,453.00	\$ 1,700,906.00
Lease Year 4	\$ 867,484.50	\$ 867,484.50	\$ 1,734,969.00
Lease Year 5	\$ 884,856.50	\$ 884,856.50	\$ 1,769,713.00
Lease Year 6	\$ 902,576.00	\$ 902,576.00	\$ 1,805,152.00
Lease Year 7	\$ 920,649.50	\$ 920,649.50	\$ 1,841,299.00
Lease Year 8	\$ 939,085.00	\$ 939,085.00	\$ 1,878,170.00
Lease Year 9	\$ 957,889.00	\$ 957,889.00	\$ 1,915,778.00
Lease Year 10	\$ 977,069.00	\$ 977,069.00	\$ 1,954,138.00

Total Rent beginning in Year 11 and extended through any Renewal Term will be 102% of the preceding year’s Total Rent.

Notwithstanding the foregoing, the Master Tenant may defer payment of up to one-half of the Annual Rent payable each month as long as 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. 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, to the extent not paid by Tenant in accordance with the Lease.

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 is responsible to cause the Tenant to pay for Capital Expenses to the extent the Tenant is required to pay them under the Lease.

The Master Tenant will be fully responsible for performing or causing the Tenant to perform all maintenance and repairs to the Property. If such repair becomes necessary and Master Tenant’s ability to fund maintenance obligations is insufficient, 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 Tenant will be required to pay real property taxes, utilities, and insurance costs that will be payable with respect to the Property during each year that the Trust is projected to own the Property, to the extent not paid by Tenant in accordance with the Lease.

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 of a casualty exceed the cost to restore such Property, then whichever party maintained the applicable policy will retain the excess.

Master Tenant Capitalization

The Master Tenant is a newly formed Delaware limited liability company and wholly-owned by Sponsor. See “MANAGEMENT.” Master Tenant’s capitalization will be provided solely by rents received from the Master Tenant. See “RISK FACTORS – Real Estate Risks – Limited Capitalization of the Master Tenant.”

Insurance

The Master Tenant must obtain, at its sole cost, comprehensive, property insurance with limits equal to 100% of replacement cost and insurance for personal liability. The Trust will be named as an additional insured or loss payee, as the case may be, on the insurance policies obtained by the Master Tenant, including all-risk and terrorism coverage, to the extent Master Tenant elects to obtain terrorism coverage.

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” and “RISK FACTORS – Risks Relating to Management of the Property.”

Property Management

The Master Tenant has entered into a commercial management agreement with the Property Manager to perform services related to the management of the Property. The Master Tenant shall be responsible for payment of all property management fees payable under any such commercial management agreement. 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 Management of the Property", including, without limitation, the subsection titled "CONFLICTS OF INTEREST."

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ACQUISITION TERMS AND FINANCING

The Property

The Trust acquired the Property on August 2, 2024 as part of a sale-leaseback transaction from US Medical Nitrile & Polyisoprene Chemical Company LLC, a Delaware limited liability company (the “*Property Seller*” or “*Tenant*”) pursuant to that certain Real Estate Purchase Agreement dated August 2, 2024 (the “*Property Purchase Agreement*”). Under the Property Purchase Agreement, the Trust purchased the Property for a purchase price of \$18,000,000.00 (the “*Property Purchase Price*”). The Trust obtained the 2024 Appraisal prepared by CBRE, Inc, which reflects the current “as-is” market value of the Property as \$18,100,000.00, which is greater than the Property Purchase Price but less than the total Investment Cost (as defined below). See “DESCRIPTION OF THE PROPERTY – Appraisals of the Property” and “RISK FACTORS – Real Estate Risks – Appraised Value.”

The Depositor originally entered into the Property Purchase Agreement, which it assigned to the Trust prior to closing and provided funds necessary for the Trust to close on its acquisition of the Property in exchange for 100% of the initial Interests. As Interests are sold pursuant to this Offering the Trust will use the proceeds of such sales to redeem the corresponding Interests held by the Depositor. In the event the Sponsor does not sell all of the Interests, the Depositor will retain unsold Interests or may transfer unsold Interests to its Affiliates.

The Interests will be sold to the Purchasers as described herein for a total Investment Cost of \$22,284,282.41. The total Investment Cost consists of the costs described herein, including: (i) the Property Purchase Price; (ii) Selling Commissions and Expenses (as hereafter defined); (iii) legal fees; and (iv) closing costs, including, but not limited to, title insurance, acquisition fees, escrow fees, prorations, document preparation fees, miscellaneous recording fees and charges and certain other fees payable to the Sponsor and its Affiliates as set forth herein. See “ESTIMATED USE OF PROCEEDS” and “COMPENSATION OF THE SPONSOR AND AFFILIATES.”

Financing

The Property is not encumbered by any debt, and therefore, you will not be treated as having assumed any debt for the purpose of calculating the amount of your Section 1031 replacement property.

The Trust closed on its acquisition of the Property in part through proceeds of a preferred equity investment in the Depositor by the Property Seller (the “*Seller Bridge Financing*”). The Seller Bridge Financing, which is in the form of a preferred equity investment in the Parent, is not secured by the Property, and the terms of the Seller Bridge Financing do not permit the Seller to control the Trust or Master Tenant following any default thereunder. It is expected that proceeds of the offering will be used by the Parent to redeem the Property Seller’s preferred equity investment as Interests are sold to Purchasers. See “ORGANIZATIONAL CHART.”

Closing Costs

All closing costs, including title insurance premiums, escrow fees, pro-rations, document preparation fees, miscellaneous recording fees and charges and legal fees shall be paid by the Signatory Trustee from the Offering Proceeds. See “ESTIMATED USE OF PROCEEDS.”

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PLAN OF DISTRIBUTION

Capitalization

The Offering is for a maximum of \$22,284,282.41 of Interests in the Trust, which will not be represented by certificates. If a prospective Purchaser elects to purchase Interests and the Trust accepts his purchase, he will become a Beneficial Owner in the Trust upon payment in full of the purchase price and acceptance of the Purchaser's Purchaser Agreement by the Signatory Trustee. A minimum purchase of a 0.4487% Interest, or \$100,000.00 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 Offering Termination Date.

Qualifications of Purchasers

The Interests may be purchased only by Purchasers who satisfy certain 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 by the Selling Group who are members of FINRA. Emerson Equity, LLC, a member of FINRA, will act as Managing Broker-Dealer for the Offering. The following commissions and expenses will be paid from the Gross Proceeds to the Managing Broker-Dealer: (i) Selling Commissions of up to 6.0% of the Gross Proceeds, which will either be paid to Affiliates of the Managing Broker-Dealer or may be re-allowed to the Selling Group; (ii) a Managing Broker-Dealer Fee of up to 1.2% of the Gross Proceeds, which may be re-allowed to Affiliates of the Managing Broker-Dealer; (iii) a Due Diligence Allowance of up to 1.0% of the Gross Proceeds, which may be re-allowed to Affiliates of the Managing Broker-Dealer or may be re-allowed to the Selling Group; and (iv) a Wholesaling Fee of up to 1.75% of the Gross Proceeds, which will be paid to wholesalers, including Affiliates of the Managing Broker-Dealer. In addition, the Sponsor or an Affiliate will receive Organization and Offering Expenses of up to 1.0% of the Offering Proceeds 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. The Trust reserves the right to pay reduced selling commissions and expenses or waive such sums with respect to Interests purchased by certain Affiliates and other persons. The Selling Commissions, the Managing Broker-Dealer Fee, the Due Diligence Allowance, the Wholesaling Fee, as well as other costs of the Offering, will be paid by the Trust out of the Gross Proceeds. With respect to each of the Managing Broker-Dealer Fee, the Due Diligence Allowance and the Wholesaling Fee, the Managing Broker-Dealer reserves the right to reallocate each of these in different portions in its full discretion. The total aggregate amount of the Selling Commissions and Expenses will not exceed 10.95% of the Gross Proceeds. See "PLAN OF DISTRIBUTION - Marketing of Interests." 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 who are Affiliates of the Signatory Trustee or a member of the Selling Group.

Inquiries regarding subscriptions should be directed to Investor Services, Telephone: (888) 488-2441, Email: investorservices@caicap.com. Subscriptions must be delivered to Manufacturing Essential Asset II ST, LLC, c/o CAI Investments LLC, 9325 W. Sahara Avenue, Las Vegas, Nevada 89117.

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. Additionally, unsold Interests will be held by the Depositor or transferred to an Affiliate. 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 investors after an assessment of the merits of the Offering.
- (4) There are additional tax risks associated with purchases of the Interests by Affiliates.

The Signatory Trustee 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 Interests issued to the Depositor, which are anticipated to be entirely redeemed in connection with the sale of Interests.

Limitation of Offering

The offer and sale of the Interests offered hereby are made in reliance upon exemptions from the Act and state securities laws. Accordingly, distribution of this Memorandum has been strictly limited to persons satisfying the Purchaser 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.

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MANAGEMENT

The Sponsor and the Signatory Trustee

The Sponsor is an Affiliate of the Signatory Trustee. The Sponsor was founded in 2011 and is headquartered in Las Vegas. The Sponsor is focused on providing secure, attractive investment returns through the strategic acquisition and asset management of distressed real estate based assets in strengthening U.S. Markets of stability and growth. In addition, it finances, develops and manages properties across key markets in the United States. The Sponsor and the Signatory Trustee are part of a family of companies with approximately 20 employees that manage the entire real estate development process.

The bio of the principal member of the Signatory Trustee's management team is as follows:

Christopher Beavor

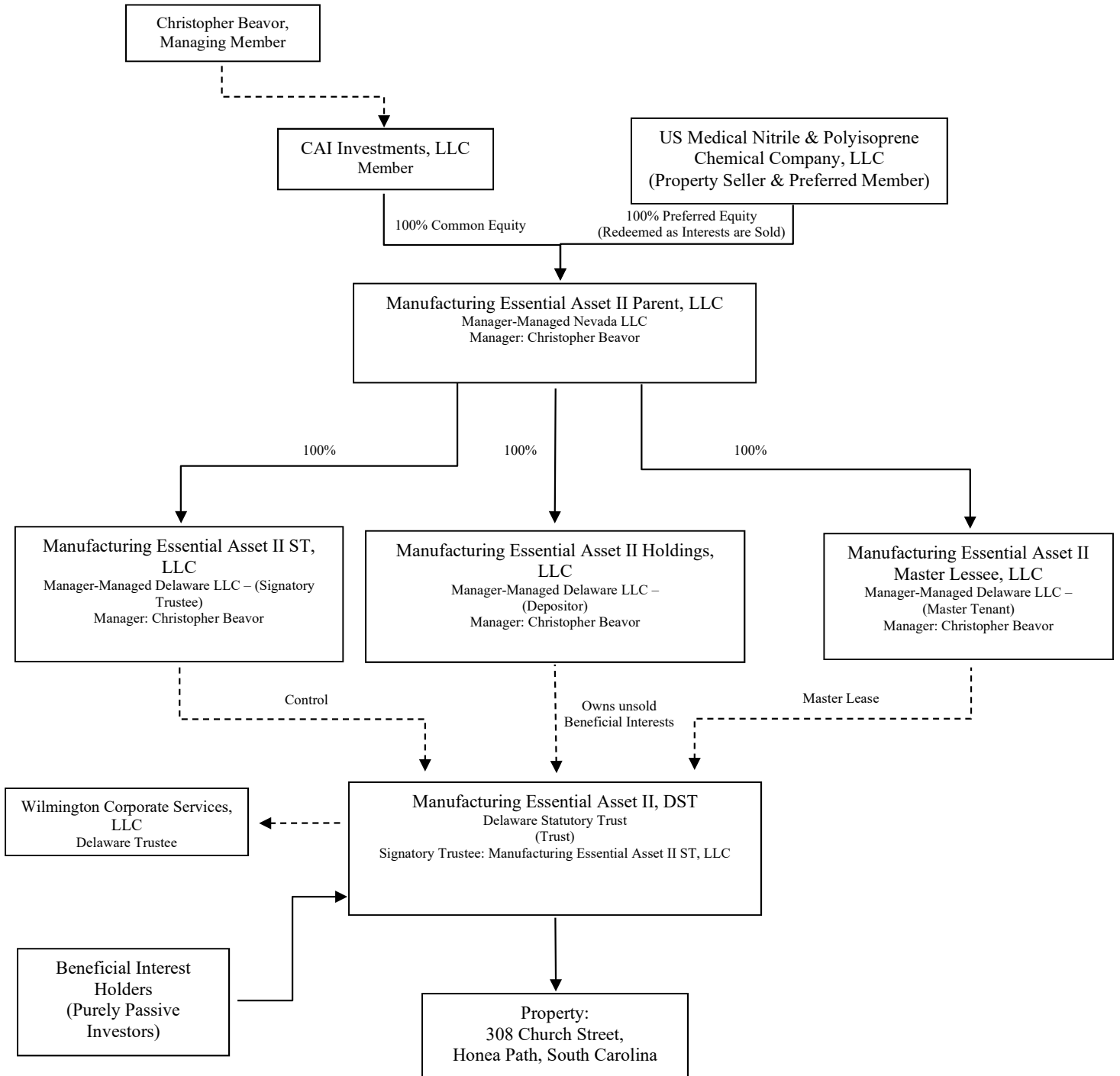
Christopher Beavor is the founder of the Sponsor, which Mr. Beavor manages and controls. The Sponsor manages and controls the Manager. Mr. Beavor has crafted a network of relationships with real estate investors, sellers and brokers, which allowed Sponsor to acquire and complete over 200 real estate transactions over the past five years under the Sponsor umbrella. In addition, Mr. Beavor's successful real estate brokerage firm, SSRI, the broker engaged to lease, sell and manage the Property, has managed thousands of properties for a range of clients, including institutional investors and private family wealth platforms.

Having handled approximately over 8,000 completed real estate transactions over the course of the past decade, Mr. Beavor and the companies he directly or beneficially owns and/or controls, including the Sponsor and its Affiliates, are collectively well-versed in identifying, acquiring, repositioning, and managing real estate assets and properties for numerous companies, including Fannie Mae, Archbay Capital, Freddie Mac, and GTIS Partners. In addition, SSRI has developed approximately over \$300,000,000 in projects within the United States and Europe and approximately over 1,000 real estate assets for over 150 clients.

Some of Christopher Beavor's previous developments include the Scardona Bay Resort in Croatia, Lofts at Brian Head in Brian Head, Utah, the Wyndham Baypoint Resort in Panama City, Florida and the prior offerings for (i) the syndication of units of limited liability company interests in real estate located in Las Vegas, Nevada, (ii) the syndication of beneficial interests in a Delaware statutory trust that owns a single-tenant industrial/office building in Daytona, Florida, and (iii) the syndication of beneficial interests in a Delaware statutory trust that owns a single-tenant warehouse distribution center in Coatesville, Pennsylvania which closed in March 2020.

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FIDUCIARY DUTIES OF THE TRUSTEES

Under Delaware law, the Delaware Trustee and/or the Signatory Trustee may (or may not) owe duties (including fiduciary duties) to the Trust or the Beneficial Owners. Delaware law, however, permits the trust agreement of a Delaware statutory trust to expand or restrict the duties (including fiduciary duties) of trustees, managers, or other persons managing the business and affairs of a Delaware statutory trust owed by the trustee to the trust or its beneficial owners or owed by such managers or other persons to the trust, its beneficial owners or its trustees. In the present case, the Trust Agreement provides that the Delaware Trustee's duties, and the Signatory Trustee's duties (including fiduciary duties) and liabilities relating thereto to the Trust and the Beneficial Owners are limited to those duties expressly set forth in the Trust Agreement and the liabilities relating thereto. Further, the Trust Agreement provides that a Beneficial Owner does not have any power to give direction to the Delaware Trustee, the Signatory Trustee, or any other person, and any attempt to exercise power shall not cause such Beneficial Owner to have duties (including fiduciary duties) or liabilities relating thereto, to the Trust or to any other Beneficial Owner. These duties may be less than are applicable to other investments, such as a partnership, limited liability company or corporation.

CONFLICTS OF INTEREST

The Property Manager and its Affiliates will have the right to serve as property manager of other properties, some of which may compete with the Property. Additionally, the Property Manager is an Affiliate of the Sponsor, and as such, the Master Tenant may face conflicts of interest relating to management of 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 are Affiliated entities and will serve as the sponsor of the Offering and the Property Manager of the Property, respectively, which creates a conflict of interest between the various roles each fulfills. 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, 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, and no Purchaser shall be entitled to any interest therein solely by reason of an investment in this Offering. Some of these other business activities may compete directly with the Property.

Interests in Other Activities: Relationships with Affiliates of the Tenant and Lease Guarantor

The Tenant and Lease Guarantor are not Affiliates of the Sponsor, but an Affiliate of the Sponsor and an Affiliate of the Lease Guarantor are currently engaged in a joint venture with respect to a property located in Illinois and may continue to engage in other business together in the future. Additionally, it is possible that the Sponsor, its principals, or its Affiliates may make future investments in the Tenant, Lease Guarantor, or their Affiliates. Such relationships and ongoing business interests may create conflicts of interest between the Sponsor's outside business

interests and its indirect role as landlord for the Tenant through its ownership of the Master Tenant.

Receipt of Compensation by the Sponsor and its Affiliates

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

Legal Representation

Tax Counsel has been retained by the Sponsor and the Trust 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, or expects 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.

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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 use of 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.

<u>Form of Compensation</u>	<u>Description and Entity Receiving</u>	<u>Estimated Amount of Compensation</u>
Offering and Organization Stage:		
Organization and Offering Expenses:	The Signatory Trustee or an Affiliate will receive up to an amount equal to 1.0% of the Offering Proceeds as reimbursement for the Organization and Offering Expenses.	\$222,842.82, assuming the Offering is fully raised. 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 Signatory Trustee.
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 \$540,000.00.	\$540,000.00.
Real Estate Broker Fee:	Silver State Realty & Investments, a Nevada corporation, an Affiliate of the Sponsor, is entitled to receive a real estate broker fee in the amount of \$504,000.00.	\$504,000.00.
Leasing Commission	Silver State Realty & Investments, a Nevada corporation, an Affiliate of the Sponsor, is entitled to receive a real estate leasing commission in the amount of \$537,877.00.	\$537,877.00.
Third Party Diligence, Legal, and Closing Costs:	The Signatory Trustee or an Affiliate will receive reimbursements of \$250,000.00 to cover due diligence costs of \$25,000.00, closing costs of \$25,000.00 and legal fees of \$200,000.00.	\$250,000.00.
Operating Stage:		
Administrative and Accounting Fee:	The Trust will pay an ongoing administrative and accounting fee to Signatory Trustee or an Affiliate for each year that the Trust owns the Property.	\$10,000.00 annually for the first year, subject to a 1.0% increase each year thereafter.

Asset Management Fee:	The Trust will pay an ongoing Asset Management Fee to Asset Manager equal to 4.0% of gross annual revenues received by the Trust.	For the first year, the Asset Management Fee is expected to be \$65,480.00.
Master Lease Operating Profit:	The Master Tenant will retain operating revenues from the Property that exceed Rent due to the Trust under the Master Lease, out of which the Master Tenant will pay a Property Management Fee to an Affiliate.	Impracticable to determine at this time.
Liquidation Stage:		
Disposition Fee:	The Signatory Trustee or an Affiliate will be entitled to a Disposition Fee equal to the net amount of 1.5% of the gross proceeds generated from the sale of the Property for the Trust, which is in addition to any commissions or fees payable to any third party in connection with the sale of the Property. Notwithstanding the foregoing, the Disposition Fee shall be subordinate to the return of all investor capital.	Impracticable to determine at this time. The amount paid will depend on the sale price of the Property.
Sales Commission:	The Sponsor reserves the right to cause an Affiliate to collect a real estate commission upon the sale of the Property in line with fees that would be payable a third-party broker.	Impracticable to determine at this time. The amount paid will depend on the sale price of the Property.

*This amount represents the Investment Cost less Selling Commissions and Expenses, fees paid to the Sponsor in connection with the Offering and the original purchase price.

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SUMMARY OF THE PURCHASE AGREEMENT

General

Each Purchaser will be provided with and will be required to execute a Purchase Agreement in the form attached as Exhibit E (which may be provided in electronic format). 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.

Review and Acceptance or Rejection of Purchaser Questionnaire

The Signatory Trustee will review the signed Purchaser Questionnaire and the Purchase Agreement and attempt to verify the Purchaser's investment qualification. Additional documents may be required to verify a Purchaser's accreditation. 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.

Submission of Offer to Purchase

A summary of the closing arrangements for the offer and 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 or 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, including entry into the Master Lease by the Trust, and the absence of any defaults or events that could mature into a default under the Master Lease. If any Purchase Agreement is terminated, the applicable 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.

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 from the Signatory Trustee

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

Within a reasonable time after closing the purchase of Interests by a Purchaser, a confirmation statement reflecting the Interests purchased will be delivered to such Purchaser.

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 and is qualified in its entirety by reference to the full text of the Trust 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. 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. None of the Beneficial Owners will be entitled to receive ownership records as to any other Beneficial Owners.

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 approximately ten (10) years of the closing (subject to the Tenant's right to purchase the Property), 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 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 remove the Delaware Trustee at any time, but only for 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 after a specified number of years. The Signatory Trustee is under no obligation to make its decision with respect to such prospective sale 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) 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; (d) making modifications to the Property (other than minor nonstructural modifications) unless required by law; (e) 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 Depositor or fund any reserves in connection with the Offering or fund offering related expenses; or (f) 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 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. At no time shall the number of Beneficial Owners exceed the number of persons constituting the threshold for registration under Section 12(g) of the Securities Exchange Act of 1934, or any successor provision. 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.

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. 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, the Property is

in jeopardy of being lost, 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.” See “RISK FACTORS – Delaware Statutory Trust Structure Risks – Sale of the Property” and “RISK FACTORS – Delaware Statutory Trust Structure Risks – Transfer to the Springing LLC.”

Sale of the Property

The Trust will sell the Property at any time (i) after the Property has been held by the Trust for at least one (1) year measured from the date of the sale of the last Interest and (ii) upon receipt of a notice from the Signatory Trustee that the Signatory Trustee has determined (in its sole discretion) that a sale of the Property is appropriate. The Signatory Trustee shall be responsible for (a) determining the fair market value of the Property, (b) providing notice to the Delaware Trustee that the Property should be sold, (c) conducting the sale of the Property, and (d) 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 the sale to qualify, with respect to each Beneficial Owner, as a like-kind exchange within the meaning of Section 1031 of the Code. Any sale 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 1.5% of the gross proceeds generated from the sale of the Property for the Trust, which is in addition to any commissions or fees payable to any third party in connection with the sale of the Property. The payment of the Disposition Fee shall expressly survive the transfer of the Property to the Springing LLC. Notwithstanding the foregoing, the Disposition Fee shall be subordinate to the return of all investor capital.

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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 Limited Liability Company Agreement will grant to the manager broad authority in the exercise of the management and control of the Springing LLC, including 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.

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. 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.

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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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 Act or by the securities regulatory authority of any state. The Interests may not be resold unless they are registered under the 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 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 Act would not be available to a Purchaser attempting to resell its Interests except pursuant to Rule 144 under the 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 (1) 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 (1) 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.

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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. See "RISK FACTORS – Tax Risks."

Tax 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 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 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) he is not relying on any statement of the Sponsor, Signatory Trustee or any of their Affiliates or agents, including Tax Counsel and their accountants, or any other Advisor for tax advice regarding the qualification of the Interests under Section 1031 of the Code or any other matter;
- (iii) 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 Section 1031.

Tax Counsel has issued a tax opinion, a copy of which is attached to the Memorandum as Exhibit C. Tax Counsel's 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 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 opinion concludes, first, that the Trust will be considered an "investment 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 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, the 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. For example, rather than take the Property subject to a loan, the Trust will own the Property with no debt, and 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 (subject to the terms of the Financing Documents) no later than ninety-one (91) days after the end of the applicable Master Lease Term. Furthermore, under the terms of the Lease, Tenant will have the right to make additions to and alterations of the improvements at the Property. 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 upon the eventual sale of the Property, and 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). Also, the Trust Agreement will grant 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 effect a Transfer Distribution of the Property to a newly formed Delaware limited liability company in certain limited circumstances. Tax Counsel has concluded that based on applicable authority, such differences will not alter Tax Counsel's opinion; however, Tax Counsel's 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.

Tax Counsel's opinion is based on the Code, the Income Tax Regulations, cases, rulings and in particular, Revenue Ruling 2004-86. Tax Counsel's 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 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 Section 1031.

Role of Tax Counsel. Counsel for the Sponsor and the Trust has acted as Tax Counsel with respect to the Offering. Tax Counsel has not conducted any independent due diligence with respect to the Property, or any financial projections or similar information with respect to the Property or the Offering. Tax Counsel's 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 OPINION FROM TAX COUNSEL. PURCHASERS SHOULD REVIEW THE ATTACHED 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.

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 Section 1031 Exchange.

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.

Liabilities Under Code Section 1031. The determination of whether an item is treated as a liability is crucial in determining the amount of boot received and the gain recognized on a 1031 Exchange. Debt secured by a taxpayer's relinquished property or debt secured by a replacement property clearly are "liabilities" to which the liability netting rule applies. However, these are not the only forms of debt to which the rule applies. In TAM 8328011, the IRS determined that non-mortgage liabilities are netted against mortgage liabilities under Section 1031 and that items listed in the escrow account that "relate to sums certain, due at a fixed or determinable date of maturity," are liabilities for purposes of Section 1031. In addition, Reg. Section 1.1031(j)-1(b)(2)(ii) provides that all liabilities assumed by a transferee are taken into account under the multiple property rules, regardless of whether they are secured or not secured, or whether they relate in any way to the assets transferred. In the preamble to proposed regulations, the IRS stated that all liabilities from which a taxpayer is relieved in an exchange are offset against all liabilities assumed by the taxpayer in the exchange, regardless of whether the liabilities are recourse or non-recourse and regardless of whether the liabilities are secured by or otherwise relate to the specific property transferred or received as part of the exchange. IA-12-89, 1990-1 CB 656. Tax Counsel will not render an opinion on tax basis 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 Section 1031 Exchange.

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 non-depreciable 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 costs of the Offering. In addition, reserves may be established using a portion of the funds contributed by the Depositor of the Offering Proceeds paid by the Purchasers. 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. Therefore, each Purchaser should obtain the advice of a qualified tax advisor as to the proper treatment of such items.

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.

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 from an annual operational statement. 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 investors will be deemed to be carrying on the activities of the Trust for purposes of determining whether the tax-exempt investors' 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 Investor incurs additional debt in connection with its investment in the Trust, it may give rise to UBTI. Therefore, each prospective Investor 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 INVESTORS 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 (1) 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.

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 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. Purchasers may be subject to the alternative minimum tax ("AMT"), in addition to regular income tax. AMT is imposed to the extent that such tax exceeds the taxpayer's "regular tax" liability for the year. The AMT rate for individuals is 26% of so much of the taxable excess as does not exceed \$220,700 (\$110,350 for married taxpayers filing separately), plus 28% of so much of the taxable excess as exceeds \$220,700 (\$110,350 for married taxpayers filing separately). For this purpose, "taxable excess" means the amount by which alternative minimum taxable income ("AMTI") exceeds an exemption amount, which, in 2024, equals \$133,300 for married taxpayers filing jointly, \$85,700 for single individuals and heads of household and \$66,650 for married individuals filing separately. (The foregoing exemption amounts are reduced for taxpayers with income in excess of certain specified levels.) AMTI is computed differently than taxable income for regular tax purposes in various respects, including the following: (i) certain tax-exempt interest excluded from income for regular tax purposes is included in AMTI; (ii) deductions for depreciation are computed in some cases using slower depreciation methods; and (iii) deductions for miscellaneous itemized deductions, for state and local real property, personal property and income taxes and for interest expense on certain borrowings related to residences are not permitted. As mentioned in the Risk Factor titled "Changes in Tax Law", regulatory changes may or may not impact the applicability of AMT. Each Purchaser is urged to consult his own tax advisor regarding the effect that the purchase of an Interest will have on his AMT liability.

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 (\$10,000 in the case of a C corporation).

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 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 and local 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.

United States Income Tax Considerations for Foreign Investors. The federal income tax treatment applicable to a nonresident alien or foreign corporation investing in Interests is highly complex, will vary depending on the particular circumstances of such Beneficial Owner and the effect of any applicable income tax treaties and can have a significant effect on such a Beneficial Owner. Accordingly, each foreign Purchaser should consult his own tax advisor as to the advisability of purchasing the Interests.

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 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 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

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 investors 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 investor’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 Investor and the composition of such Investor’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, the Depositor, the Signatory Trustee, and the Master Tenant 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 does not intend to obtain an audit of the Property’s cash flow.

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 offer and sale of the Interests, and the Signatory Trustee will afford prospective Purchasers the opportunity to obtain any additional information necessary to verify the information in this Memorandum to the extent the Signatory Trustee (i) possesses such information or can acquire such information without unreasonable effort or expense or (i) is not otherwise restricted from providing such information due to contractual obligations or law.

Prospective Purchasers are entitled to review copies of other material contracts relating to the matters described in this Memorandum.

EXHIBIT A

FORM TRUST AGREEMENT

TRUST AGREEMENT
OF
MANUFACTURING ESSENTIAL ASSET II, DST

DATED AS OF

August 2, 2024

BY AND AMONG

MANUFACTURING ESSENTIAL ASSET II HOLDINGS, LLC,
a Delaware limited liability company

AS DEPOSITOR

MANUFACTURING ESSENTIAL ASSET II ST, LLC,
a Delaware limited liability company

AS SIGNATORY TRUSTEE

AND

WILMINGTON CORPORATE SERVICES, LLC,
a Delaware limited liability company

AS DELAWARE TRUSTEE

**TRUST AGREEMENT
OF
MANUFACTURING ESSENTIAL ASSET II, DST,
A DELAWARE STATUTORY TRUST**

This TRUST AGREEMENT, dated as of August 2, 2024 (this “Trust Agreement”), is made by and among Manufacturing Essential Asset II Holdings, LLC, a Delaware limited liability company (the “Depositor”), Manufacturing Essential Asset II ST, LLC, a Delaware limited liability company (in its individual capacity, “Signatory Trustee”) as Signatory Trustee, Wilmington Corporate Services, LLC, a Delaware limited liability company (in its individual capacity, “Delaware Trustee”), as Delaware Trustee.

RECITALS

A. The Depositor, Signatory Trustee and Delaware Trustee formed a statutory trust on July 24, 2024 in accordance with Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. §3801, *et seq.* (the “Statutory Trust Act”).

B. The Depositor was issued one hundred percent (100%) of the Beneficial Interests (as hereinafter defined) in the Trust.

C. On August 2, 2024, the Trust acquired that certain real estate located at 308 Church Street, Honea Path, South Carolina 29654, and more particularly described on Exhibit A, together with all buildings, structures, fixtures and improvements located thereon (collectively, the “Real Estate”).

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

E. The Depositor, Signatory Trustee, and Delaware Trustee desire to enter into this Trust Agreement as set forth herein.

F. 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.

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 I
DEFINITIONS AND INTERPRETATION**

Definitions. Capitalized terms used in this Trust Agreement shall have the following meanings, or if not defined in this Article 1 or elsewhere in this Trust Agreement:

“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, ten percent (10%) 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 a legal holiday in the State of Delaware.

“Certificate of Trust” means the certificate of trust of the Trust, as amended, in substantially the form of Exhibit B.

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

“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 Wilmington Corporate 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 August 2, 2024.

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

“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 and any fiduciary acting in such capacity on behalf of any of the foregoing.

“Purchase Agreement” means the purchase agreement and escrow instructions to be entered into by the Trust 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 Manufacturing Essential Asset II ST, LLC, a Delaware limited liability company.

“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.

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

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

“Transaction Documents” means the Trust 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 Manufacturing Essential Asset II, DST, a 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) Wilmington Corporate Services, LLC is hereby appointed as the Delaware Trustee, and Wilmington Corporate 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, including any Certificates of Amendment to the Certificate of Trust, 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 “Manufacturing Essential Asset II, 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, as amended, 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 9325 W. Sahara Avenue, Las Vegas, Nevada 89117.

(e) Legal title to the Trust Estate shall be vested in the Trust as a separate legal entity or the Signatory Trustee, as trustee of the Trust, as a separate legal entity.

(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; (ii) to enter into the Master Lease; (iii) intentionally deleted, (iv) to hold for investment, lease, maintain and eventually dispose of the Real Estate; and (v) to take only such other actions as the Signatory Trustee deems necessary or appropriate to carry out the foregoing.

ARTICLE 3
PROVISIONS RELATING TO THE TAX TREATMENT

Section 3.1 Article 3 Supersedes All Other Provisions of this Trust Agreement. This Article 3 contains certain provisions intended to achieve the desired treatment of the Trust and Beneficial Interests for United States federal income tax purposes. To the extent of any inconsistency between this Article 3 and any other provision of this Trust Agreement, this Article 3 shall supersede and be controlling; provided, for the avoidance of doubt, that nothing in this Article 3 shall limit or impair the Trust’s power and authority to execute and deliver, and to perform its obligations under (to the extent not in violation of this Article 3), the Transaction Documents, and further provided that the requirements of this Article 3 shall be enforceable to the maximum extent permissible under the Statutory Trust Act.

Section 3.2 Intentionally Deleted.

Section 3.3 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 or exchange 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 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."

Section 3.4 Intentionally Deleted.

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, including any Certificates of Amendment to the Certificate of Trust, 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, Wilmington Corporate 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 Wilmington Corporate 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 Wilmington Corporate 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 Wilmington Corporate Services, LLC and its own employees); provided, however, that this limitation shall not protect Wilmington Corporate 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 Signatory Trustee shall cause the Trust 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 Trust 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 Trust under this Section 4.5 shall survive the resignation or removal of the Delaware Trustee and shall survive the termination, amendment, supplement, and/or restatement of this Trust Agreement. Any indemnification set forth herein shall not constitute a claim against the Trust in the event that the Trust’s cash flow is insufficient to pay all its obligations to creditors.

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 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 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 (1) 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. Wilmington Corporate Services, LLC shall receive as compensation for its services hereunder such fees as have been separately agreed upon between Depositor and Wilmington Corporate 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.

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 sale 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. Notwithstanding anything to the contrary in this Trust Agreement, the Signatory Trustee has the duty to protect and preserve the Trust Estate for the benefit of the Beneficial Owners and is authorized and directed to take any action necessary to fulfill that duty, including effecting a conversion of the Trust in accordance with Section 9.2 hereof.

(b) Intentionally deleted.

(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 entering into 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 Property as trustee for the Trust, and to enter into the Master Lease on the terms negotiated and agreed to by the Depositor;

- (2) Intentionally Deleted;
- (3) collecting rents and making distributions in accordance with Article 6;
- (4) 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;
- (5) notifying the relevant parties of any default by them under the Transaction Documents;
- (6) 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
- (7) 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. 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, 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, and promptly shall furnish, or require its third party servicing contractors to furnish.

(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, or (iv) pay or discharge any tax levied against any part of the Trust Estate.

(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 Trust, to the full extent of the Trust Estate, hereby agrees 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 Trust 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 the Trust 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 Trust 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.

Section 5.5 Fees and Expenses. The Signatory Trustee shall receive as compensation for its services as Signatory Trustee hereunder the fees 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 Sale of Trust Estate by Signatory Trustee Is Binding. Any sale 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. 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. Without limitation, no Beneficial Interests may be certificated interests, nor may there be other classes of interest in the Trust.

(b) Any Beneficial Owner shall be deemed, by virtue of the acceptance of its 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. None of the Beneficial Owners will be entitled to receive Ownership Records as to any other Beneficial Owners. 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 Title I of ERISA and Code Section 4975.

Section 6.4 Restrictions on Transfer. Subject to compliance with applicable securities laws, and this 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 Section 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 (1,950) 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. 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. 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 sale 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 sell its assets and re-invest the proceeds of such sale.

Section 6.12 Intentionally Deleted.

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 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.

Section 7.5 Intentionally Deleted.

Section 7.6 Intentionally Deleted.

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 sale of Trust Estate pursuant to Section 9.3, the Trust shall have perpetual existence. Upon the first to occur of a Transfer Distribution or the sale of 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; provided, however, that in connection with a sale of the Trust Estate in accordance with Section 9.3. 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 sale 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 Estate is in jeopardy of being lost and the Signatory Trustee is prohibited from acting pursuant to Section 3.3 hereof, (c) the Trust is otherwise in violation of Section 3.3, (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 occurs that causes the Signatory Trustee to cease to be the Signatory Trustee of the Trust unless a replacement signatory trustee has been appointed, (f) any event resulting in the dissolution, liquidation, winding up or termination of the Trust occurs, or (g) 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, then immediately before any such liquidating distributions the Signatory Trustee shall 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 (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 pledge on any of the Beneficial Interests automatically attaching to the replacement membership interests in the Springing LLC, (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 the Master Lease, and the Springing LLC shall assume, by operation of law, contract, or otherwise, the Trust’s obligations under the Master Lease, (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.

(c) Intentionally Deleted.

Section 9.3 Sale of the Trust Estate. The Trust shall sell the Trust Estate at any time after the date that is one (1) year from the date the last Beneficial Owner is admitted to the Trust upon receipt of a notice from the Signatory Trustee. Any sale shall be in the Signatory Trustee’s sole and absolute discretion, including (i) determining sales price of the Trust Estate, (ii) providing notice to the Trust of the sale, and (iii) conducting the sale 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 the sale as a like-kind exchange within the meaning of Section 1031 of the Code. Any sale 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 sale 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 Fees to the Signatory Trustee and Affiliates.

(a) Disposition Fee to Signatory Trustee on Sale. The Signatory Trustee or an Affiliate shall receive a disposition fee (the "Disposition Fee") from the Trust equal to the net amount of one and one-half percent (1.5%) of the gross proceeds of any sale 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 Pinnacle to third-party real estate brokers in connection with any such sale. 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. Notwithstanding anything to the contrary contained in this Section 9.4: (A) payment of any Disposition Fee shall not constitute a claim against the Trust in the event its cash flow is insufficient to pay its obligations, nor shall it constitute a claim against any beneficial owner of an interest in the Trust. Additionally, the Disposition Fee shall be subordinate to the return of all investor capital.

(b) Administrative and Accounting Fee. Signatory Trustee or an Affiliate shall receive an ongoing administrative and accounting fee for each year the Trust owns the Trust Estate. Such administrative and accounting fee shall be \$10,000 for the first year and shall increase by 1% each year thereafter. Notwithstanding to the contrary; (A) payment of any Administrative and Accounting Fee shall be fully not constitute a claim against the Trust in the event its cash flow is insufficient to pay its obligations, nor shall it constitute a claim against any beneficial owner of an interest in the Trust.

(c) Acquisition Fee. In connection with the acquisition of the Property, the Signatory Trustee or an Affiliate will be entitled to an acquisition fee ("Acquisition Fee") in the amount of \$540,000.

(d) Organization and Offering Expenses. The Signatory Trustee or an Affiliate will receive up to \$222,842.82 as reimbursement for the Organization and Offering Expenses.

(e) Real Estate Broker Fee. Silver State Realty & Investments, an Affiliate of the Signatory Trustee, will receive a real estate broker fee (the "Real Estate Broker Fee") in the amount of \$504,000.

(f) Third Party Diligence, Legal, and Closing Costs. The Signatory Trustee or an Affiliate will receive reimbursements in the amount of \$250,000 to cover due diligence costs, closing costs, and legal fees incurred in connection with the offering.

(g) Asset Management Fee. The Asset Manager, an Affiliate of the Signatory Trustee, will receive an ongoing asset management fee ("Asset Management Fee") in an amount equal to 4.0% of the gross annual revenues received by the Trust.

(h) Sales Commission. The Signatory Trustee reserves the right to cause an Affiliate to collect a real estate commission upon the sale of the Property in line with fees that would be payable to a third-party broker.

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:

Manufacturing Essential Asset II Holdings, LLC
9325 W. Sahara Avenue
Las Vegas, Nevada 89117
Attn: Christopher Beavor

If to the Delaware Trustee:

Wilmington Corporate Services, LLC
1201 N. Orange Street, Suite 7550
Wilmington, Delaware 19801

If to the Signatory Trustee, to:

Manufacturing Essential Asset II ST, LLC
9325 W. Sahara Avenue
Las Vegas, Nevada 89117
Attn: Christopher Beavor

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 Manufacturing Essential Asset II, 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.

Section 10.11 Intentionally Deleted.

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[SIGNATURE PAGE FOLLOWS]

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:

MANUFACTURING ESSENTIAL ASSET II HOLDINGS, LLC,
a Delaware limited liability company

By: _____
Name: Christopher Beavor
Title: Manager

THE SIGNATORY TRUSTEE:

MANUFACTURING ESSENTIAL ASSET II ST, LLC,
a Delaware limited liability company

By: _____
Name: Christopher Beavor
Title: Manager

THE DELAWARE TRUSTEE:

WILMINGTON CORPORATE SERVICES, LLC

By: _____

Name: Joseph McQuade

Title: Manager

EXHIBIT A

REAL ESTATE

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF ANDERSON, STATE OF SOUTH CAROLINA, AND IS DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN PIECE, PARCEL OR LOT OF LAND, WITH IMPROVEMENTS LOCATED THEREON, SITUATE, LYING AND BEING IN THE TOWNSHIP OF HONEA PATH, SCHOOL DISTRICT NO. 2, COUNTY OF ANDERSON, STATE OF SOUTH CAROLINA, WHICH IS SHOWN ON THAT CERTAIN PLAT PREPARED BY R.D. GARRISON AND ASSOCIATES, R.L.S. # 3972, DATED JUNE 26, 1995 AND RECORDED IN THE OFFICE OF THE CLERK OF COURT OF ANDERSON COUNTY, SOUTH CAROLINA, IN PLAT SLIDE 588 AT PAGE 10, AND WHICH HAS THE METES AND BOUNDS, COURSES AND DISTANCES, AS FOLLOWS:

BEGINNING AT AN IRON PIPE AT THE SOUTHWESTERN CORNER OF SAID PROPERTY WHICH POINT IS IN COMMON WITH PROPERTY OF WILLIE E. SLATTEN AND RUNNING NORTH 34-49-09 WEST 322.39 FEET TO AN IRON PIPE; THENCE NORTH 00-55 WEST 288.45 FEET TO AN IRON PIPE; THENCE NORTH 07-30-17 EAST 111.80 FEET TO AN IRON PIPE; THENCE NORTH 67-58-37 EAST 1333.69 FEET TO AN IRON PIN ON THE RIGHT-OF-WAY OF PRUITT STREET; THENCE SOUTH 15-13-33 EAST 210.03 FEET TO AN IRON PIN; THENCE SOUTH 12-41-53 EAST 200.06 FEET TO AN IRON PIN; THENCE SOUTH 08-30-38 EAST 161.68 FEET TO AN IRON PIN; THENCE SOUTH 04-19-34 EAST 170.82 FEET TO AN IRON PIPE; THENCE SOUTH 70-00-26 WEST 1275.00 FEET TO THE POINT OF BEGINNING.

EXHIBIT B

**CERTIFICATE OF TRUST
OF
MANUFACTURING ESSENTIAL ASSET II, DST**

[INSERT CERTIFICATE OF TRUST]

EXHIBIT C

**OWNERSHIP RECORDS
FOR
MANUFACTURING ESSENTIAL ASSET II, DST
LAST REVISED _____, 20__.**

<u>Name:</u> _____	<u>Mailing Address:</u> _____	<u>Percentage (%) Share of Beneficial Interest</u> _____
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I hereby certify that the foregoing Ownership Records are complete and accurate as of the date set forth above.

MANUFACTURING ESSENTIAL ASSET II ST, LLC,
not in its individual capacity, but solely as Signatory Trustee

By: _____
Name: _____
Title: _____

EXHIBIT D

AGREEMENT OF ASSIGNEE OR TRANSFEREE BENEFICIAL OWNER OF MANUFACTURING ESSENTIAL ASSET II, 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 Manufacturing Essential Asset II, DST, dated as of August 2, 2024 (the “Trust Agreement”), by and among Manufacturing Essential Asset II Holdings, LLC, as Depositor, Manufacturing Essential Asset II ST, LLC as Signatory Trustee, and Wilmington Corporate 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 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 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 (z) (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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[SIGNATURE PAGE FOLLOWS]

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
MANUFACTURING ESSENTIAL ASSET _____, LLC

THIS LIMITED LIABILITY COMPANY AGREEMENT (this “Agreement”) of MANUFACTURING ESSENTIAL ASSET _____, LLC, a Delaware limited liability company (the “Company”), is made and entered into as of _____, 20__ (the “Effective Date”), by and among Manufacturing Essential Asset II, DST, a Delaware statutory trust (the “DST” or the “Trust”), Manufacturing Essential Asset II 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 that certain Trust Agreement of DST (the “Trust Agreement”) dated August 2, 2024, 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 located at 308 Church Street, Honea Path, South Carolina (the “Real Property”), 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 “Manufacturing Essential Asset _____, 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; 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 9325 W. Sahara Avenue, Las Vegas, Nevada 89117, 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 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.

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 (other than the assumption by the obligations of DST, consent to which is deemed to have been given); or (iv) admitting new Members to the Company in exchange for Capital Contributions by such persons to the Company.

(b) 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 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 Intentionally Deleted.

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 Partnership Representative. The Manager shall act as the Company’s Partnership Representative, as defined in Section 6223 of the Code, as amended by Public Law 114-74. The Manager shall also determine whether the Company shall elect to be included or excluded from the partnership audit procedures established pursuant to Section 6221, *et. seq.* of the Code as amended by Public Law 114-74 and effective after December 31, 2017 and shall have all other powers accorded a Partnership Representative under applicable law to the maximum extent permitted by law.

ARTICLE V
Members

5.1 Powers of the Members. Notwithstanding anything to the contrary in this Agreement the Members will have no right to vote on any matters relating to the Company or its assets.

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, 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 to 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 7.1(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) Intentionally Deleted.

(c) 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 the DST with Manufacturing Essential Asset II Master Lessee, LLC, a Delaware limited liability company, as Master Tenant with respect to the Real Property.

(e) “Master Tenant” shall mean Manufacturing Essential Asset II 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
MANUFACTURING ESSENTIAL ASSET _____, LLC**

IN WITNESS WHEREOF, the undersigned have executed this Limited Liability Company Agreement this
____ day of _____, 20__.

MANAGER:

MANUFACTURING ESSENTIAL ASSET II ST, LLC

By: _____
Name: _____
Title: _____

MEMBER:

Signature

Print Name

Address

City, State & Zip Code

EXHIBIT A

CAPITAL CONTRIBUTION

[illegible]

EXHIBIT B

FORM MASTER LEASE

MASTER LEASE
FOR MANUFACTURING ESSENTIAL ASSET II, DST

THIS MASTER LEASE (this “Lease”) is entered into to be effective as of August 2, 2024, between Manufacturing Essential Asset II, DST, a Delaware statutory trust (“Landlord”), and Manufacturing Essential Asset II Master Lessee, LLC, a Delaware limited liability company (“Tenant”).

WITNESSETH:

ARTICLE 1
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 August 2, 2024 (the “Commencement Date”) and shall end on the twenty-fifth (25th) 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 four (4) renewal terms 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 of the Demised Premises.

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.

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 “Base Rent” in the amounts set forth on Exhibit “B” hereto (the “Base Rent”), with each monthly installment thereof payable on or before the second (2nd) day of each month during the Term, with the first installment being due and payable on August 2, 2024. In addition to Base Rent, 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 fifth (5th) day of each month during the Term and shall relate to the immediately preceding month, with the first installment being due and payable on _____, 2024. 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” (which for purposes of this Lease shall mean the cost of electricity, gas, oil, steam, water, air conditioning and other fuel and utilities used or consumed in connection with the Property, property management fees, reasonable attorneys’ fees and disbursements and auditing, management and other professional fees and expenses (hereinafter collectively called “Operating Costs”), payable to Silver State Realty & Investments, a Nevada corporation (“Property Manager”), pursuant to that certain Commercial Management Agreement dated August 2, 2024 between Tenant and Property Manager, or such other party as may be engaged, and (B) any fine, penalty or cost may be added thereto for the nonpayment thereof, all taxes (including, but not limited to, real estate 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).

(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 without prior consent from Landlord and 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’s lender and 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 Deleted.

(f) Intentionally Deleted.

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 Base Rent, Annual 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. Except for as otherwise provided in Section 16.03 below, if any installment of Base Rent is not paid on the date the same is due, Tenant shall pay to Landlord, as additional rent, a late charge equal to the late charge assessed by Landlord's lender with respect to the mortgage payment which would have been funded by Landlord utilizing such overdue installment of Base Rent, had it been paid to Landlord in a timely fashion.

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 affected Property shall be restored by Tenant. Subject in all respects to the terms of the documents evidencing and/or securing a first mortgage loan secured by the Demised Premises, 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.

(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 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.

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 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. Subject in all respects to the terms of the documents evidencing and/or securing a first lien mortgage loan secured by the Demised Premises, and 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.

(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 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.

(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 for the uses set forth herein, 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 for the uses set forth herein, 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.

Section 6.03. Intentionally Deleted.

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, except for “Capital Expenses” as defined in Section 7.02 below. 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. Notwithstanding the foregoing, to the extent any subtenant is obligated to pay such Capital Expenses under the terms of its sublease, Tenant shall cause subtenant to pay such Capital Expenses. Landlord shall allocate to Tenant such funds as may be required for Capital Expenses and Tenant shall undertake to make the repairs or replacements associated with the Capital Expense maintenance items. 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 Deleted.

Section 7.04. Intentionally Deleted.

Section 7.05. Intentionally Deleted.

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 non-compliances 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.

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 consent 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 certain 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 for any purpose so long as such use (a) complies with applicable Laws, and (b) is consistent with the nature of and character of the Demised Premises.

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 Base Rent or 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, other than to Landlord's lender, 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.

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 Base Rent, 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 owing 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

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.

ARTICLE 22
Disposition Fee, Brokerage Commissions and Other Reimbursements Upon Sale

If the Demised Premises hereafter are sold 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:

- (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

Property Manager currently serves as the property manager for the Property. Tenant may replace the Property Manager at its sole discretion with another affiliate or third party property manager. Additionally, the Property Manager may 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: Manufacturing Essential Asset II, DST
c/o CAI Investments, LLC
9325 W. Sahara Avenue
Las Vegas, Nevada 89117

If to Tenant: Manufacturing Essential Asset II Master Lessee, LLC
c/o CAI Investments, LLC
9325 W. Sahara Avenue
Las Vegas, Nevada 89117

With a copy to: CAI Investments, LLC
9325 W. Sahara Avenue
Las Vegas, Nevada 89117

If any other lender shall have advised Tenant by Notice in the manner aforesaid that it is the holder of a mortgage encumbering the Demised Premises and states in said Notice its address for the receipt of Notices, then simultaneously with the giving of any Notice by Tenant to Landlord, Tenant shall send a copy of such Notice to such lender in the manner aforesaid. 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. Intentionally Deleted.

Section 26.09. 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.

Section 26.10. Intentionally Deleted.

[Signature page to follow]

SIGNATURE PAGE TO THE MASTER LEASE
FOR MANUFACTURING ESSENTIAL ASSET II, DST

LANDLORD:

MANUFACTURING ESSENTIAL ASSET II, DST,
a Delaware statutory trust

By: MANUFACTURING ESSENTIAL ASSET II ST, LLC,
a Delaware limited liability company
Its: Signatory Trustee

By: _____
Name: Christopher Beavor
Title: Manager

TENANT:

MANUFACTURING ESSENTIAL ASSET II MASTER LESSEE, LLC,
a Delaware limited liability company

By: _____
Name: Christopher Beavor
Title: Manager

EXHIBIT A
LEGAL DESCRIPTION

ALL THAT CERTAIN PIECE, PARCEL OR LOT OF LAND, WITH IMPROVEMENTS LOCATED THEREON, SITUATE, LYING AND BEING IN THE TOWNSHIP OF HONEA PATH, SCHOOL DISTRICT NO. 2, COUNTY OF ANDERSON, STATE OF SOUTH CAROLINA, WHICH IS SHOWN ON THAT CERTAIN PLAT PREPARED BY R.D. GARRISON AND ASSOCIATES, R.L.S. # 3972, DATED JUNE 26, 1995 AND RECORDED IN THE OFFICE OF THE CLERK OF COURT OF ANDERSON COUNTY, SOUTH CAROLINA, IN PLAT SLIDE 588 AT PAGE 10, AND WHICH HAS THE METES AND BOUNDS, COURSES AND DISTANCES, AS FOLLOWS:

BEGINNING AT AN IRON PIPE AT THE SOUTHWESTERN CORNER OF SAID PROPERTY WHICH POINT IS IN COMMON WITH PROPERTY OF WILLIE E. SLATTEN AND RUNNING NORTH 34-49-09 WEST 322.39 FEET TO AN IRON PIPE; THENCE NORTH 00-55 WEST 288.45 FEET TO AN IRON PIPE; THENCE NORTH 07-30-17 EAST 111.80 FEET TO AN IRON PIPE; THENCE NORTH 67-58-37 EAST 1333.69 FEET TO AN IRON PIN ON THE RIGHT-OF-WAY OF PRUITT STREET; THENCE SOUTH 15-13-33 EAST 210.03 FEET TO AN IRON PIN; THENCE SOUTH 12-41-53 EAST 200.06 FEET TO AN IRON PIN; THENCE SOUTH 08-30-38 EAST 161.68 FEET TO AN IRON PIN; THENCE SOUTH 04-19-34 EAST 170.82 FEET TO AN IRON PIPE; THENCE SOUTH 70-00-26 WEST 1275.00 FEET TO THE POINT OF BEGINNING.

EXHIBIT B
RENT

<u>Period</u>	<u>Base Rent</u>	<u>Annual Rent</u>	<u>Total Rent</u>
Lease Year 1	\$ 817,386.00	\$ 817,386.00	\$ 1,634,772.00
Lease Year 2	\$ 833,756.00	\$ 833,756.00	\$ 1,667,512.00
Lease Year 3	\$ 850,453.00	\$ 850,453.00	\$ 1,700,906.00
Lease Year 4	\$ 867,484.50	\$ 867,484.50	\$ 1,734,969.00
Lease Year 5	\$ 884,856.50	\$ 884,856.50	\$ 1,769,713.00
Lease Year 6	\$ 902,576.00	\$ 902,576.00	\$ 1,805,152.00
Lease Year 7	\$ 920,649.50	\$ 920,649.50	\$ 1,841,299.00
Lease Year 8	\$ 939,085.00	\$ 939,085.00	\$ 1,878,170.00
Lease Year 9	\$ 957,889.00	\$ 957,889.00	\$ 1,915,778.00
Lease Year 10	\$ 977,069.00	\$ 977,069.00	\$ 1,954,138.00

Total Rent beginning in Year 11 and extended through any Renewal Term will be 102% of the preceding year's Total Rent.

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.

EXHIBIT D
RENT ROLL

That certain Lease dated August 2, 2024 by and between Master Tenant, as landlord, and US Medical Nitrile & Polyisoprene Chemical Company LLC, a Delaware limited liability company, as tenant.

EXHIBIT C
TAX OPINION

McQuade Johnson, P.C.

August 20, 2024

CAI Investments, LLC
9325 W. Sahara Avenue
Las Vegas, Nevada 89117
Attn: Christopher Beavor

Re: Manufacturing Essential Asset II, DST Tax Opinion

Dear Mr. Beavor:

CAI Investments, LLC, a Delaware limited liability company (the “Sponsor”), Manufacturing Essential Asset II ST, LLC, a Delaware limited liability company (the “Signatory Trustee”), and Manufacturing Essential Asset II, DST, a Delaware statutory trust described in Chapter 38 of Title 12 of the Delaware Code (the “Trust”), have engaged McQuade Johnson, P.C. (“MJPC”) to address certain income tax issues in connection with the Trust’s ownership of that certain property located at 308 Church Street, Honea Path, Sotuh Carolina 29654 (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 not 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 hereafter 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”).

The Trust acquired the Property on August 2, 2024 as part of a sale-leaseback transaction from US Medical Nitrile & Polyisoprene Chemical Company LLC, a Delaware limited liability company (the “Property Seller” or “Tenant”) pursuant to that certain Real Estate Purchase Agreement dated August 2, 2024 (the “Property Purchase Agreement”). Under the Property Purchase Agreement, the Trust purchased the Property for a purchase price of \$18,000,000.00.

Simultaneously with the Trust’s acquisition of the Property, the Trust leased the Property to Manufacturing Essential Asset II Master Lessee, LLC, a Delaware limited liability company and Affiliate of the Sponsor (the “Master Tenant”), pursuant to a master lease agreement in substantially the same form as attached to this Memorandum as Exhibit B (the “Master Lease”). The Master Tenant then leased the Property to the Tenant pursuant to a Lease (the “Lease”) by and between Tenant, as tenant, and Master Tenant, as landlord. Additionally, the Lease is guaranteed by an Affiliate of the Tenant, US Medical Glove Company L.L.C., a Kentucky limited liability company (the “Lease Guarantor”).

Transaction Documents

In issuing this opinion, we have reviewed the following:

- (i) the Trust Agreement, by and among Wilmington Corporate Services, LLC, as Delaware Trustee (the “Delaware Trustee”), Sorensen Entity Services LLC, as Independent Trustee (“Independent”

Trustee”), and the Signatory Trustee (together with the Delaware Trustee, the “Trustees”), the Depositor and the Beneficial Owners;

- (ii) the lease guaranty, pursuant to which the Lease Guarantor guarantees the obligations of the Tenant under the Lease;
- (iii) the form of Purchase Agreement, pursuant to which the Interests are to be acquired by the Beneficial Owners;
- (iv) the Master Lease between the Trust as landlord and the Master Tenant as tenant, which the Trust executed at the Signatory Trustee’s direction;
- (v) the Lease (the “Lease”) between Master Tenant as landlord and Tenant as tenant;
- (vi) the Memorandum (items (i) through this item (vi) are collectively referred to as the “Transaction Documents”);
- (vii) 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”);
- (viii) a letter dated August 20, 2024 from the Sponsor, the Trust, the Master Tenant, the Signatory Trustee, and the Depositor to MJPC (the “Representation Letter”); and
- (ix) 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 own the Property subject to (or to 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, (iv) pay or discharge any tax levied against any part of the Trust Estate, (v) confirm, verify, investigate or inquire into the failure to receive any reports or financial statements from any party obligated to provide such, or (vi) inspect the Property at any time. 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 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)-1(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 Investorings 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 Investorings 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 DST was "formed for investment purposes," the IRS concluded that DST was an entity for federal income tax purposes. We believe that the Trust is substantially similar to DST described in the Ruling. First, and most importantly, both 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 own 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 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 DST’s trust agreement. Fourth, consistent with 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 as 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, 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 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 states that the Interests are a single class. Section 3.3 of the Trust Agreement provides 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 further provides 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 requires the Signatory Trustee to distribute available cash on a monthly basis. Section 3.3 of the Trust Agreement provides 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 3.3 of the Trust Agreement also provides 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 is a “net” lease pursuant to which the Master Tenant is responsible for the payment of 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, the Master Tenant, 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 Property is not encumbered by a loan, (ii) the Signatory Trustee will have an ongoing role (but no power except to conserve and dispose of the Property), (iii) under limited circumstances, the Signatory Trustee may transfer the Property to a limited liability company in a Transfer Distribution, (iv) the Signatory Trustee will have the discretion to cause a sale of the Property, and (v) upon the sale of the Property, the Signatory Trustee will be paid a disposition fee. We do not believe that any such term that is 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.

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.”

Classification of the Beneficial Owners & Their Ownership of Trust Property

3. Beneficial Owners as “Grantors” of the Trust

Section 1.671-2(e)(1) of the Treasury Regulations provides that a grantor includes any person to the extent such person directly or indirectly makes a gratuitous transfer to a trust. A gratuitous transfer includes “any transfer other than a transfer for fair market value.” However, transfers are considered “for fair market value” solely to the extent of the value of property or services in exchange for the transfer, and an interest in a trust is not considered property received from the trust under Section 1.671-2(e)(2) of the Treasury Regulations. Therefore, a transfer solely in exchange for an interest in a trust is considered a gratuitous transfer, and as such, the person making the gratuitous transfer is considered a grantor of such trust.

The Beneficial Owners should be treated as “grantors” of the Trust. When purchasing Interests in the Trust, the Beneficial Owners contribute cash to the Trust solely in exchange for the Interests. The Interests are not considered property received from the Trust, and therefore, the Beneficial Owners are treated as making a gratuitous transfer to the Trust. The Beneficial Owners are therefore 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. For example, rather than take the Property subject to a loan, the Trust will own the Property with no debt, and 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 (subject to the terms of the Financing Documents) no later than ninety-one (91) days after the end of the applicable Master Lease Term. Furthermore, under the terms of the Lease, Tenant will have the right to make additions to and alterations of the improvements at the Property. 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 upon the eventual sale of the Property, and the Trust is expected to receive multiple contributions over time rather than a single contribution, although the Trust will not retain such multiple contributions. Also, the Trust Agreement will grant 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 effect a Transfer Distribution of the Property to a newly formed Delaware limited liability company in certain limited circumstances. 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

August 20, 2024

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, or compensation to the Sponsor and its Affiliates (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.

MCQUADE JOHNSON, P.C.

By: *McQuade Johnson, P.C.*

EXHIBIT D

PURCHASER QUESTIONNAIRE

PURCHASER QUESTIONNAIRE

The undersigned is interested in purchasing beneficial interests (the “*Interests*”) in one or more Delaware statutory trust programs sponsored by CAI Investments, LLC, or its Affiliate (each, a “*Trust*”). To verify that the investor is an Accredited Investor (as defined under Rule 501 of Regulation D of Securities Act of 1933, as amended), each potential investor must complete this Purchaser Questionnaire and provide such other documentation as may be necessary.

EACH PROSPECTIVE INVESTOR SHOULD EXAMINE THE SUITABILITY OF THIS TYPE OF INVESTMENT IN THE CONTEXT OF HIS OWN NEEDS, PURCHASE OBJECTIVES, AND FINANCIAL CAPABILITIES AND SHOULD MAKE HIS OWN INDEPENDENT INVESTIGATION AND DECISION AS TO SUITABILITY AND AS TO THE RISK AND POTENTIAL GAIN INVOLVED. ALSO, EACH PROSPECTIVE INVESTOR IS ENCOURAGED TO CONSULT WITH HIS ATTORNEY, ACCOUNTANT, FINANCIAL CONSULTANT OR OTHER BUSINESS OR TAX ADVISOR REGARDING THE RISKS AND MERITS OF THE PROPOSED INVESTMENT.

If you satisfy these qualifications and desire to purchase 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.

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 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).

[REMAINDER OF PAGE LEFT BLANK]

This Purchaser Questionnaire relates to the undersigned's intention to purchase beneficial interests in the Trust for a cash purchase price of \$ _____ (PLEASE ONLY INCLUDE THE CASH PORTION IN THIS SPACE).

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, with the full knowledge that the Signatory Trustee will expressly rely thereon in deciding to accept or reject the Purchase Agreement:

1. My primary state of residence is: _____
2. My date of birth is: _____
3. I hereby represent and warrant that I am an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended, on the basis that:
(you must **initial** in either (a) or (b) below)

(a) I am a **NATURAL PERSON** and (*initial* (1) or (2))

_____ (1) **Income Test:** My individual income exceeded \$200,000 in each of the two most recent years or my joint income together with my spouse exceeded \$300,000 in each of those years and I reasonably expect to earn individual income of at least \$200,000 this year or joint income with my spouse of at least \$300,000 this year;

OR

_____ (2) **Net Worth Test:** My individual net worth, or my joint net worth together with my spouse, exceeds \$1,000,000. For these purposes, (A) "net worth" means the excess of total assets at fair market value (including all personal and real property, but excluding the estimated fair market value of my primary residence) minus total liabilities; and (B) "liabilities" exclude any mortgage or other debt secured by my primary residence in an amount of up to the estimated fair market value of that residence, but include any mortgage or other debt secured by my primary residence in an amount in excess of the fair market value of that residence.

(b) I am **NOT** a natural person and (*initial as appropriate*):

_____ I am a corporation, Massachusetts or similar business trust, partnership, limited liability company or organization described in Internal Revenue Code of 1986, as amended, Section 501(c)(3), not formed for the specific purpose of acquiring the Interests, with total assets over \$5,000,000;

_____ I am a trust, with total assets over \$5,000,000, not formed for the specific purpose of acquiring Interests and whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in the Interests as described in Rule 506(b)(2)(ii) under the Securities Act;

_____ I am a broker-dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended;

_____ I am an investment company registered under the Investment Company Act or a business development company (as defined in Section 2(a)(48) of the Investment Company Act);

_____ I am a small business investment company licensed by the Small Business Administration under Section 301(c) or (d) or the Small Business Investment Act of 1958, as amended;

_____ I am an employee benefit plan within the meaning of ERISA, if the investment decision is made by a plan fiduciary (as defined in Section 3(21) of ERISA), which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are Accredited Investors;

_____ I am a private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended);

_____ I am a bank as defined in Section 3(a)(2) of the Securities Act, 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, or an insurance company as defined in Section 2(13) of the Securities Act;

_____ I am a plan established and maintained by a state, its political subdivisions, or an agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets of more than \$5,000,000;

_____ I am an executive officer of the Signatory Trustee or, if applicable, its manager; or

_____ I am an entity in which all the equity owners are Accredited Investors (i.e. personal trust).

VERIFICATION: To verify my status as an Accredited Investor, I agree to assist in arranging for a registered broker-dealer, SEC-registered investment adviser, licensed attorney, or certified public accountant, or VerifyInvestor.com (each, a “*Third-Party Verifier*”) to deliver to the Signatory Trustee written confirmation of my status as an Accredited Investor. I hereby authorize Signatory Trustee and its agents to communicate with such Third-Party Verifier to obtain such verification. I understand that I am solely responsible for paying any fees charged by the Third-Party Verifier in connection with verifying my status as an Accredited Investor. Within five (5) days after the date of submitting this Purchaser Questionnaire, I will deliver to the Signatory Trustee all required supporting documentation requested by Signatory Trustee or the Third-Party Verifier. The Third-Party Verifier may use the form attached hereto as Exhibit B for purposes of providing such confirmation.

4. Not only do I satisfy the accreditation above, but I also have knowledge and experience in financial and business matters to evaluate the merits and risks of a purchase of the Interests. The following is a description of my experience in financial and business matters:

5. Title to the Interests to be taken in accordance with the attached vesting instructions.

6. 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.

7. Before executing a Purchase Agreement for Interests, I will have read the Confidential Private Placement Memorandum for the Offering (the “*Memorandum*”) and will 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 he/she:

- (i) 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) is not relying on the Sponsor, the Signatory Trustee or any of their Affiliates or agents, including their Counsel, or accountants, or any member of the Selling Group, including any reliance on the tax opinion attached as Exhibit C to the Memorandum, for tax advice regarding the qualification of the Interests under Section 1031 of the Code or any other matter;
- (iii) is not relying on any statements made in the Memorandum regarding the qualifications of the Interests under Section 1031 of the Code;
- (iv) understands the tax opinion is Counsel’s view of the anticipated tax treatment and there is no guarantee that the IRS will agree with such opinion;
- (v) is aware that the IRS has issued Revenue Ruling 2004-86, 2004-2 C.B. 191 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 a partnership interest for federal income tax purposes; and
- (vi) 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 Properties.

8. I hereby agree to indemnify, defend and hold harmless CAI Investments, 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 CAI Investments, 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.

9. In connection with this Purchaser Questionnaire, a consumer report may be requested. If a report was requested, I will be informed of the name and address of the consumer reporting agency that furnished the report. I hereby authorize such reports and verification of my employment history.

10. 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.

11. Neither I nor any subsidiary, affiliate, owner, shareholder, partner, member, indemnitor, guarantor or related person or entity:

- (a) is a Sanctioned Person (as defined below);
- (b) has more than 15% of its assets in Sanctioned Countries (as defined below); or
- (c) 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.

* * * * *

REGISTRATION INFORMATION

CONTACT
INFORMATION:

Name of Contact Person

Mailing Address

City

State

Zip

Primary Phone

Additional Phone

E-mail Address

PAYMENTS:

Distributions are made by Direct Deposit using the ACH system. Please complete Exhibit A.

EXECUTION:

Please execute this Purchaser Questionnaire by completing the appropriate Section.

INDIVIDUAL or
HUSBAND & WIFE or
JOINT TENANTS, TICs
etc.

Name

OR

Name of Spouse/Joint Owner/TIC Owner

Signature

Signature

Social Security Number

SSN of Joint Owner

State of Legal Residence

TRUST

If the Subscriber is a TRUST, complete the following:

The undersigned hereby represents, warrants, and agrees that (i) the undersigned Trustee is duly authorized by the terms of the trust instrument for the TRUST named below to acquire the Interests, (ii) the undersigned, as Trustee, has all requisite power and authority to acquire the Interests for the TRUST, and (iii) the undersigned Trustee is authorized by the TRUST to execute this Purchaser Questionnaire and the Purchase Agreement. **The undersigned Trustee encloses a true copy of the Trust Instrument or Certification of Trust, as amended to date, and as necessary, the resolutions of the trustees authorizing the purchase of the Interests.**

Name of Trust

Trustee Name

Trustee Name

TRUST cont'd

Signature

Signature

State of Formation

FEIN or SSN

LIMITED
LIABILITY
COMPANY

If the Subscriber is a LIMITED LIABILITY COMPANY, complete the following:

The undersigned hereby represents, warrants, and agrees that (i) the undersigned is either the authorized manager or authorized representative of the LIMITED LIABILITY COMPANY named below (the "*LLC*"), (ii) the undersigned has been duly authorized and has all the requisite power and authority by the LLC to acquire the Interests, and (iii) the undersigned is authorized by the LLC to execute this Purchaser Questionnaire and the Purchase Agreement. **The undersigned encloses a true copy of the Articles of Organization and the Operating Agreement of the LLC or a State Certification of such, as amended to date, and as necessary, a current and complete list of all members and managers and resolutions of the LLC authorizing the purchase of the Interests.**

Name of Limited Liability Company

Manager Name

Other Name (if applicable)

Signature

Signature

State of Formation

FEIN or SSN

CORPORATION

If the Subscriber is a CORPORATION, complete the following:

The undersigned hereby represents, warrants and agrees that (i) the undersigned is a duly authorized officer or representative of the CORPORATION named below, (ii) the undersigned has been duly authorized and has all the requisite power and authority by the CORPORATION to acquire the Interests, and (iii) the undersigned is authorized by the CORPORATION under its Articles of Incorporation, Bylaws, and Resolutions of the Board of Directors to execute this Purchaser Questionnaire and the Purchase Agreement. **The undersigned encloses a true copy of the Articles of Incorporation, the Bylaws, or a State Certification, as amended to date, and as necessary, the resolutions of the Board of Directors authorizing the purchase of the Interests.**

Name of Corporation

Officer Name

Officer Title

Signature

State of Formation

FEIN

PARTNERSHIP

If the subscriber is a PARTNERSHIP, complete the following:

The undersigned hereby represents, warrants and agrees that (i) the undersigned is a general partner of the PARTNERSHIP named below, (ii) the undersigned has been duly authorized and has all the requisite power and authority by the PARTNERSHIP to acquire the Interests, and (iii) the undersigned is authorized by the PARTNERSHIP to execute this Purchaser Questionnaire and the Purchase Agreement. **The undersigned encloses a true copy of the Partnership Agreement of the Partnership or a State Certification of such, as amended to date, and as necessary, a current and complete list of all partners and resolutions of the Partnership authorizing the purchase of the Interests.**

Name of Partnership

General Partner Name

Other Name (if applicable)

Signature

Signature

State of Formation

FEIN or SSN

BENEFIT PLAN
INVESTOR

If the Subscriber is a BENEFIT PLAN INVESTOR as defined in Question 4 above, complete the following:

The undersigned hereby represents, warrants, and agrees that (i) the undersigned is duly authorized by the governing instrument of the BENEFIT PLAN named below to acquire the Interests, (ii) the BENEFIT PLAN has all the requisite power and authority to acquire the Interests, and (iii) the undersigned is authorized by the governing instrument of the BENEFIT PLAN to execute this Purchaser Questionnaire and the Purchase Agreement. **The undersigned encloses a true copy of the governing instrument of the Benefit Plan or a Certification of such, as amended to date, and as necessary, any resolutions of the Benefit Plan authorizing the purchase of the Interests.**

Name of Entity

Authorized Name

Title

Signature

State of Formation

FEIN or SSN

Consent of Spouse

IF you are *married*,

AND your *primary state of residence* is a community property state, (Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, Wisconsin),

AND the ownership interests are to be *held as your separate property* whether in a trust or some other entity,

THEN your *spouse* must sign this form.

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 a Beneficial Ownership Interest of Manufacturing Essential Asset II, DST and agree to be bound by the provisions of the Purchase Agreement, Trust Agreement, and any other document related to the purchase of such Interest (collectively, the "*Purchase Documents*") insofar as I may have any rights in said Purchase 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 Purchase Documents.

Dated: _____, 20____

SIGNATURE: _____

VESTING INSTRUCTIONS

Please mark the appropriate box and print names exactly as they appear on the Deed of your relinquished property.

Ownership of the Interests is to be vested as follows:

☐ An Individual, as his or her sole property, whether single, married, divorced, or widowed
(if married, please list spouse's name: _____)

Individual Name: _____

☐ Husband and Wife as Joint Tenants

☐ Husband and Wife as Community Property

Name of Owner 1: _____ **Name of Owner's Spouse:** _____

☐ As Joint Tenants (other) JTWROS (Both Joint Tenants must be listed)

☐ As Tenants in Common (TIC) (All Tenants in Common must be listed with each person's undivided Interest %)

Joint Tenants or TIC Names: _____

☐ Revocable Trust
☐ Irrevocable Trust
(Attach a copy of your Trust Agreement or a Certification of Trust)

Name of Trust: _____

Trustee Name: _____ **Trustee Name:** _____

☐ Corporation
☐ Limited Liability Co.
☐ Partnership
(Attach a copy of your Articles of Incorporation, LLC, or Partnership Agreement)
OR
(a State Certification)

Entity Name: _____

President/Manager/General Partner: _____

☐ Benefit Plan Investor

Entity Name: _____

Signature: _____ **Signature:** _____

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 minimum investment for a Purchaser is \$100,000 of Interests. The Property is not encumbered by any debt, and therefore, you will not be treated as having assumed any debt for the purpose of calculating the amount of your Section 1031 replacement property

The undersigned's exchange information is as follows:

45-day identification period expires on: _____

180-day exchange period expires 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 Buyer and _____ (the "*Qualified Intermediary*" or "*Accommodator*") whose address, telephone number and contact person are as follows (**Please complete in full**):

Street Address

City

State

Zip Code

Telephone Number

Email

Contact Person

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 Names: _____

Signature: _____

Date: _____

Signature: _____

Exhibit A
ACH Authorization Form

Bank/Financial Institution Information

Investing Entity: _____

PLEASE fill in the following information where you want your distribution sent:

Account Owner: _____

Bank Name/Custodial Entity: _____

Bank Address: City: _____ State: _____ Zip: _____

Phone: _____

Checking ☐

Savings ☐

Routing # (9 digits): _____ Account #: _____

_____ (NAME) authorizes CAI Investments, LLC, or its designated assignee (hereinafter referred to as the “*Issuer*”), to initiate ACH transfer entries and to credit the account identified herein for distributions relating to the purchase of ownership percentage shares of the Manufacturing Essential Asset II, DST being offered by the Issuer. This authorization shall remain in effect unless and until the Trust has been terminated either upon its natural end date or in the event of the Springing LLC being activated. Undersigned represents and warrants to the Issuer that the person executing this Authorization is an authorized signatory on the Account referenced above and all information regarding the Account and Account Owner is true and correct.

Account Owner Signature: _____ Date: _____

Account Owner Signature: _____ Date: _____

**MUST ATTACH PRE-PRINTED VOIDED CHECK
OR BANK LETTER**

Exhibit B

Verification of Investor Accreditation

The undersigned confirms that the undersigned is (a) a registered broker-dealer, an SEC-registered investment adviser, a licensed attorney, or a certified public accountant, as noted below; and (b) that the undersigned has taken reasonable steps within the last three months to verify that the Subscriber noted below is an “accredited investor” as defined in Regulation D, promulgated under the Securities Act of 1933, as amended, on the basis set forth in the attached Purchaser Questionnaire.

Issuer: **Manufacturing Essential Asset II, DST**

Subscriber's Name: _____

Registered Rep or RIA Name: _____

Branch Office Address: _____

Phone Number: _____

Email: _____

Required Signature: _____

Broker Dealer (BD) Name: _____

BD Address: _____

BD Phone Number: _____

BD Authorized Principal: _____

Required BD Signature: _____

Check Box (as applicable)

☐

Full Selling Commission

☐

Other – gross up (Explain): _____

OR other Licensed Professional Attestation

☐

Accountant Name: _____

License #: _____ Jurisdiction: _____

Signature: _____ Date: _____

☐

Attorney Name: _____

License #: _____ Jurisdiction: _____

Signature: _____ Date: _____

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 Manufacturing Essential Asset II ST, LLC, a Delaware limited liability company, as signatory trustee (“*Signatory Trustee*”) of Manufacturing Essential Asset II, DST, a Delaware statutory trust (“*Seller*” or “*DST*” as the context requires), 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. Manufacturing Essential Asset II Holdings, LLC, a Delaware limited liability company (“*Depositor*”), Signatory Trustee and Wilmington Corporate Services, LLC (“*Delaware Trustee*”) have entered into the Trust Agreement of Manufacturing Essential Asset II, DST dated August 2, 2024 (the “*Trust Agreement*”).

B. DST 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 August 20, 2024 (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 and the Lease.

D. The Property is not encumbered by any debt.

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 a _____% Interest at a purchase price representing \$ _____ of equity (“*Equity Investment*”), representing a total purchase price of \$ _____ (“*Purchase Price*”). Purchaser will have no attributable debt included in its acquisition of the Interest for federal income tax purposes, including for purposes of Section 1031 of the Internal Revenue Code (“*Section 1031*”).

1.2 Payment. Buyer shall pay the Equity Investment as follows:

1.2.1 Intentionally omitted.

1.2.2 Payment of the Equity Investment. Buyer shall deposit by wire or check, pursuant to the funding instructions contained in Exhibit C hereto, the Equity Investment, plus the amount, if any, required of Buyer under Section 4 or any other provision of this Agreement, at least two (2) Business Days before the Close of Purchase.

1.3 Buyer’s Deliveries. Buyer shall execute, acknowledge (where appropriate) and submit to the Company: (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 the Close of Purchase 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 _____ (the “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 of the purchase of Interests are incurred unless mutually agreed upon by all parties to this Agreement.

2. Opening and Close of Purchase.

2.1 Seller’s Acceptance. Upon execution of this Agreement by Seller, Buyer shall deposit with Seller a fully executed original of this Agreement for use as closing instructions. If there is any inconsistency between the provisions of any General Conditions and this Agreement, the provisions of this Agreement shall control.

2.2 Seller’s Deliveries. Prior to the Close of Purchase, Seller shall execute, acknowledge (where appropriate) and deposit with Buyer, if 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 Close of Purchase.

2.3 Close of Purchase. The Close of Purchase shall occur after receipt of Buyer’s Deliveries and payment of the Equity Investment.

2.4 Latest Closing. If the Company has not closed 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; and (ii) 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 Close of Purchase 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 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 Equity Investment. Buyer shall have deposited the full amount of the Equity Investment into the Buyer’s designated account.

3.1.2 Intentionally omitted.

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. The DST will have obtained title insurance with respect to the Property in the amount no less than the purchase price paid by the DST to the property seller with respect to the Trust’s acquisition of the Property. The Lease and 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 the sale

and this Agreement in accordance with Section 2.4.

3.3 Rescission Rights. Buyer may rescind his subscription if he receives from the Seller, subsequent to the date he submits this Agreement, an environmental assessment, an engineering report, 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.

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. After the Buyer has deposited the Buyer's Deliveries, all cash, if any, received hereunder by Seller, until the Close of Purchase, shall be kept on deposit in a non-interest bearing account with other funds and held in trust at any state or national bank.

5.2 Disbursements and Deliveries. Seller at the Close of Purchase 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 Equity Investment, and (ii) to Buyer, or order, any excess funds previously delivered to Seller by Buyer. All other disbursements by Seller shall be made by checks of Seller.

6. Intentionally omitted.

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. 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 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 Close of Purchase.

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 Intentionally omitted.

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 there are 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) 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) 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 Close of Purchase 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 Close of Purchase:

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.

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:

Manufacturing Essential Asset II ST, LLC
c/o CAI Investments, LLC
9325 W. Sahara Avenue
Las Vegas, Nevada 89117
Attn: Investor Services

Or by email to: investorservices@caicap.com

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 Close of Purchase, 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. In the event of a partial taking of the Property or the threatened partial taking of the Property with respect to which Seller has received actual notice that materially and adversely affects the ability to operate the Property for the purposes it is currently operated, then Buyer can elect to either (a) terminate this Agreement in accordance with Section 2.4, or (b) with Seller's approval, purchase the Interest with a reduction in the Purchase Price in an amount equal to any condemnation award received from the condemning authority based on the percentage interest in the DST represented by the Interest (in which event Seller or Depositor, as applicable, shall retain the right to receive such proceeds). In the event of a threatened taking or a lack of finality of any proceedings to determine the award in an actual taking, the sale shall occur and Seller shall assign to Buyer its interest in any condemnation award, based on the percentage interest in the DST represented by the Interest, made by the governmental entity.

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 Close of Purchase. The parties acknowledge and agree in no event shall the Close of Purchase 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 State of Nevada, 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 CLARK, STATE OF NEVADA, 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 NEVADA 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 NEVADA 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, AND (2) 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, 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.

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IN WITNESS WHEREOF, this Agreement has been executed as of the Effective Date.

SELLER:

Manufacturing Essential Asset II, DST, a
Delaware Statutory Trust

By: Manufacturing Essential Asset II ST, LLC,
a Delaware limited liability company
Its: Signatory Trustee

By: Christopher Beavor
Its: Manager

Dated: _____, 20 ____

BUYER(s):

Name

Signed

Name

Signed

Dated: _____, 20 ____

LIST OF EXHIBITS

Exhibit A.....Legal Description of the Property

Exhibit B.....Defined Terms

Exhibit C.....Funding Instructions

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

ALL THAT CERTAIN PIECE, PARCEL OR LOT OF LAND, WITH IMPROVEMENTS LOCATED THEREON, SITUATE, LYING AND BEING IN THE TOWNSHIP OF HONEA PATH, SCHOOL DISTRICT NO. 2, COUNTY OF ANDERSON, STATE OF SOUTH CAROLINA, WHICH IS SHOWN ON THAT CERTAIN PLAT PREPARED BY R.D. GARRISON AND ASSOCIATES, R.L.S. # 3972, DATED JUNE 26, 1995 AND RECORDED IN THE OFFICE OF THE CLERK OF COURT OF ANDERSON COUNTY, SOUTH CAROLINA, IN PLAT SLIDE 588 AT PAGE 10, AND WHICH HAS THE METES AND BOUNDS, COURSES AND DISTANCES, AS FOLLOWS:

BEGINNING AT AN IRON PIPE AT THE SOUTHWESTERN CORNER OF SAID PROPERTY WHICH POINT IS IN COMMON WITH PROPERTY OF WILLIE E. SLATTEN AND RUNNING NORTH 34-49-09 WEST 322.39 FEET TO AN IRON PIPE; THENCE NORTH 00-55 WEST 288.45 FEET TO AN IRON PIPE; THENCE NORTH 07-30-17 EAST 111.80 FEET TO AN IRON PIPE; THENCE NORTH 67-58-37 EAST 1333.69 FEET TO AN IRON PIN ON THE RIGHT-OF-WAY OF PRUITT STREET; THENCE SOUTH 15-13-33 EAST 210.03 FEET TO AN IRON PIN; THENCE SOUTH 12-41-53 EAST 200.06 FEET TO AN IRON PIN; THENCE SOUTH 08-30-38 EAST 161.68 FEET TO AN IRON PIN; THENCE SOUTH 04-19-34 EAST 170.82 FEET TO AN IRON PIPE; THENCE SOUTH 70-00-26 WEST 1275.00 FEET TO THE POINT OF BEGINNING.

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 State of Nevada.

“*Buyer’s Address*” means the address listed in the Purchaser 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.

“*Close of Purchase*” means the date and time the Seller disburses funds upon satisfaction of the conditions described in Section 2.3 of this Agreement.

“*Closing Date*” is anticipated to be on or about that date that is thirty (30) days from mutual execution of this Agreement, or such earlier date as agreed to by Buyer and Seller.

“*Delaware Trustee*” means Wilmington Corporate Services, LLC.

“*Depositor*” means Manufacturing Essential Asset II Holdings, LLC, a Delaware limited liability company.

“*DST*” has the meaning given to it in the Preamble of this Agreement.

“*Equity Investment*” means cash equity interest of Buyer.

“*General Conditions*” means any general conditions required by Seller in connection with its responsibilities under this Agreement.

“*Interest*” means the beneficial interest in the DST described in Section 1.1.

“*Lease*” means that certain lease agreement between Manufacturing Essential Asset II Master Lessee, LLC, as landlord, and, Tenant, as tenant, with respect to the Property.

“*Master Lease*” means that certain lease agreement between the DST, as landlord, and Manufacturing Essential Asset II Master Lessee, LLC, as tenant, with respect to the Property.

“*Memorandum*” means the Confidential Private Placement Memorandum for beneficial interests in Manufacturing Essential Asset, DST, dated August 20, 2024, as supplemented from time to time, with all exhibits thereto.

“*Property*” shall mean that certain property located at 2001 N. Division Street, Harvard, Illinois, as more particularly described in Exhibit A.

“*Purchaser Questionnaire*” means the Purchaser Questionnaire described in the Memorandum.

“*Seller*” has the meaning given to it in the Preamble of this Agreement.

“*Signatory Trustee*” means Manufacturing Essential Asset II ST, LLC, a Delaware limited liability company.

“*Tenant*” means US Medical Nitrile & Polyisoprene Chemical Company LLC, a Delaware limited liability company.

“*Transaction Documents*” means this Agreement, the Memorandum, the Trust Agreement, and any other documents or agreements requested by the DST in connection with this Agreement.

“*Trust Agreement*” means that certain Trust Agreement by and among the Depositor, the Signatory Trustee and the Delaware Trustee dated August 2, 2024.

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EXHIBIT C
FUNDING INSTRUCTIONS

Wiring Instructions:

Funds should be sent to:

Bank: Western Alliance Bank (Bank of Nevada – Subsidiary)
1115 S. Hualapai Way
Las Vegas, NV 89117
(702) 856-7100

Account Name: Manufacturing Essential Asset II Holdings, LLC

ABA Routing Number: 122401778

Account Number: 8287827612

Mailing a Check:

Payable to: Manufacturing Essential Asset II, DST

Reference: DST Holdings Account

Send to: Attn: Investor Services
CAI Investments, LLC
9325 West Sahara Ave.
Las Vegas, NV 89117

EXHIBIT F
PROJECTIONS
(See Attached)

EXHIBIT F PROJECTED ANNUAL CASH FLOW										
Forecasted Statement of Cash Flows For Year Ending										
	Year 1 7/31/2025	Year 2 7/31/2026	Year 3 7/31/2027	Year 4 7/31/2028	Year 5 7/31/2029	Year 6 7/31/2030	Year 7 7/31/2031	Year 8 7/31/2032	Year 9 7/31/2033	Year 10 7/31/2034
Revenues	<i>Revenue Growth</i>	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Master Tenant Rental Revenue	\$ 1,637,000	\$ 1,669,740	\$ 1,703,135	\$ 1,737,197	\$ 1,771,941	\$ 1,807,380	\$ 1,843,528	\$ 1,880,398	\$ 1,918,006	\$ 1,956,367
Absorption/Turnover	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Scheduled Base Rental Revenue	\$ 1,637,000	\$ 1,669,740	\$ 1,703,135	\$ 1,737,197	\$ 1,771,941	\$ 1,807,380	\$ 1,843,528	\$ 1,880,398	\$ 1,918,006	\$ 1,956,367
Expense Reimbursement Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Potential Master Tenant Gross Revenue	\$ 1,637,000	\$ 1,669,740	\$ 1,703,135	\$ 1,737,197	\$ 1,771,941	\$ 1,807,380	\$ 1,843,528	\$ 1,880,398	\$ 1,918,006	\$ 1,956,367
General Vacancy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Effective Gross Revenue	\$ 1,637,000	\$ 1,669,740	\$ 1,703,135	\$ 1,737,197	\$ 1,771,941	\$ 1,807,380	\$ 1,843,528	\$ 1,880,398	\$ 1,918,006	\$ 1,956,367
Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Master Tenant Net Operating Income	\$ 1,637,000	\$ 1,669,740	\$ 1,703,135	\$ 1,737,197	\$ 1,771,941	\$ 1,807,380	\$ 1,843,528	\$ 1,880,398	\$ 1,918,006	\$ 1,956,367
Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DST & Admin Fee	\$ 10,000	\$ 10,100	\$ 10,201	\$ 10,303	\$ 10,406	\$ 10,510	\$ 10,615	\$ 10,721	\$ 10,829	\$ 10,937
Asset Management Fee	\$ 65,480	\$ 66,790	\$ 68,125	\$ 69,488	\$ 70,878	\$ 72,295	\$ 73,741	\$ 75,216	\$ 76,720	\$ 78,255
Other Payments Before Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lender Required TI/LC Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lender Required Cap Ex Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lender Capital Expense Reserve Draws	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Expense Reserve Escrows	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Master Tenant Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Expense Reserve Draws	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property Cash Flow Before Debt Service	\$ 1,561,520	\$ 1,592,850	\$ 1,624,808	\$ 1,657,407	\$ 1,690,658	\$ 1,724,575	\$ 1,759,172	\$ 1,794,461	\$ 1,830,458	\$ 1,867,175
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property Net Cash Flow	\$ 1,561,520	\$ 1,592,850	\$ 1,624,808	\$ 1,657,407	\$ 1,690,658	\$ 1,724,575	\$ 1,759,172	\$ 1,794,461	\$ 1,830,458	\$ 1,867,175
MASTER LEASE SUMMARY OF TOTAL RENTS										
Forecasted Statement of Cash Flows For Year Ending										
	Year 1 7/31/2025	Year 2 7/31/2026	Year 3 7/31/2027	Year 4 7/31/2028	Year 5 7/31/2029	Year 6 7/31/2030	Year 7 7/31/2031	Year 8 7/31/2032	Year 9 7/31/2033	Year 10 7/31/2034
<i>Base Rent</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Master Tenant Profit in Excess of Rent	\$ 2,228	\$ 2,228	\$ 2,228	\$ 2,228	\$ 2,228	\$ 2,228	\$ 2,228	\$ 2,228	\$ 2,228	\$ 2,228
Total Master Lease Rent (\$)	\$ 1,634,772	\$ 1,667,512	\$ 1,700,906	\$ 1,734,969	\$ 1,769,713	\$ 1,803,152	\$ 1,841,299	\$ 1,878,170	\$ 1,915,778	\$ 1,954,138
Total Rent (% of Equity)	7.00%	7.14%	7.28%	7.43%	7.58%	7.73%	7.88%	8.04%	8.20%	8.37%
Total Annualized Rent	\$ 1,634,772	\$ 1,667,512	\$ 1,700,906	\$ 1,734,969	\$ 1,769,713	\$ 1,803,152	\$ 1,841,299	\$ 1,878,170	\$ 1,915,778	\$ 1,954,138
<i>Less DST Expenses</i>	\$ (75,480)	\$ (76,890)	\$ (78,326)	\$ (79,791)	\$ (81,284)	\$ (82,805)	\$ (84,356)	\$ (85,937)	\$ (87,549)	\$ (89,192)
Total Projected Distributions to Investors (\$)	\$ 1,559,292	\$ 1,590,622	\$ 1,622,580	\$ 1,655,178	\$ 1,688,429	\$ 1,722,347	\$ 1,756,943	\$ 1,792,233	\$ 1,828,229	\$ 1,864,947
Projected Cash on Cash Return to Investors (%)	7.00%	7.14%	7.28%	7.43%	7.58%	7.73%	7.88%	8.04%	8.20%	8.37%
Cumulative Cash Flow Returns (10 years)	\$ 17,080,799									
Average Annual Cash on Cash Return	7.66%	\$ 0.77								
Holding Period	10 Years									

The projections set forth above are based upon a number of assumptions by the Trust including, without limitation, that the Tenant will perform its obligations under the Lease and that the Tenant's option to purchase the Property will not be exercised during the anticipated hold period. There can be no assurance that the assumptions made in preparing these projections will remain accurate. See "RISK FACTORS - Projected Aggregate Cash Flow" and "RISKS RELATING TO FORWARD-LOOKING STATEMENTS."

SUMMARY OF PROJECTED ANNUAL CASH FLOW																					
Annual Rent		7.00%	7.14%	7.28%	7.43%	7.58%	7.73%	7.88%	8.04%	8.20%	8.37%										
	\$	1,559,292	\$	1,590,622	\$	1,622,580	\$	1,655,178	\$	1,688,429	\$	1,722,347	\$	1,756,043	\$	1,792,233	\$	1,828,229	\$	1,864,947	
NCF to Master Tenant	\$	2,228	\$	2,228	\$	2,228	\$	2,228	\$	2,228	\$	2,228	\$	2,228	\$	2,228	\$	2,228	\$	2,228	
Reserve Funding Requirements (Inapplicable)																					
NCF Due to Sponsor	\$	2,228	\$	2,228	\$	2,228	\$	2,228	\$	2,228	\$	2,228	\$	2,228	\$	2,228	\$	2,228	\$	2,228	
Cumulative NCF to Master Tenant	2,228	4,457	6,685	8,914	11,142	13,371	15,599	17,827	20,056	22,284											

The projections set forth above are based upon a number of assumptions by the Trust including, without limitation, that the Tenant will perform its obligations under the Lease and that the Tenant's option to purchase the Property will not be exercised during the anticipated hold period. There can be no assurance that the assumptions made in preparing these projections will remain accurate. See "RISK FACTORS - Projected Aggregate Cash Flow" and "RISKS RELATING TO FORWARD-LOOKING STATEMENTS."