



Inland
Private Capital Corporation

Private Placement Memorandum

Self-Storage Portfolio VII DST

The Date of this Private Placement Memorandum is April 12, 2019

CONFIDENTIAL

DST Interests are speculative, illiquid and involve a high degree of risk. Prospective Investors must read the entire Private Placement Memorandum in its entirety, including the "Risk Factors" beginning on page 20, before making an investment decision.

Summary Risk Factors

An investment in the Interests of the Parent Trust (as defined herein) involves significant risk and is suitable only for Investors who have adequate financial means, desire a relatively long-term investment and who will not need immediate liquidity for their investment and can afford to lose their entire investment. Investors must read and carefully consider the discussion set forth in the section of the Memorandum (as defined herein) captioned "*Risk Factors*." Capitalized terms used below but not defined herein shall have the meanings set forth in the Memorandum. The risks involved with an investment in the Parent Trust include, but are not limited to:

- The Interests may be sold only to accredited investors, which, for natural persons, are investors who meet certain minimum annual income or net worth thresholds.
- The Interests are being offered in reliance on an exemption from the registration requirements of the Securities Act of 1933, as amended, and are not required to comply with specific disclosure requirements that apply to registration under the Securities Act of 1933, as amended.
- The Securities and Exchange Commission has not passed upon the merits of or given its approval to the Interests, the terms of the offering, or the accuracy or completeness of any offering materials.
- The Interests are subject to legal restrictions on transfer and resale and Investors should not assume they will be able to resell their Interests.
- Investing in Interests involves risk, and Investors should be able to bear the loss of their investment.
- Investors will have limited control over the Trusts.
- The Trustees will have limited duties to Investors and limited authority.
- There are inherent risks with real estate investments.
- Certain risks are inherent to the self-storage industry, such as significant occupancy rate fluctuations and relatively low capital requirements or other barriers to entry for competing properties.
- The Trusts will depend on the Master Tenant for revenue and the Master Tenant will depend on the Tenants under the Rental Agreements, and any default by the Master Tenant or the Tenants will adversely affect the Trust's operations.
- The costs of complying with environmental laws and other governmental laws and regulations may adversely affect the Trusts.
- The Loan will reduce the funds available for distribution and increase the risk of loss.
- Because the Loan is cross-collateralized, an event of default under the Loan Documents may result in the Lender initiating a foreclosure action against all of the Properties.
- If the Operating Trust is unable to sell or otherwise dispose of the Properties before the maturity date of the Loan, it may be unable to repay the Loan and may have to cause a Transfer Distribution.
- The Loan Agreement contains various restrictive covenants, and if the Operating Trust fails to satisfy or violates these covenants, the Lender may declare the Loan in default.
- Repayment of the Loan prior to January 6, 2029 will subject the Operating Trust to a prepayment penalty and the Loan Documents provide for cash management and cash flow sweep events.
- The Property Manager is subject to certain conflicts of interests.
- There is no public market for the Interests.
- The Interests are not registered with the Securities and Exchange Commission or any state securities commissions.
- Investors may not realize a return on their investment for years, if at all.
- The Parent Trust is not providing any prospective Investor with separate legal, accounting or business advice or representation.
- There are various tax risks, including the risk that an acquisition of an Interest may not qualify as a Section 1031 Exchange.

IMPORTANT NOTES

The Inland name and logo are registered trademarks being used under license. Inland refers to some or all of the entities that are part of The Inland Real Estate Group of Companies, Inc., one of the nation's largest commercial real estate and finance groups, which is comprised of independent legal entities, some of which may be affiliates, share some common ownership or have been sponsored and managed by such entities or subsidiaries thereof. Inland has been creating, developing and supporting real estate-related companies for 50 years.

Each prospective Investor should consult with his, her or its own tax advisor regarding an investment in the Interests and the qualification of his, her or its transaction under Internal Revenue Code Section 1031 for his, her or its specific circumstances.



OFFERING HIGHLIGHTS

Beneficial Interests:	\$66,230,446
Loan Proceeds:	\$71,000,000
Offering Price:	\$137,230,446
Loan-to-Offering Price Ratio:	51.74%
Minimum Purchase (1031):	\$100,000
Minimum Purchase (cash):	\$25,000
Current Cash Flow:	5.15%

> Self-Storage Portfolio VII DST

A portfolio of 21 self-storage properties across several U.S. states

Self-Storage Portfolio VII DST, also known as the Parent Trust, is a newly formed Delaware statutory trust (DST) and an affiliate of Inland Private Capital Corporation (IPC).

The Parent Trust indirectly owns 21 self-storage properties (each, a Property and collectively, the Properties) throughout four states within the United States. Ten properties are located in Tennessee, six properties are located in California, four properties are located in Texas and one property is located in Wisconsin. In total, the Properties are comprised of 10,824 storage units that encompass more than 1.4 million square feet. Each of the Properties is operated as a self-storage facility under the Devon Self-Storage (Devon) name.

You should read this Private Placement Memorandum (the Memorandum) in its entirety before making an investment decision. Capitalized terms used above and in pages i through x but not defined herein shall have the meanings set forth in the Memorandum.

> The Offering

The Offering is designated for accredited investors seeking to participate in a tax-deferred exchange as well as those seeking a quality, multiple-owner real estate investment. Only accredited investors may purchase interests in this Offering. For more information, see “*Summary of the Offering*” and “*The Offering*”.



> Self-Storage Sector

The demand for self-storage continues to increase as healthy job growth, rising wages and the formation of new households support the need for self-storage. The self-storage sector has experienced an annual growth of 3.7 percent over the past five years, with annual U.S. revenues climbing past \$30 billion in 2018.¹

Self-storage is considered by certain Wall Street analysts to be “recession resistant” based on its performance since the economic recession starting in September 2008. Demand for self-storage is driven by life events including marriage, divorce, birth, death, relocation, and the need for extra space, all of which occur regardless of economic upturns or downturns.

The retirement and downsizing of baby boomers, coupled with the continued emergence of millennials are expected to support the demand for self-storage space in the coming years. Millennials make up approximately 80 percent of the population of which slightly less than a third are non-commercial self-storage renters. This proportion is expected continue to rise as the demographic group enters their primary income-earning years. Private businesses are also a major source of self-storage demand as they tend to store additional inventory off-site at storage units rather than expanding their current office space as it is more cost effective for the business owners.²

¹ IBIS World. Storage & Warehouse Leasing in the U.S. July 2018.

² Marcus & Millichap. 2019 Self-Storage U.S. Investment Forecast.

> Investment Highlights

IPC believes that an investment in the Parent Trust offers the following benefits



- Self-storage has been the fastest growing commercial real estate segment over the last 40 years
- The self-storage sector experienced 3.7 percent annual revenue growth over the past five years
- The self-storage sector is expected to continue to flourish in 2019 as the rising cost of home ownership directs many to apartments, where storage space is limited



- Each of the Properties is managed by Devon Self Storage Holdings (US) LLC, an established self-storage property owner and operator
- Established properties with value-add opportunity to allow for possible rental increases
- Devon has over 22 years of experience solely in self-storage and is ranked as one of the top 15 self-storage operators in the U.S.
- Devon is a leader in self-storage in the U.S. with an international presence in the Netherlands, Germany and France



- Long-term amortizing loan with a 10 year term, and a fixed rate of 4.14% per annum
- Monthly payments of principal and interest for final five years of the term with principal amortizing on a 30 year schedule



- Master lease structure allows the Master Tenant to operate the Properties on behalf of the Operating Trust
- Enables actions to be taken that the Operating Trust would be unable to take, such as a restriction against re-leasing



> The Properties

Each of the Properties is operated as a self-storage facility under the **Devon Self-Storage** name.

Cumulatively, the Properties offer a total of 10,824 storage units totaling more than 1.4 million rentable square feet. All properties have drive-up capability and certain Properties offer climate-controlled units.

Property	Storage Units	Rentable Square Feet ³	Physical Occupancy ⁴	2018 Population (within 5 miles) ⁵	2018 Average Household Income (within 5 miles) ⁵
California					
18690 Highway Property 18690 Highway 18 Apple Valley, CA 92307	455	61,755	88.6%	76,388	\$71,749
22075 Highway Property 22075 Highway 18 Apple Valley, CA 92307	573	73,565	86.7%	76,388	\$71,749
Autry Property 1400 South Gene Autry Trail Palm Springs, CA 92264	547	72,875	90.5%	113,908	\$76,549
Cathedral City Property 67650 East Ramon Road Cathedral City, CA 92234	767	120,260	86.1%	115,556	\$76,604
Radio Property 500 West Radio Road Palm Springs, CA 92262	549	64,770	91.8%	58,572	\$74,946
Thousand Palms Property 72500 Varner Road Thousand Palms, CA 92276	693	74,855	78.5%	85,754	\$79,874
Tennessee					
4705 Winchester Property 4705 Winchester Road Memphis, TN 38118	457	60,320	53.0%	181,755	\$59,333

³ The rentable square footage includes the square footage of the storage units and the Retail Units, but not the rentable parking spaces. The Cathedral City Property includes 18 Retail Units containing an aggregate of approximately 11,005 rentable square feet. The Shelby Property includes 19 Retail Units containing an aggregate of approximately 23,323 rentable square feet.

⁴ Physical occupancy is reported as of March 6, 2019 and is based on rentable square feet.

⁵ Appraisal reports from Colliers International Valuation & Advisory Services.

Property	Storage Units	Rentable Square Feet ⁶	Physical Occupancy ⁷	2018 Population (within 5 miles) ⁸	2018 Average Household Income (within 5 miles) ⁸
Tennessee					
6390 Winchester Property 6390 Winchester Road Memphis, TN 38115	316	38,892	73.7%	186,157	\$83,684
American Property 5141 American Way Memphis, TN 38115	329	40,599	84.8%	211,066	\$72,264
Austin Property 3040 Austin Peay Highway Memphis, TN 38128	539	71,885	92.6%	175,401	\$55,367
Germantown Property 3686 South Germantown Road Memphis, TN 38125	841	108,906	81.1%	186,157	\$83,684
Getwell Property 3577 New Getwell Road Memphis, TN 38118	478	96,363	70.7%	180,920	\$48,714
Macon Property 9275 Macon Road Memphis, TN 38016	549	67,900	74.7%	121,725	\$98,927
Moriarty Property 7777 Moriarty Road Cordova, TN 38018	368	54,325	70.9%	121,725	\$98,927
Poplar Property 2700 Poplar Avenue Memphis, TN 38112	651	92,845	79.7%	243,471	\$55,757
Shelby Property 6140 East Shelby Drive Memphis, TN 38141	577	96,023	83.4%	167,092	\$64,284
Texas					
Highway 75 Property 1700 North US Highway 75 Sherman, TX 75090	393	48,625	86.5%	47,175	\$65,713
Interstate Property 6017 Interstate 30 Greenville, TX 75402	445	59,585	78.4%	31,742	\$57,716
Lake Property 1720 Loy Lake Road Sherman, TX 75090	502	55,100	73.7%	47,175	\$65,713
Wesley Property 8123 Wesley Street Greenville, TX 75402	307	45,100	83.2%	31,087	\$58,327
Wisconsin					
Wisconsin Property 2922 South 5th Court Milwaukee, WI 53207	488	58,700	80.1%	361,835	\$58,714

See “*The Properties*” in the Memorandum for additional detail. Also see “*Risk Factors – Risks Related to the Properties*” in the Memorandum.

⁶ The rentable square footage includes the square footage of the storage units and the Retail Units, but not the rentable parking spaces. The Cathedral City Property includes 18 Retail Units containing an aggregate of approximately 11,005 rentable square feet. The Shelby Property includes 19 Retail Units containing an aggregate of approximately 23,323 rentable square feet.

⁷ Physical occupancy is reported as of March 6, 2019 and is based on rentable square feet.

⁸ Appraisal reports from Colliers International Valuation & Advisory Services.

> The Markets⁹

California

The California Properties are all located within the Riverside-San Bernardino-Ontario, CA metropolitan statistical area (MSA), which lies in the southern portion of the state in an area commonly referred to as the “Inland Empire” with surrounding mountain ranges and close proximity to both skiing and the beach. The MSA had a population of more than four million residents in 2018 and has been growing at 1.1 percent annual rate. The MSA is home to an array of universities and community colleges, including the University of California-Riverside, California State University San Bernardino, The University of Redlands, and the Loma Linda School of Medicine. The MSA boasts a diverse and strong economy with focus on the technology, healthcare, tourism, and clean energy technologies sectors.

Tennessee

The Properties located in Tennessee are all part of the Memphis, TN-MS-AR MSA, which is the commercial and cultural hub of the Mid-South region of the United States. The area is comprised of 10 counties in three states: Tennessee, Mississippi and Arkansas, which have a total population that exceeds 1.3 billion and has an annual growth rate of 0.2 percent. Within the MSA, Memphis is the largest city - an economic center and distribution hub due to its positioning on the country’s largest river, the Mississippi River. With its well-diversified employment base and tourism appeal, the MSA is forecasted to experience positive economic impact, with trade, transportation and utilities the largest economic sectors in Memphis.¹⁰

Texas

Two of the self-storage Properties are located in Sherman, Texas, which is part of the Sherman-Denison MSA in the northeast portion of Texas, near the Oklahoma border. The 2018 total population of this MSA was 132,525 with an annual growth rate of 1.2 percent. The total MSA employment has increased annually by 1.4 percent with unemployment decreasing by 0.2 percent over the past year. The economy in the Sherman-Denison MSA is based mainly on agriculture, manufacturing and healthcare. The Sherman-Denison MSA is the main healthcare hub for the northeast Texas region and is also a highly desired travel destination due to its location near Lake Texoma and the Red River.

The remaining two Texas Properties are located in the Dallas-Fort Worth-Arlington MSA, in the northern portion of the state. Dallas and its suburbs have one of the highest concentrations of corporate headquarters in the United States, including 18 of the Fortune 500 and roughly 30 Fortune 1000 companies. The MSA’s population exceeds seven million residents and has continued to grow at 2.0 percent annually.

Wisconsin

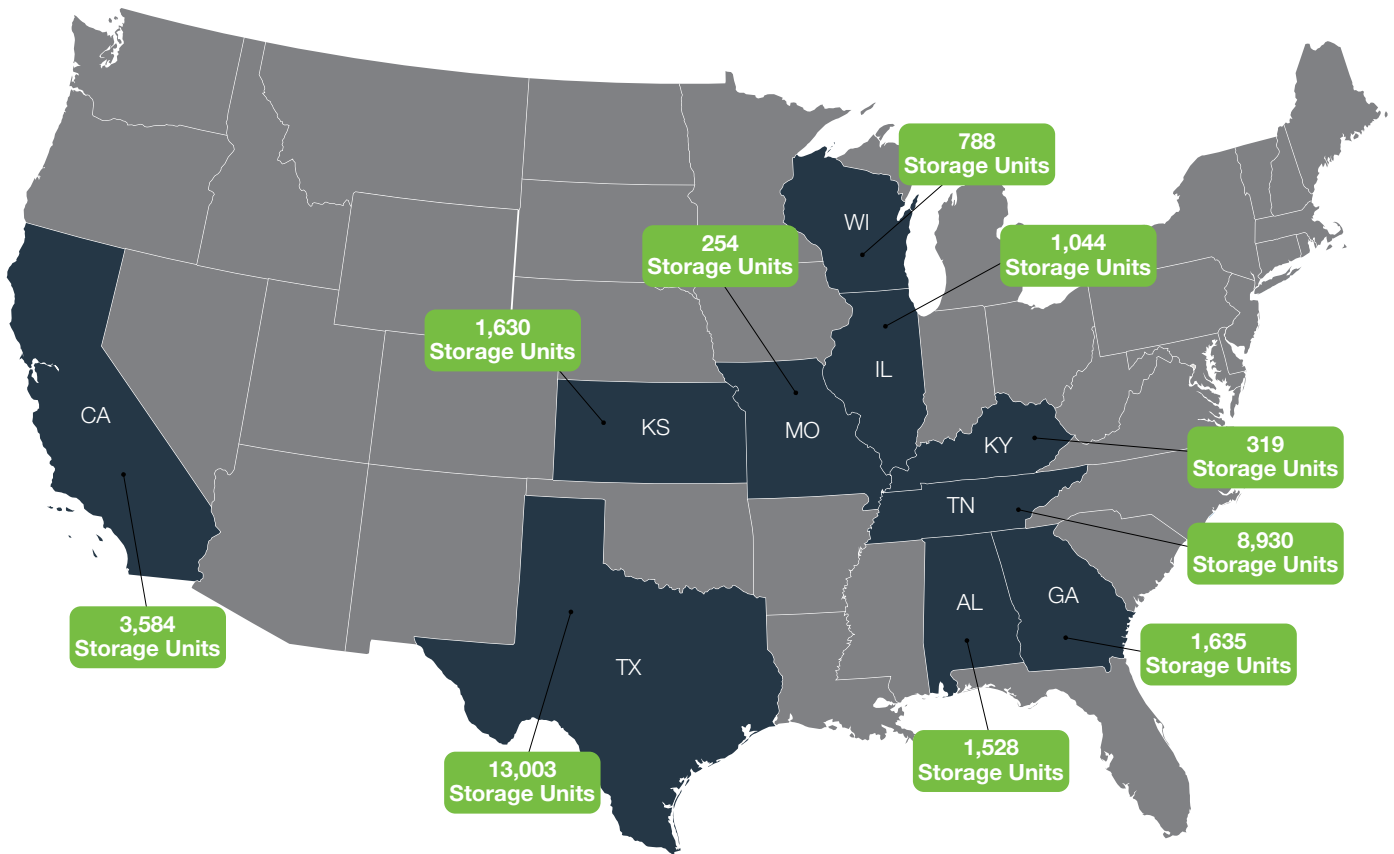
The Wisconsin Property is located in the Milwaukee-Waukesha-West Allis MSA, the largest metropolitan area in Wisconsin. The Milwaukee-Waukesha-West MSA had a 2018 total population of more than 1.5 million with an annual growth rate of 0.2 percent. The unemployment rate, as of January 2019, is at 3.4 percent, below the national average of 3.8 percent.¹¹ The MSA is expected to continue to benefit from its growing population base, higher income and education levels. Many large corporations make the MSA their home as do many universities and hospitals.

⁹ All market information provided by Colliers International Valuation & Advisory Services, unless noted otherwise.

¹⁰ Memphis MSA Employment By Industry Over Time: February 1999-February 2019. Research March 25, 2019.

¹¹ Bureau of Labor Statistics. Memphis MSA employment statistics.

> IPC's Self-Storage Presence*



IPC's investment programs own self-storage properties across the U.S.

- 73 self-storage properties
- 32,714 units
- \$435 million in aggregate offering price

* Data as of March 28, 2019, and inclusive of the Properties described herein.



> The Property Manager

The Properties are managed and operated by Devon Self Storage Holdings (US) LLC (Devon), an employee-owned, private real estate company founded in 1988. As a leader in the self-storage industry, Devon has owned and/or managed 183 facilities in 24 states and three European countries, including the Netherlands, France and Germany. Devon is ranked as one of the top 15 self-storage operators in the U.S., and continuously strives to achieve the highest returns for its investment partners leveraging its experienced management team.



Devon has maintained a dedicated self-storage operating platform since 1993 and has a seasoned senior management team that has worked together for an average of 20 years. Today, Devon operates 45 self-storage properties in 15 states, aggregating in excess of \$400 million in market value.¹²

Most Devon properties are electronically secured by video surveillance systems and an electronic alarm system through a 24-hour dispatch center. Rental agreements are issued on a month-to-month basis and each of Devon's Properties has an on-site manager.

¹² Devon Self-Storage website. Company overview.



> The Financing

The Properties are financed with a loan in original principal amount of \$71,000,000 (the Loan) from Barclays Capital Real Estate Inc., a Delaware corporation (the Lender). The Loan has a term of 10 years, with a maturity date of April 6, 2029, and bears interest at a fixed rate of 4.14% per annum.

During the first five years of the Loan term, the Operating Trust is required to make monthly, interest-only payments. During the last five years of the Loan term, the Operating Trust is required to make monthly payments of principal and interest, with principal amortizing on a 30-year schedule. On the maturity date, the Operating Trust is required to pay to the Lender the entire principal amount of the Loan, along with any accrued but unpaid interest.

The Loan is secured by a deed of trust or mortgage on each of the Properties. The Operating Trust is responsible for repayment of the Loan. The Loan will be nonrecourse to the Investors. Accordingly, the Investors have no personal liability in connection with the Loan. However, upon an uncured event of default under the Loan, the Lender will have the right to foreclose on the Properties.

> About Inland Private Capital Corporation

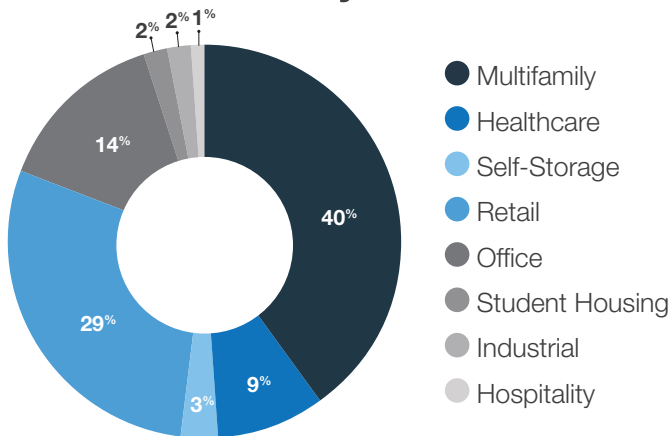
Inland Private Capital Corporation specializes in offering a diverse menu of Section 1031 exchange investment opportunities and defined-asset private placements throughout the United States. Formed in 2001, IPC is recognized as the industry leader in securitized 1031 exchange transactions. IPC is part of the Inland Real Estate Group of Companies, Inc. (Inland), one of the nation's largest commercial real estate and finance groups with 50 years of experience, and a subsidiary of Inland Real Estate Investment Corporation, the sponsor for Inland's real estate investments and income solution programs.



#1 Market Share* | **232** Sponsored Programs | **\$7.3** Billion AUM

8.01% Weighted Average Annualized Rate of Return*** on Full-Cycle Programs**

AUM by Sector



Results by Asset Class		
	Cumulative Sales Price	Weighted Avg. ARR
Multifamily	\$236,266,108	12.63%
Retail	\$632,978,911	7.10%
Office	\$247,009,165	4.11%
Student Housing	\$81,721,250	10.63%
Industrial	\$118,170,041	5.96%
Healthcare	\$59,100,000	11.23%
Total Sales Price	\$1,316,145,475	

Since IPC's inception in 2001, Inland entities, employees, spouses, directors and affiliated employees have **invested more than \$42 million** in IPC-sponsored offerings, reflecting Inland's alignment with its investors.

NOTE: All data as of December 31, 2018. Past performance is not necessarily indicative of future performance.

*Source: Mountain Dell Consulting

** **Full-Cycle Programs** are those programs that no longer own any assets. However, in certain limited situations in which the subject property(ies) were in foreclosure, IPC has negotiated with the lenders and advanced funds to the investors to allow the investors to exchange their beneficial interest in the original program for a proportionate beneficial interest in a new program, in order to continue their Section 1031 exchanges and avoid potential capital gains and/or forgiveness of debt tax liabilities. Because such exchanges result in an investment continuation, the original programs are not considered full-cycle programs for these purposes.

*****Weighted Average Annualized Rate of Return (ARR)** For each full-cycle program, the ARR is calculated as the sum of total cash flows distributed during the term of the investment program, plus any profit or loss on the initial offering price, divided by the investment period for that program. To determine the weighted average for all programs, the ARR for each program is multiplied by the capital invested in that program, divided by the total capital invested in all full-cycle programs since inception (2001). To determine the weighted average in each asset class, the ARR for each program within that asset class is multiplied by the capital invested in that program, divided by the total capital invested in all full-cycle programs within that asset class since inception (2001). For a full list of program dispositions, see "Prior Performance of IPC Affiliates" set forth in this Memorandum.

SELF-STORAGE PORTFOLIO VII DST

\$66,230,446 of Delaware Statutory Trust Interests

Minimum Purchase for Section 1031 Investors: \$100,000

Minimum Purchase for Cash Investors: \$25,000

Self-Storage Portfolio VII DST, a newly formed Delaware statutory trust (the “**Parent Trust**”) and an affiliate of Inland Private Capital Corporation (“**IPC**” or the “**Sponsor**”), is hereby offering (the “**Offering**”) to sell to certain qualified, accredited investors (the “**Investors**”) pursuant to this Private Placement Memorandum (as amended and supplemented and with all exhibits hereto, the “**Memorandum**”) 100% of the beneficial interests (the “**Interests**”) in the Parent Trust. **You should read this Memorandum in its entirety before making an investment decision.**

The Trusts, the Ownership Structure and the Properties

The Parent Trust owns 100% of the beneficial interests in Four State Storage DST, a Delaware statutory trust (the “**Operating Trust**”), as further described in this Memorandum. The Operating Trust is operated by its signatory trustee, Four State Storage Exchange, L.L.C., a Delaware limited liability company and an affiliate of the Sponsor (the “**Operating Trust Signatory Trustee**”). The Operating Trust and the Parent Trust are together referred to herein as the “**Trusts**,” and each may be referred to as a “**Trust**,” which terms may either be a generic reference to one or more of the Trusts or may mean and refer to a particular Trust, as the context requires.

The Operating Trust owns the land and improvements located at the corresponding address set forth in the table below (each, a “**Property**” and collectively, the “**Properties**”). Each of the Properties is operated as a self-storage facility under the Devon Self-Storage name.

18690 Highway 18 Apple Valley, California 92307 (the “ 18690 Highway Property ”)	67650 East Ramon Road Cathedral City, California 92234 (the “ Cathedral City Property ”)	7777 Moriarty Road Cordova, Tennessee 38018 (the “ Moriarty Property ”)
22075 Highway 18 Apple Valley, California 92307 (the “ 22075 Highway Property ”)	3686 South Germantown Road Memphis, Tennessee 38125 (the “ Germantown Property ”)	2700 Poplar Avenue Memphis, Tennessee 38112 (the “ Poplar Property ”)
4705 Winchester Road Memphis, Tennessee 38118 (the “ 4705 Winchester Property ”)	3577 New Getwell Road Memphis, Tennessee 38118 (the “ Getwell Property ”)	500 West Radio Road Palm Springs, California 92262 (the “ Radio Property ”)
6390 Winchester Road Memphis, Tennessee 38115 (the “ 6390 Winchester Property ”)	1700 North US Highway 75 Sherman, Texas 75090 (the “ Highway 75 Property ”)	6140 East Shelby Drive Memphis, Tennessee 38141 (the “ Shelby Property ”)
5141 American Way Memphis, Tennessee 38115 (the “ American Property ”)	6017 Interstate 30 Greenville, Texas 75402 (the “ Interstate Property ”)	72500 Varner Road Thousand Palms, California 92276 (the “ Thousand Palms Property ”)
3040 Austin Peay Highway Memphis, Tennessee 38128 (the “ Austin Property ”)	1720 Loy Lake Road Sherman, Texas 75090 (the “ Lake Property ”)	8123 Wesley Street Greenville, Texas 75402 (the “ Wesley Property ”)
1400 South Gene Autry Trail Palm Springs, California 92264 (the “ Autry Property ”)	9275 Macon Road Memphis, Tennessee 38016 (the “ Macon Property ”)	2922 South 5 th Court Milwaukee, Wisconsin 53207 (the “ Wisconsin Property ”)

The 18690 Highway Property, the 22075 Highway Property, the Autry Property, the Cathedral City Property, the Radio Property and the Thousand Palms Property are collectively referred to herein as the “**California Properties**” and each, as a “**California Property**.” The 4705 Winchester Property, the 6390 Winchester Property, the American Property, the Austin Property, the Germantown Property, the Getwell Property, the Macon Property, the Moriarty Property, the Poplar Property and the Shelby Property are collectively referred to herein as the “**Tennessee**”

Properties” and each, as a **“Tennessee Property.”** The Highway 75 Property, the Interstate Property, the Lake Property and the Wesley Property are collectively referred to herein as the **“Texas Properties”** and each, as a **“Texas Property.”**

The Operating Trust has leased the Properties to Four State Storage LeaseCo, L.L.C., a Delaware limited liability company and a newly formed affiliate of IPC (the **“Master Tenant”**), under a master lease agreement (the **“Master Lease”**). The Master Tenant subleases or rents the storage units and the rentable parking spaces, if any, at the Properties, to space tenants (each, a **“Tenant”** and collectively, the **Tenants”**), pursuant to rental agreements (collectively, the **“Rental Agreements”**). The Cathedral City Property and the Shelby Property also include commercial retail and office spaces (each, a **“Retail Unit”** and collectively, the **“Retail Units”**) which are leased to subtenants pursuant to separate lease agreements (each, a **“Retail Lease”** and collectively, the **“Retail Leases”**). Additionally, (1) a billboard is located on a portion of the land comprising the (a) American Property, which land is leased to an unaffiliated third party, pursuant to a lease agreement, and (b) the Cathedral City Property, which land is leased to an unaffiliated third party, pursuant to a lease agreement (such lease agreements, together, the **“Billboard Leases”**); and (2) a telecommunications tower is located on (a) a portion of the land comprising the 18690 Highway Property, which land is leased to an unaffiliated third party, pursuant to a lease agreement; and (b) three separate portions of the land comprising the Moriarty Property, each of which is leased to an unaffiliated third party, pursuant to a separate lease agreement (such lease agreements, collectively, the **“Cell Tower Leases”**). The Retail Leases, the Billboard Leases and the Cell Tower Leases are collectively referred to herein as the **“Commercial Leases”** and each, as a **“Commercial Lease.”** The Commercial Leases have been assigned to the Master Tenant. The Master Lease, the Rental Agreements and the Commercial Leases are referred to collectively as the **“Leases”** herein.

The Operating Trust has entered into an asset management agreement (the **“Asset Management Agreement”**) with the Operating Trust Signatory Trustee (in such capacity, the **“Asset Manager”**) for the management of the day-to-day affairs of the Operating Trust. The Master Tenant has entered into a property management agreement (the **“Property Management Agreement”**) with Devon Self Storage Holdings (US) LLC, a Delaware limited liability company and an unaffiliated third party (the **“Property Manager”** or **“Devon”**), an established operator of self-storage properties.

The Acquisition and Financing of the Properties

The Operating Trust acquired the Properties on March 29, 2019 from the unaffiliated third party sellers (each, a **“Seller”** and collectively, the **“Sellers”**) set forth in the table below, each of which is a Delaware limited liability company, for an aggregate purchase price of \$118,300,000. The allocation of the purchase price to each Property is also set forth in the table below.

Property	Allocated Purchase Price	Seller
California Properties		
18690 Highway Property	\$6,430,000	WCP/DSSH Holdings 6, LLC
22075 Highway Property	\$6,359,000	WCP/DSSH Holdings 5, LLC
Autry Property	\$8,330,000	WCP/DSSH Holdings 1, LLC
Cathedral City Property	\$13,740,000	WCP/DSSH Holdings 3, LLC
Radio Property	\$7,788,000	WCP/DSSH Holdings 2 LLC
Thousand Palms Property	\$7,197,000	WCP/DSSH Holdings 4, LLC
Tennessee Properties		
4705 Winchester Property	\$1,429,000	WCP/DSSH Holdings 14, LLC
6390 Winchester Property	\$887,000	WCP/DSSH Holdings 13, LLC
American Property	\$1,094,000	WCP/DSSH Holdings 12, LLC
Austin Property	\$6,037,000	WCP/DSSH Holdings 15, LLC
Germantown Property	\$6,818,000	WCP/DSSH Holdings 17, LLC
Getwell Property	\$1,950,000	WCP/DSSH Holdings 18, LLC
Macon Property	\$7,450,000	WCP/DSSH Holdings 19, LLC
Moriarty Property	\$4,436,000	WCP/DSSH Holdings 11, LLC

Property	Allocated Purchase Price	Seller
Poplar Property	\$12,084,000	WCP/DSSH Holdings 16, LLC
Shelby Property	\$4,385,000	WCP/DSSH Holdings 20, LLC
Texas Properties		
Highway 75 Property	\$5,198,000	WCP/DSSH Holdings 8, LLC
Interstate Property	\$4,748,000	WCP/DSSH Holdings 9, LLC
Lake Property	\$5,392,000	WCP/DSSH Holdings 7, LLC
Wesley Property	\$3,196,000	WCP/DSSH Holdings 10, LLC
Wisconsin Property		
Wisconsin Property	\$3,352,000	WCP/DSSH Holdings 21, LLC
Total Purchase Price:	\$118,300,000	

The Operating Trust funded the acquisition of the Properties with a combination of cash provided as a capital contribution from Four State Storage, L.L.C., a Delaware limited liability company and an affiliate of IPC, as the initial depositor of the Operating Trust, and proceeds of a loan secured by the Properties in the original principal amount of \$71,000,000 from Barclays Capital Real Estate Inc., a Delaware corporation (the “**Lender**”). The Loan has a term of 10 years, with a maturity date of April 6, 2029, and bears interest at a fixed rate of 4.14% per annum. The Loan is secured by a deed of trust or mortgage on each of the Properties. The initial depositor of the Operating Trust assigned 100% of the interests in the Operating Trust to the Parent Trust concurrent with the acquisition of the Properties and the closing of the Loan. For purposes of determining liabilities assumed with respect to the Properties in connection with an Investor’s Section 1031 Exchange (as defined herein), each Investor will be allocated a pro rata percentage of the Loan (\$107,201.45 per \$100,000 Interest).

Trust Agreements

The terms of the Parent Trust are governed by a trust agreement dated March 7, 2019 (as amended or restated, the “**Parent Trust Agreement**”), and the terms of the Operating Trust are governed by a trust agreement dated as of March 7, 2019 (as amended or restated, the “**Operating Trust Agreement**”). The Parent Trust Agreement and the Operating Trust Agreement are sometimes together referred to herein as the “**Trust Agreements**” and each may be referred to as a “**Trust Agreement**” which terms may either be a generic reference to one or both of the Trust Agreements or may mean and refer to a particular Trust Agreement, as the context requires. Self-Storage Portfolio VII Exchange, L.L.C., a Delaware limited liability company and an affiliate of the Sponsor, is the signatory trustee under the Parent Trust Agreement (the “**Parent Signatory Trustee**”) and is responsible for the operation of the Parent Trust. The Parent Signatory Trustee and the Operating Trust Signatory Trustee are together referred to herein as “**Signatory Trustees**,” and each may be referred to as a “**Signatory Trustee**” which terms may either be a generic reference to one or more of the Signatory Trustees or may mean and refer to a particular Signatory Trustee, as the context requires.

The current beneficiary of the Parent Trust is Self-Storage Portfolio VII, L.L.C., a Delaware limited liability company and an affiliate of the Sponsor (the “**Parent Trust Depositor**”), which, as of the date of this Memorandum, owns 100% of the Interests in the Parent Trust. If any Interests cannot be sold, the Parent Trust Depositor or its affiliate will own the remaining Interests. For purposes of this Memorandum, whenever a reference is made to the Parent Trust Depositor owning an Interest, this reference should also be construed as including the Parent Trust Depositor’s affiliate as referenced above. The Interests owned by the Parent Trust Depositor or its affiliate will be held for investment purposes and not for resale.

The Offering

The minimum amount of Interests that a prospective Investor completing a tax-deferred exchange under Section 1031 (“**Section 1031**”) of the Internal Revenue Code of 1986, as amended (the “**Code**”), may purchase is \$100,000 unless the Parent Trust waives this minimum requirement. The minimum amount of Interests that a prospective Investor making a cash investment without a Section 1031 tax-deferred exchange (“**Section 1031 Exchange**”) may purchase is \$25,000, unless the Parent Trust waives this minimum requirement. The Offering will

terminate on or before the earlier of April 11, 2020 or the date on which all \$66,230,446 of the Interests offered hereby have been sold.

Acquisition of the Interests is designed for, but not limited to, prospective Investors seeking to defer the recognition of gain on the sale of other real property (the “**Relinquished Property**”) under Section 1031. A Section 1031 Exchange generally allows the seller of investment and business property to defer federal and state capital gains taxation on the sale by exchanging the Relinquished Property for another property of like kind. The Parent Trust has not requested, and does not plan to request, a private letter ruling from the Internal Revenue Service (the “**IRS**”) that the Interests will be treated as a direct acquisition of the Properties by the Investors for purposes of Section 1031. However, tax counsel to the Parent Trust has provided a tax opinion that the acquisition of an Interest by an Investor **should** be treated as a direct acquisition of the Properties by an Investor for purposes of Section 1031. This opinion, however, is limited in scope and does not opine on all matters necessary for the prospective Investor’s acquisition to qualify under Section 1031.

For purposes of this Memorandum, various fees have been calculated based on the sale of 100% of the Interests, equivalent to \$66,230,446 (the “**Maximum Offering Amount**”).

	<u>Cash Price to Purchasers</u>	<u>Selling Commissions and Expenses⁽¹⁾</u>	<u>Proceeds to Parent Trust⁽²⁾</u>
Minimum Cash Purchase ⁽³⁾	\$25,000	\$2,210	\$22,790
Maximum Offering Amount	\$66,230,446	\$5,853,933	\$60,376,513

- (1) An affiliate of the Sponsor, Inland Securities Corporation (“**ISC**”), serves as placement agent for the Offering (the “**Placement Agent**”) and will receive selling commissions (the “**Selling Commissions**”) of up to 5.0% of the gross Offering proceeds and a dealer fee (the “**Dealer Fee**”) for coordinating the marketing of the Interests with any participating broker/dealers as well as for non-itemized, non-invoiced due diligence efforts in an amount equal to 1.25% of the gross Offering proceeds. ISC will reallocate all of the Selling Commissions and the Dealer Fee to broker/dealers who are members of the Financial Industry Regulatory Authority (“**FINRA**”). The Parent Trust will also pay a fee to ISC equal to 1.65% of the gross Offering proceeds for serving as the Placement Agent (the “**Placement Agent Fee**”). The Parent Trust will also reimburse the Sponsor, its affiliates and certain third parties for offering and organizational expenses (the “**O&O Expenses**”) in an amount equal to 0.94% of the gross Offering proceeds. The Selling Commissions, the Dealer Fee, the Placement Agent Fee, the O&O Expenses, as well as other costs of the Offering, will be paid by the Parent Trust out of the gross Offering proceeds. See “*Estimated Use of Proceeds*” and “*Plan of Distribution*.”
- (2) The proceeds shown are after deducting the Selling Commissions, the Dealer Fee, the Placement Agent Fee and the O&O Expenses, but before deducting fees and expenses incurred in connection with the acquisition of the Properties and the closing of the Loan, including those payable to the Sponsor and its affiliates. See “*Estimated Use of Proceeds*.”
- (3) The minimum amount of Interests that a prospective Investor completing a Section 1031 Exchange may purchase is \$100,000, unless the Parent Trust waives this minimum requirement. The minimum amount of Interests that a prospective Investor making a cash investment without a Section 1031 Exchange may purchase is \$25,000, unless the Parent Trust waives this minimum requirement.

POTENTIAL INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING

Each prospective Investor should consult with his, her or its own tax advisor regarding an investment in the Interests and the qualification of his, her or its transaction under Section 1031 for his, her or its specific circumstances. Each prospective Investor’s specific circumstances may differ and, as a result, no assurances can be given and no legal opinion will be provided that the purchase of the Interests by any prospective Investor will qualify as a Section 1031 Exchange.

An investment in Interests involves significant risk and is suitable only for Investors who have adequate financial means, desire a relatively long-term investment and who will not need immediate liquidity from their investment and can afford to lose their entire investment. The risks involved with an investment in Interests include, but are not limited to:

- **Investors will have limited control over the Trusts.**
- **The Trustees (as defined herein) have limited duties to Investors and limited authority.**
- **There are inherent risks with real estate investments.**
- **Certain risks are inherent to the self-storage industry, such as significant occupancy rate fluctuations and relatively low capital requirements or other barriers to entry for competing properties.**
- **An investment in Interests will not be diversified as to the type of asset or tenant mix.**

- The Trusts will depend on the Master Tenant for revenue and the Master Tenant will depend on the Tenants under the Rental Agreements, and any default by the Master Tenant or the Tenants will adversely affect the operations of the Trusts.
- The costs of complying with environmental laws and other governmental laws and regulations may adversely affect the Trusts.
- The Loan will reduce the funds available for distribution and increase the risk of loss.
- If the Operating Trust is unable to sell or otherwise dispose of the Properties before the maturity date of the Loan, it may be unable to repay the Loan and may have to cause a Transfer Distribution (as defined herein).
- The Loan Agreement (as defined herein) contains various restrictive covenants, and if the Operating Trust fails to satisfy or violates these covenants, the Lender may declare the Loan in default.
- Because the Loan is cross-collateralized, an event of default under the Loan Documents (as defined herein) may result in the Lender initiating a foreclosure action against all of the Properties.
- Repayment of the Loan prior to January 6, 2029 will subject the Operating Trust to a prepayment penalty and the Loan Documents provide for cash management and cash flow sweep events.
- The Property Manager is subject to certain conflicts of interests.
- There is no public market for the Interests.
- The Interests are not registered with the Securities and Exchange Commission (the “SEC”) or any state securities commissions.
- Investors may not realize a return on their investment for years, if at all.
- The Parent Trust is not providing any prospective Investor with separate legal, accounting or business advice or representation.
- Various tax risks, including the risk that an acquisition of an Interest may not qualify as a Section 1031 Exchange.

Investors must read and carefully consider the discussion set forth below in the section captioned “*Risk Factors*,” beginning on page 20 of this Memorandum.

The Interests have not been approved or disapproved by the Securities and Exchange Commission or the securities regulatory authority of any state, nor has the SEC or any securities regulatory authority of any state passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

The Interests are being offered only to persons who are “accredited investors,” as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”) and any corresponding provisions of state securities laws.

The Interests have not been, and will not be, registered under the Securities Act or any state securities laws. The Interests will be offered and sold pursuant to an exemption from the registration requirements of the Securities Act, in accordance with Rule 506(b) of Regulation D, and in compliance with any applicable state securities laws. The Interests will not be offered or sold in any state in which such offers or sales are not qualified or otherwise exempt from registration. The Parent Trust reserves the right to reject any offer to purchase the Interests. In addition, the Parent Trust reserves the right to cancel any sale at any time prior to the receipt of funds for purchase, if that sale, in the opinion of the Parent Trust and its counsel, may violate any federal or state securities law or regulation or is otherwise objectionable for whatever reason. The Interests will be subject to restrictions on transferability and resale and you will not be able to transfer or resell Interests or any beneficial interest therein unless the Interests are registered pursuant to or exempted from such registration requirements. Investors must be prepared to bear the economic risk of an investment in the Interests for an indefinite period of time and be able to withstand a total loss of their investment.

Neither the Parent Trust, the Sponsor, nor any of their respective affiliates has authorized any person to make any representations or furnish any information with respect to the Interests or the Properties, other than as set forth in this Memorandum or other documents or information the Parent Trust or the Sponsor may

furnish to Investors. Investors are encouraged to ask the Parent Trust or the Sponsor questions concerning the terms and conditions of this Offering and the Properties.

The Sponsor has prepared this Memorandum solely for the benefit of persons interested in acquiring Interests. The recipient of this Memorandum agrees to keep the contents of this Memorandum confidential and not to duplicate or furnish copies of this Memorandum to any person other than such recipient's advisors, and further agrees promptly to return this Memorandum to the Parent Trust at the address below if: (1) the recipient decides not to purchase the Interests; (2) the recipient's purchase offer is rejected; or (3) the Offering is terminated prior to a purchase by the recipient.

This Memorandum contains summaries of certain agreements and other documents. Although the Sponsor believes these summaries are accurate, potential Investors should refer to the actual agreements and documents included in the Digital Investor Kit for more complete information about the rights, obligations and other matters in the agreements and documents. In addition, prospective Investors are strongly encouraged to have independent legal counsel closely review this Memorandum and all documents referenced herein and attached hereto, including, but not limited to, the Loan Documents (as defined herein).

The mailing address of the Parent Trust is Self-Storage Portfolio VII DST, c/o Investor Services, Inland Private Capital Corporation, 2901 Butterfield Road, Oak Brook, Illinois 60523, and the telephone number is (888) 671-1031.

A WARNING ABOUT FORWARD-LOOKING STATEMENTS

This Memorandum contains statements about operating and financial plans, terms and performance of the Properties and other projections of future results. Forward-looking statements may be identified by the use of words such as "expects," "anticipates," "intends," "plans," "will," "may" and similar expressions. The "forward-looking" statements are based on various assumptions, for example, the growth and expansion of the economy, projected financing environment and real property market value trends, and these assumptions may prove to be incorrect. Accordingly, these forward-looking statements might not accurately predict future events or the actual performance of an investment in the Interests. In addition, Investors must disregard any projections and representations, written or oral, which do not conform to those contained in this Memorandum.

MARKET DATA

The market data and forecasts used in this Memorandum were obtained from independent industry sources as well as from research reports prepared for other purposes. Neither the Parent Trust, the Sponsor, nor their affiliates have independently verified the data obtained from these sources and they cannot give any assurance of the accuracy or completeness of the data. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements in this Memorandum.

LEGENDS

NOTICE TO INVESTORS IN ALL U.S. STATES

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THIS MEMORANDUM AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS

SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

ADDITIONAL NOTICE TO FLORIDA INVESTORS

IF SALES ARE MADE TO FIVE OR MORE PERSONS IN FLORIDA, AND YOU PURCHASE SECURITIES HEREUNDER, THEN YOU MAY VOID SUCH PURCHASE EITHER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY YOU TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT OR WITHIN THREE DAYS AFTER THE AVAILABILITY OF THIS PRIVILEGE IS COMMUNICATED TO YOU, WHICHEVER OCCURS LATER.

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EXHIBITS

- A Form of Investor Questionnaire & Purchase Agreement
- B Rent Roll
- C Opinion of Special Tax Counsel
- D Forecasted Statement of Cash Flows

In an effort to minimize its impact on the Earth's climate, IPC is committed to implementing innovative and responsible environmental practices across the company. As part of its commitment, IPC has included the majority of additional information relating to the Offering in the Digital Investor Kit, as opposed to distributing paper copies. However, paper copies are available upon request. To obtain paper copies, please contact Investor Services at Self-Storage Portfolio VII DST, 2901 Butterfield Road, Oak Brook, Illinois 60523, or (888) 671-1031.

The following additional documents are available in the Digital Investor Kit:

- Appraisals
- Asset Management Agreement
- Assignment and Assumption Agreement for each Property (each Seller to the Operating Trust)
- Assignment and Assumption of Leases and Contracts (the Operating Trust to the Master Tenant)
- Bill of Sale for each Property (each Seller to the Operating Trust)
- Commercial Leases
- Deeds

- Delaware Statutory Trust Agreements
- Demand Note
- Form of Rental Agreements
- Loan Documents
- Master Lease Agreement
- Phase I Environmental Site Assessments
- Pro Forma Owner's Title Policies and material underlying exception documents thereto, including any material, reciprocal agreements and easements
- Property Condition Assessments
- Property Management Agreement
- Property Manager's Company Overview
- Settlement Statements
- Surveys
- Zoning Reports

THE DOCUMENTS THAT ARE AVAILABLE IN THE DIGITAL INVESTOR KIT ARE IMPORTANT TO INVESTORS' REVIEW OF THE OFFERING. IF YOU ARE NOT ABLE TO ACCESS THE DIGITAL INVESTOR KIT, PLEASE CONTACT IPC IMMEDIATELY.

SUMMARY OF THE OFFERING

The following summary provides selected information regarding the Trusts, the Properties and this Offering and should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Memorandum, including the Exhibits hereto, and the documents available in the Digital Investor Kit. Each prospective Investor must carefully read the entire Memorandum before investing in the Interests.

Terms of the Offering

The Parent Trust is offering to Investors up to \$66,230,446 in Interests of the Parent Trust. The minimum amount of Interests that a prospective Investor completing a Section 1031 Exchange may purchase is \$100,000, unless the Parent Trust waives this minimum requirement. The minimum amount of Interests that a prospective Investor making a cash investment without a Section 1031 Exchange may purchase is \$25,000, unless the Parent Trust waives this minimum requirement. The Offering is designed for, but not limited to, an Investor seeking to participate in a proposed Section 1031 Exchange. No assurances, however, can be made that any particular prospective Investor's purchase of the Interests will qualify under Section 1031 as each prospective Investor's situation will be different.

As of the date of this Memorandum, the Parent Trust Depositor owns 100% of the beneficial interests in the Parent Trust, and is the beneficiary of the Parent Trust. The proceeds of the Offering will be used, in part, to return to the Parent Trust Depositor its capital contribution and to reduce the Parent Trust Depositor's Interests. If any Interests cannot be sold, the Parent Trust Depositor or its affiliate will own the remaining Interests. The Interests owned by the Parent Trust Depositor will be held for investment purposes and not for resale.

The Offering will terminate on or before the earlier of April 11, 2020 or the date on which all \$66,230,446 of the Interests offered hereby have been sold.

Business Objectives and Discussion

The principal objectives of the Parent Trust, through the ownership of the Operating Trust, are to: (1) lease the Properties to the Master Tenant with the intent that it manage each of the Properties to realize its maximum operating performance; (2) pay regular distributions to Investors out of net cash flow as described in the Forecasted Statement of Cash Flows, Exhibit D; (3) preserve the intrinsic value of the Properties; and (4) complete a sale of the Properties prior to the maturity date of the Loan that maximizes the Investors' return of capital. NO ASSURANCE CAN BE GIVEN THAT THESE OBJECTIVES WILL BE ACHIEVED. Investors must read and carefully consider the discussion set forth below in the section captioned "*Risk Factors*," beginning on page 20 of this Memorandum.

The Parent Signatory Trustee believes that an investment in the Parent Trust offers the following benefits:

- **Opportunity to Invest in Self-Storage Assets** –The demand for self-storage continues to strengthen as healthy job growth, rising wages and the formation of new households support the need for self-storage. The self-storage sector has experienced an annual growth of 3.7 percent over the past five years, with annual U.S. revenues climbing past \$30 billion in 2018.
- **Established Properties, with Value-Add Opportunity** – Although each of the Properties has an established operating history, the Assessments recommend certain repairs that will allow for greater utilization of the storage units, which therefore presents an opportunity to increase rents. See "*The Properties – Physical Condition of the Properties*" for additional discussion.
- **Geographic Diversification** – The Properties are located in four states, across five different metropolitan statistical areas, or "MSAs", providing geographic diversification. The California Properties are located in the area of California known as the "Inland Empire," with a 2018 population of more than four million residents. The Tennessee Properties are part of the Memphis metropolitan area, which is the

commercial and cultural hub of the Mid-South region of the United States. The Texas Properties are located in two separate MSAs: the Sherman-Denison MSA in the northeast portion of the State and the Dallas-Fort Worth-Arlington MSA, which has a population exceeding seven million residents. The Wisconsin Property is located within the largest MSA in that State.

- **Experienced Property Management** – Each of the Properties is managed by Devon, an established operator of self-storage properties. Devon is ranked as one of the top 15 self-storage operators in the United States. See “*Frequently Asked Questions – What is Devon Self Storage Holdings (US) LLC?*”
- **Long-term, Fixed Rate, Amortizing Loan** – The Properties have been financed with the Loan, which has a term of 10 years and a fixed interest rate of 4.14% per annum, with principal amortizing in years five through 10 on a 30-year schedule. See “*Financing Terms.*”
- **Master Lease Structure** – The Master Lease structure allows the Master Tenant to operate the Properties on behalf of the Operating Trust and to enable actions to be taken with respect to the Properties that the Operating Trust would be unable to take due to tax law-related restrictions, including, but not limited to, a restriction against re-leasing the Properties. See “*Summary of the Leases – Master Lease.*”

The Properties – Description

Each of the Properties is operated as a self-storage facility under the Devon name. In the aggregate, there are 10,824 storage units. Most of the Properties also contain rentable parking spaces, totaling 486 spaces. The table below summarizes certain information about each Property. See “*The Properties*” for additional detail. Also see “*Risk Factors – Risks Related to the Properties.*”

Property	Approx. Land Area ¹	Approx. Leasable Area ²	Storage Units ²	Rentable Parking Spaces ²
California Properties				
18690 Highway Property	2.68 acres	61,755 sq. ft.	455	0
22075 Highway Property	4.07 acres	73,565 sq. ft.	573	8
Autry Property	4.70 acres	72,875 sq. ft.	547	7
Cathedral City Property ³	6.01 acres	120,260 sq. ft.	767	0
Radio Property	3.55 acres	64,770 sq. ft.	549	0
Thousand Palms Property	3.47 acres	74,855 sq. ft.	693	37
Tennessee Properties				
4705 Winchester Property	3.40 acres	60,320 sq. ft.	457	43
6390 Winchester Property	2.28 acres	38,892 sq. ft.	316	6
American Property	2.72 acres	40,599 sq. ft.	329	20
Austin Property	4.98 acres	71,885 sq. ft.	539	26
Germantown Property	5.57 acres	108,906 sq. ft.	841	13
Getwell Property	5.28 acres	96,363 sq. ft.	478	58
Macon Property	7.60 acres	67,900 sq. ft.	549	159
Moriarty Property	3.47 acres	54,325 sq. ft.	368	16
Poplar Property	9.23 acres	92,845 sq. ft.	651	72
Shelby Property ⁴	7.19 acres	96,023 sq. ft.	577	6
Texas Properties				
Highway 75 Property	2.88 acres	48,625 sq. ft.	393	0
Interstate Property	4.74 acres	59,585 sq. ft.	445	5
Lake Property	3.64 acres	55,100 sq. ft.	502	0
Wesley Property	2.45 acres	45,100 sq. ft.	307	6

Wisconsin Property				
Wisconsin Property	3.91 acres	58,700 sq. ft.	488	4

¹ All references in this Memorandum to the acreage of the Properties are approximate and are based on the surveys, copies of which are available in the Digital Investor Kit.

² All references in this Memorandum to the leasable square footage of the buildings, number of storage units and rentable parking spaces at the Properties are approximate and are based on the Rent Roll for each of the Properties, included as Exhibit B to this Memorandum. Please note that the leasable square footage of the buildings includes the square footage of the storage units and the Retail Units, but not the rentable parking spaces.

³ The Cathedral City Property includes 18 Retail Units containing an aggregate of approximately 11,005 rentable square feet. See “*Summary of the Leases – Commercial Leases – Retail Leases*” for additional information.

⁴ The Shelby Property includes 19 Retail Units containing an aggregate of approximately 23,323 rentable square feet. See “*Summary of the Leases – Commercial Leases – Retail Leases*” for additional information.

The Properties – Acquisition and Financing

The Operating Trust acquired the Properties on March 29, 2019 from the Sellers, each of which is a Delaware limited liability company and an unaffiliated third party seller, for an aggregate purchase price of \$118,300,000. The allocation of the purchase price to each Property and the Seller of each Property are set forth in the table below.

Property	Allocated Purchase Price	Seller
California Properties		
18690 Highway Property	\$6,430,000	WCP/DSSH Holdings 6, LLC
22075 Highway Property	\$6,359,000	WCP/DSSH Holdings 5, LLC
Autry Property	\$8,330,000	WCP/DSSH Holdings 1, LLC
Cathedral City Property	\$13,740,000	WCP/DSSH Holdings 3, LLC
Radio Property	\$7,788,000	WCP/DSSH Holdings 2 LLC
Thousand Palms Property	\$7,197,000	WCP/DSSH Holdings 4, LLC
Tennessee Properties		
4705 Winchester Property	\$1,429,000	WCP/DSSH Holdings 14, LLC
6390 Winchester Property	\$887,000	WCP/DSSH Holdings 13, LLC
American Property	\$1,094,000	WCP/DSSH Holdings 12, LLC
Austin Property	\$6,037,000	WCP/DSSH Holdings 15, LLC
Germantown Property	\$6,818,000	WCP/DSSH Holdings 17, LLC
Getwell Property	\$1,950,000	WCP/DSSH Holdings 18, LLC
Macon Property	\$7,450,000	WCP/DSSH Holdings 19, LLC
Moriarty Property	\$4,436,000	WCP/DSSH Holdings 11, LLC
Poplar Property	\$12,084,000	WCP/DSSH Holdings 16, LLC
Shelby Property	\$4,385,000	WCP/DSSH Holdings 20, LLC
Texas Properties		
Highway 75 Property	\$5,198,000	WCP/DSSH Holdings 8, LLC
Interstate Property	\$4,748,000	WCP/DSSH Holdings 9, LLC
Lake Property	\$5,392,000	WCP/DSSH Holdings 7, LLC
Wesley Property	\$3,196,000	WCP/DSSH Holdings 10, LLC
Wisconsin Property		
Wisconsin Property	\$3,352,000	WCP/DSSH Holdings 21, LLC
Total Purchase Price:	\$118,300,000	

The Operating Trust funded the acquisition of the Properties with a combination of cash provided as a capital contribution from Four State Storage, L.L.C., a Delaware limited liability company and an affiliate of IPC, as the initial depositor of the Operating Trust, and proceeds of the Loan in the original principal amount of \$71,000,000 from the Lender. The initial depositor of the Operating Trust assigned 100% of the interests in the Operating Trust to the Parent Trust concurrent with the acquisition of the Properties and the closing of the Loan. See “*Acquisition of the Properties*” for additional discussion regarding the acquisition of the Properties.

For purposes of determining liabilities assumed with respect to the Properties in connection with an Investor’s Section 1031 Exchange, each Investor will be allocated a pro rata percentage of the Loan (\$107,201.45 per \$100,000 Interest). See below and see “*Financing Terms*” for additional discussion regarding the Loan.

Financing Terms

The Operating Trust obtained the Loan from the Lender in the principal amount of \$71,000,000, the proceeds of which were used, along with funds contributed by IPC, to acquire the Properties. The Loan is evidenced by a loan agreement (the “**Loan Agreement**”) and a Note (the “**Note**”), and is secured by a deed of trust or mortgage on each of the Properties (each, a “**Security Instrument**” and collectively, the “**Security Instruments**”) and assignments of the Leases and rents thereunder (the “**Assignments**,” and collectively with the Loan Agreement, the Note, the Security Instruments and all other documents evidencing the Loan, the “**Loan Documents**”). The Loan Documents are dated as of March 29, 2019.

The Loan has a term of 10 years, with a maturity date of April 6, 2029, and bears interest at a fixed rate of 4.14% per annum. Beginning with the payment date of April 6, 2019 and on each monthly payment date thereafter through and including April 6, 2024, the Operating Trust is required to make monthly, interest-only payments. Beginning with the payment date of May 6, 2024 and on each monthly payment date through the maturity date, the Operating Trust is required to make monthly payments of principal and interest, in a fixed amount equal to \$344,720.35 per month, with principal amortizing on a 30-year schedule. On the maturity date, the Operating Trust is required to pay to the Lender the entire principal amount of the Loan, along with any accrued but unpaid interest.

The Operating Trust will not have the right to prepay the Loan prior to April 6, 2021 (such date, the “**Lockout Date**”). After the Lockout Date, the Operating Trust has the right to prepay the Loan in whole or, in certain circumstances, in part, provided that if any such prepayment occurs prior to January 6, 2029, the prepayment will be subject to a prepayment penalty equal to the “Yield Maintenance Premium,” based on the corresponding Treasury yield plus 0.50%, as described in greater detail herein. See “*Financing Terms – Basic Terms of the Loan.*” In no event will the prepayment penalty be less than 1.0% of the principal balance being repaid.

After the Lockout Date, the Loan Documents allow the Operating Trust to release Properties from the Loan and to prepay the Loan in part on a Property-by-Property basis (based on allocated Loan amounts which have been assigned by the Lender), subject to the satisfaction of certain conditions, including payment of a release price equal to 120% of the allocated Loan amount for the Property being released, as well as payment of the applicable prepayment penalty.

Upon the occurrence of a “**Cash Management Trigger Event**,” as defined below, the Lender will require the operating income generated by the Properties to be deposited directly into a separate account, which will be controlled by the Lender. The Loan Documents provide certain cure provisions for each Cash Management Trigger Event. Following a cure, any funds held in the separate account will be returned to the Operating Trust. As used herein, “Cash Management Trigger Events” are defined as the occurrence of any of the following: (1) the occurrence and continuance of an “event of default” under

the Loan Documents; and (2) the last day of any calendar quarter for which the “Debt Service Coverage Ratio” (as defined in the Loan Agreement) for the Properties is less than 1.20 to 1.00.

The Loan is secured by the Assignments and the Security Instruments. The Operating Trust is responsible for repayment of the Loan. The Loan is nonrecourse to the Investors. Accordingly, the Investors will have no personal liability in connection with the Loan. However, upon an uncured event of default under the Loan, the Lender will have the right to foreclose on the Properties. If this were to occur, Investors would be likely to lose part of their investment equivalent to the Properties foreclosed on and may lose their entire investment in the Parent Trust.

IPC has entered into a guaranty agreement for the benefit of the Lender.

See “*Financing Terms*” and “*Risk Factors – Risks Related to the Financing*” for additional discussion regarding the Loan.

Lender Reserve Accounts

The Loan Agreement requires certain reserve accounts to be maintained for the Properties.

First, the Loan Agreement provides for “Required Repair Fund” (referred to herein as the “**Required Repair Account**”), which will be used for certain specified repairs to be made to the Properties, as set forth on Schedule IV to the Loan Agreement. The Operating Trust deposited \$1,232,581 in the Required Repair Account at closing.

Second, the Loan Agreement provides for a “Replacement Reserve Fund” (referred to herein as “**Replacement Reserve Account**”), to be used for replacements and repairs required to be made to the Properties during the calendar year. The Loan Agreement provides that the Operating Trust would not be required to make any monthly deposits to the Replacement Reserve Account if the Operating Trust deposited into the Replacement Reserve Account cash in an amount equal to \$142,892, which represents an amount equal to \$0.10 per square foot per annum. The Operating Trust deposited \$142,892 into the Replacement Reserve Account at closing.

Lastly, the Loan Agreement provides for a tax and insurance account (collectively with the Required Repair Account and the Replacement Reserve Account, the “**Lender Reserve Accounts**”), but no deposits are required so long as: (1) no event of default has occurred and is continuing; and (2) the “Debt Service Coverage Ratio” for the Properties is greater than or equal to 1.15x.

See “*Financing Terms – Lender Reserve Accounts*” for additional discussion regarding the reserve accounts required for the Loan.

Master Lease

The Operating Trust has entered into the Master Lease for the Properties with the Master Tenant, and has assigned the Rental Agreements and the Commercial Leases to the Master Tenant.

The initial term of the Master Lease is 120 months or, if later, the date on which all monetary obligations under the Loan Documents have been repaid or satisfied, unless terminated earlier in accordance with the terms of the Master Lease. A copy of the Master Lease is available in the Digital Investor Kit.

As of March 6, 2019, the average physical occupancy rate for the Properties (including the square footage of the storage units and the Retail Units but not the rentable parking spaces, which are not included in the total rentable square footage), based on the rentable square footage of the Properties, was approximately 80%.

The Master Tenant is responsible for all costs of operating, managing, and maintaining the Properties, and the Operating Trust is responsible for all Capital Expenditures (as

defined herein). Pursuant to the Master Lease, the Operating Trust has established, and is required to maintain, a reserve account for the Properties (the “**Trust Reserve Account**” and together with the Lender Reserve Accounts, the “**Reserve Accounts**”). The amounts in the Trust Reserve Account will be utilized for: (1) repairs and replacements of the structure, foundation, roof, exterior walls, the parking lot and improvements to the Properties to meet the needs of the “**Property Tenants**” (as defined under the Master Lease to include any current and future subtenants, space tenants, occupants and business invitees or licensees of the Properties); (2) leasing commissions; (3) certain Hazardous Substances Costs (as such term is defined in the Master Lease); (4) any repairs identified in the Assessments (as defined herein), or similar engineering reports, related to the structure, foundation, roof, exterior walls, the parking lot and improvements to the Property, performed in connection with the acquisition of the Properties; (5) any Insurance Deductible (as such term is defined in the Master Lease); and (6) other improvements to the Properties that would be considered capital expenditures under IPC’s capitalization policy as related to the structure, foundation, roof exterior walls, the parking lot and improvements to the Property (collectively, “**Capital Expenditures**”), all in accordance with the terms and conditions set forth in the Loan Documents. See “*Summary of the Leases – Master Lease.*”

The Master Lease provides that, upon the sale of a Property, the Master Tenant is entitled to a disposition fee (a “**Disposition Fee**”) if the “Sales Proceeds” (defined as the gross sales price of a Property, reduced by any amounts used or incurred by the Operating Trust to pay off the debt on such Property) of a Property are greater than 110% of the Maximum Offering Amount directly allocable to such Property. The amount of the Disposition Fee is equal to the gross sales price of a Property multiplied by: (1) 0.5%, if the Sales Proceeds are greater than 110% but less than or equal to 140% of the Maximum Offering Amount directly allocable to such Property; (2) 1.0%, if the Sales Proceeds are greater than 140% but less than or equal to 170% of the Maximum Offering Amount directly allocable to such Property; (3) 1.5%, if the Sales Proceeds are greater than 170% but less than or equal to 200% of the Maximum Offering Amount directly allocable to such Property; or (4) 2.0%, if the Sales Proceeds are greater than 200% of the Maximum Offering Amount directly allocable to such Property. Pursuant to the Property Management Agreement, the Master Tenant has assigned to the Property Manager all of its rights to the Disposition Fees.

**Rent under
Master Lease**

The rent payable under the Master Lease consists of:

- (1) an amount of base rent, plus the funding for the Lender Reserve Accounts (“**Base Rent**”) (the annual Base Rent amount is \$4,136,644 for 2019 on an annualized basis);
- (2) additional rent (“**Additional Rent**”) equal to the amount by which annual Gross Income (as defined in the Master Lease) exceeds the additional rent breakpoint for that year (“**Additional Rent Breakpoint**”), as provided in the Master Lease (such breakpoint is \$10,941,000 for 2019 on an annualized basis) up to a maximum annual amount (such amount is \$2,499,000 for 2019 on an annualized basis), calculated on a calendar year basis; and
- (3) supplemental rent equal to 75% of the amount by which annual Gross Income exceeds the annual supplemental rent breakpoint (“**Supplemental Rent Breakpoint**”), as provided in the Master Lease (such breakpoint is \$13,440,000 for 2019 on an annualized basis) (“**Supplemental Rent**” and, collectively with the Base Rent and the Additional Rent, the “**Rent**”), calculated on a calendar year basis.

The difference between the Base Rent and the Additional Rent Breakpoint for the Properties for a given month, if any after taking into account any expenses for the Properties, will inure to the benefit of the Master Tenant and, therefore, IPC as the sole

member of the Master Tenant. The Parent Trust estimates that this will result in additional income to the Master Tenant from approximately \$175,542 to \$176,424 per year. Such amounts will not be available for distributions to the Parent Trust or the Investors.

The Master Tenant must pay Base Rent to the Lender, as required, in accordance with the terms of the Loan Documents. The Additional Rent will be estimated and paid to the Operating Trust on a monthly basis with the year-end reconciliation. Supplemental Rent, if payable, is payable in arrears within 90 days after the end of each calendar year. In addition, the Operating Trust is responsible for (and Rent will be reduced by) the amount by which the actual Uncontrollable Costs (with “**Uncontrollable Costs**” being comprised of real estate taxes and similar impositions, utility, insurance and snow removal costs) exceed the Projected Uncontrollable Costs (as defined in the Master Lease and shown on Exhibit D, Forecasted Statement of Cash Flows) for the Properties, and the Master Tenant will pay to the Operating Trust (as Additional Rent) the amount (if any) by which the Projected Uncontrollable Costs are greater than the actual Uncontrollable Costs for the Properties.

Master Tenant Capitalization

The Master Tenant is a newly formed Delaware limited liability company wholly owned by IPC. Capitalization of the Master Tenant was provided by IPC through a demand note (the “**Demand Note**”) in the amount of \$1,760,000. A copy of the Demand Note is available in the Digital Investor Kit. IPC’s Demand Note obligations will be reduced by the amount of any net earnings IPC retains in the Master Tenant.

Rental Agreements

The storage units and rentable parking spaces are leased to Tenants pursuant to the Rental Agreements. Each Rental Agreement is for a month-to-month term and may be terminated by either party by providing a written termination notice to the other party at least five days’ prior to the end of the current rental month. See “*Summary of the Leases – Rental Agreements*” for additional information regarding the terms and conditions of the Rental Agreements.

The Asset Management Agreement and Fees

The Operating Trust has entered into the Asset Management Agreement with the Operating Trust Signatory Trustee as the Asset Manager, a copy of which is available in the Digital Investor Kit. In its capacity as asset manager, the Asset Manager manages the Operating Trust’s day-to-day operations, including, but not limited to: reviewing all performance and financial information related to the Properties; conducting relations with, and supervising services performed by, lenders, consultants, accountants, brokers, third-party asset managers, attorneys, underwriters, appraisers, insurers, corporate fiduciaries, banks, builders and developers, sellers and buyers of assets, among others; providing loan payment services in connection with the Loan; preparing financial reports for the Lender; managing the Reserve Accounts; providing bookkeeping and accounting services and maintaining the Operating Trust’s books and records; administering distributions; communicating with Investors, brokers, dealers, financial advisors and custodians; and undertaking and performing all services or other activities necessary and proper to carry out the Operating Trust’s investment objectives, including providing secretarial, clerical and administrative assistance for the Operating Trust.

The Asset Management Agreement has a 10-year term, ending on March 28, 2029, and will thereafter automatically renew for successive one-year periods. The Asset Management Agreement may be terminated by either party, prior to the termination date or the expiration of any renewal term, for a default under the Asset Management Agreement, subject to customary cure periods.

The Operating Trust is required to pay the Asset Manager the following fees:

- an asset management fee (the “**Asset Management Fee**”) on a monthly basis, out of the gross income generated by the Properties, equal to approximately \$19,717 (equal to \$236,600 on an annual basis); and

- if a Springing LLC (as defined herein) refinances the Properties in connection with a Transfer Distribution (as defined herein), the Asset Manager will receive from the Operating Trust a fee equal to 1.0% of the principal amount of the new loan, plus reimbursement of any out-of-pocket expenses incurred by the Asset Manager in connection with the refinancing, including but not limited to: expenses incurred in connection with third party reports; legal fees; application fees; and mortgage brokerage fees to both non-affiliate and affiliate mortgage brokers.

In addition to the fees payable to the Asset Manager, the Operating Trust is responsible for reimbursing the Asset Manager for all expenses attributable to the Operating Trust and paid or incurred by the Asset Manager in providing services under the Asset Management Agreement.

If the Operating Trust requests any additional services not specified in the Asset Management Agreement, the Asset Manager may agree to provide the requested services upon terms mutually agreeable to the Operating Trust and the Asset Manager.

The Asset Manager may decide, in its sole discretion, to be paid an amount less than the total amounts to which it is entitled under the Asset Management Agreement, and any excess amount that is not paid may, in the Asset Manager's sole discretion, be waived permanently or, as applicable, deferred or accrued, without interest, to be paid at a later point in time.

The compensation arrangements described above, and in more detail throughout this Memorandum, are not the result of arm's-length negotiations. A copy of the Asset Management Agreement is available in the Digital Investor Kit. See "*Asset Management*," "*Risk Factors – Risks Related to the Master Lease and the Management of the Properties*" and "*Conflicts of Interest*" for additional discussion.

The Property Management Agreement and Fees

Devon manages the Properties pursuant to the Property Management Agreement between the Master Tenant and Devon, a copy of which is available in the Digital Investor Kit.

Pursuant to the Property Management Agreement, the Property Manager is responsible for leasing and managing the Properties, which includes, among other things, maintaining and providing services to the Properties; negotiating contracts for services and utilities to the Properties; operating the Properties; providing certain inspections of the common areas and leased portions of the Properties; complying with, and ensuring compliance with, obligations under the Rental Agreements and the Commercial Leases; collecting rent and deposits; maintaining records for each Property; and investigating and making insurance claims.

The Property Management Agreement has a three-year term, ending on March 28, 2022, and will thereafter automatically renew for successive one-year periods. The Property Management Agreement may be terminated (1) by either party without cause upon 90 days' prior written notice; (2) by either party if a breach of the Property Management Agreement has not been cured within 10 days after receipt of notice from the non-breaching party, provided that in the event the default cannot be cured within the 10 day period, such period may be extended to 30 days; (3) by either party if the other party experiences a bankruptcy event, as described in the Property Management Agreement; (4) by the Property Manager if the Master Tenant fails to respond to a notice of shortfall to maintain the minimum balance in the operating account within 20 days after receipt of notice from the Property Manager; (5) with respect to a Property, by the Master Tenant in the event of a sale of such Property or the condemnation or destruction of all or substantially all of such Property; or (6) by the Master Tenant upon 30 days' prior written notice, in the event of a change of control in the management of the Property Manager. In the event the Master Tenant terminates the Property Management Agreement without cause or due to a change of control in the management of the Property Manager or the

Property Manager terminates the Property Management Agreement due to a monetary default of the Master Tenant, the Property Manager will be entitled to a “Termination Fee,” as described in the Property Management Agreement.

The Property Manager is entitled to the following fees from the Operating Trust:

- a monthly base management fee, in an amount equal to the greater of \$2,500 per Property (not on a portfolio basis) or 5.0% of the “Gross Revenue,” defined in the Property Management Agreement as the gross amount of all rents with respect to the use or occupancy of storage units and rentable parking spaces at the Properties or cell tower or billboard leases, proceeds from the sale of tenant rental insurance and merchandise, any rental application charges, late charges and credit verification fees, if any are charged, but excluding any security, utility or other deposits (until any such security deposits are actually applied in lieu of rent after all other obligations of a tenant have been satisfied in accordance with applicable law, such as reimbursements for property damage to a unit or for attorneys’ fees incurred in collecting rent or evicting a tenant), and/or state sales taxes, expense reimbursements, insurance proceeds other than those related to loss of business income, or condemnation proceeds; and
- an incentive fee, in an amount equal to 50% of the Master Tenant’s proportionate share of the Gross Income (as defined in the Master Lease) for a year that exceeds the Supplemental Rent Breakpoint for that year, as outlined in the Master Lease, which fee is only to be paid after the Base Rent and Additional Rent have been fully paid for such year pursuant to the Master Lease. The incentive fee is calculated under the Property Management Agreement on a portfolio-wide, rather than Property-by-Property, basis.

The Master Tenant also is responsible for reimbursing the Property Manager for certain expenses, as follows: (1) reimbursement for all actual expenses and costs of managing, maintaining, repairing and operating the Properties, in each case in accordance with the annual budget for the Properties; and (2) for each Property, a portion of the cost of the salary of the regional manager whose region includes such Property, not to exceed \$750 per month, and the cost of any bonuses, benefits, travel and meal costs of the regional manager attributable to such Property.

Pursuant to the Property Management Agreement, the Master Tenant has assigned to the Property Manager all of its rights to the Disposition Fees under the Master Lease. Upon the sale of a Property, the Property Manager will be entitled to a Disposition Fee if the “Sales Proceeds” (defined as the gross sales price of a Property, reduced by any amounts used or incurred by the Operating Trust to pay off the debt on such Property) of a Property are greater than 110% of the Maximum Offering Amount directly allocable to such Property. The amount of the Disposition Fee is equal to the gross sales price of a Property multiplied by: (1) 0.5%, if the Sales Proceeds are greater than 110% but less than or equal to 140% of the Maximum Offering Amount directly allocable to such Property; (2) 1.0%, if the Sales Proceeds are greater than 140% but less than or equal to 170% of the Maximum Offering Amount directly allocable to such Property; (3) 1.5%, if the Sales Proceeds are greater than 170% but less than or equal to 200% of the Maximum Offering Amount directly allocable to such Property; or (4) 2.0%, if the Sales Proceeds are greater than 200% of the Maximum Offering Amount directly allocable to such Property.

See “*Property Management*” and “*Risk Factors – Risks Related to the Master Lease and the Management of the Properties*” for additional discussion.

Trust Reserve Account

Pursuant to the Master Lease, the Operating Trust has established the Trust Reserve Account to make funds available for Capital Expenditures and unanticipated costs in relation to the Properties.

The Operating Trust has made an initial contribution to the Trust Reserve Account from the proceeds of the Loan, in the amount of \$6,630,840. An annual reserve contribution to the Trust Reserve Account will be withheld from Supplemental Rent, to the extent available, by the Master Tenant up to a maximum annual amount of \$510,660 for 2019, determined on an annualized basis. At the end of any calendar year, if the balance in the Trust Reserve Account is less than \$75,000 (the “**Reserve Minimum Balance**”), the Operating Trust will be required to make a contribution to the Trust Reserve Account so that the Trust Reserve Account contains at least an amount equal to the Reserve Minimum Balance (and if such contribution is not made, the Master Tenant may withhold Additional Rent and Supplemental Rent until the Trust Reserve Account contains at least an amount equal to the Reserve Minimum Balance). The Operating Trust has no obligation to fund the Trust Reserve Account at any time the account contains more than \$5,500,000 (the “**Reserve Maximum**”). If funds in the Trust Reserve Account exceed the Reserve Maximum, the Operating Trust, in its sole discretion, may withdraw such excess funds. Any interest earned on the Trust Reserve Account will be retained as additional reserves. Any amount remaining in the Trust Reserve Account upon the sale of the Properties will be distributed to the Investors based on their respective pro rata Interests.

The Trusts and the Trust Agreements

The terms of the Parent Trust and the Operating Trust are governed by the Trust Agreements, copies of which are available in the Digital Investor Kit. The Trust Agreements set forth the rights and duties of the Investors and Trustees with respect to the Properties. The Signatory Trustees are responsible for the operation of the Trusts and the Properties. The Corporation Trust Company serves as co-trustee of each Trust (the “**Delaware Trustee**”). An independent trustee (the “**Independent Trustee**” and, collectively with the Delaware Trustee and the Signatory Trustees, the “**Trustees**”) has been appointed to the Operating Trust for the purpose of satisfying the Lender’s requirement that the Operating Trust have an independent trustee.

In connection with each Investor’s purchase of Interests, the Investors will be required to enter into the Parent Trust Agreement. The Parent Trust will convey the respective Interests to each Investor by issuing each Investor an assignment of beneficial interest. However, pursuant to the Parent Trust Agreement, which was designed to meet the parameters of Revenue Ruling 2004-86, 2004-33 I.R.B. 191, issued by the IRS, the Investors who own the Interests in the Parent Trust are not permitted to have any voting rights with respect to the operation and ownership of the Properties.

Under the Parent Trust Agreement, if: (1) the Trust Property (as defined in the Parent Trust Agreement) (or the property of the Operating Trust) is in jeopardy of being foreclosed upon due to a default on a Loan; (2) the Trust Property or any portion thereof (including the property of the Operating Trust) is subject to a casualty, condemnation, or similar event that is not adequately compensated for through insurance or otherwise sufficient to permit restoration of the Trust Property to the same condition as previously existed; or (3) the Parent Signatory Trustee determines that the Investors are at risk of losing all or a substantial portion of their investment, and the Parent Signatory Trustee is prohibited from taking actions to cure or mitigate such events because such action would “vary the investment” of the Investors, the Parent Signatory Trustee will terminate the Parent Trust by converting it into a limited liability company (a “**Springing LLC**”). If the Parent Trust is converted to a Springing LLC (such conversion referred to herein as a “**Transfer Distribution**”): (a) each of the Investors would become a member of the new Springing LLC, owning an interest in the Springing LLC identical to his, her or its Interest in the Parent Trust; (b) the Parent Signatory Trustee would become the manager of the Springing LLC; and (c) the Trust Property would remain subject to the terms of the Loan Documents and the Master Lease.

The Operating Trust Agreement provides for similar triggering events for a Transfer Distribution. In the case of a conversion of the Operating Trust that does not also involve the conversion of the Parent Trust, (1) the Operating Trust would convert into a Springing

LLC and would then be distributed by the Parent Trust to the Investors, which would then own direct interests in the Springing LLC; (2) such Springing LLC would continue to own the Properties subject to the terms of the Loan Documents and the Master Lease; and (3) the Operating Trust Signatory Trustee would become the manager of such Springing LLC.

If the conditions described above apply to less than all of the Properties owned by the Operating Trust (such Property or Properties, a “**Restructure Property**”), the Signatory Trustee may: (1) contribute the Restructure Property to an LLC (such LLC, a “**Restructure LLC**”), and such Restructure LLC: (a) will acquire, by operation of law, contract, or otherwise, the Restructure Property subject to the then-outstanding obligations of the Operating Trust under the Loan Documents and Master Lease, (b) will become jointly and severally liable, by operation of law, contract, or otherwise, for the Operating Trust’s obligations under the Loan Documents, and (c) will assume, by operation of law, contract, or otherwise, the Operating Trust’s obligations under the Leases with respect to the Restructure Property (subject in each case, *inter alia*, to such revisions as are consistent with the Restructure LLC’s ownership of less than all of the Properties); (2) in the case of the Parent Trust, cause the Restructure LLC to issue ownership interests to the Investors in proportion to the Investors’ ownership of Interests in the Parent Trust, or, in the case of the Operating Trust, cause the Restructure LLC to issue ownership interests to the Parent Trust, which would then be distributed by the Parent Trust to the Investors in proportion to the Investors’ ownership of Interests in the Parent Trust; (3) cause the Signatory Trustee to be designated as the manager of the Restructure LLC and to execute all necessary documents on behalf of the members of the Restructure LLC; and (4) take all other actions necessary to complete the formation of the Restructure LLC in accordance with the Delaware Statutory Trust Act and the Delaware Limited Liability Company Act.

As a result of the foregoing transactions, actions could be taken to conserve and protect the at-risk Properties that could not have been taken otherwise.

Investor Suitability

Investment in the Interests involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity and who can afford to lose their entire investment. The Parent Trust will only accept a subscription from an “accredited investor,” as defined in Regulation D under the Securities Act. The Parent Trust will not accept subscriptions from, or made on behalf of, tax-exempt entities, including but not limited to qualified employee pension and profit sharing trusts, individual retirement accounts, Simple 401(k) plans, annuities and charitable remainder trusts. See “*The Offering – Investor Suitability Requirements*” for more information.

Purchase of an Interest

To purchase an Interest, a prospective Investor must deliver to the Parent Trust an executed copy of a complete and accurate Investor Questionnaire and Purchase Agreement (the “**Investor Questionnaire & Purchase Agreement**”), the form of which is attached hereto as Exhibit A. A prospective Investor may be accepted or rejected by the Parent Trust at any time and for any reason after delivering the Investor Questionnaire & Purchase Agreement, but prior to the receipt of funds for purchase. If rejected, a prospective Investor’s funds will be returned to the prospective Investor or his, her or its qualified intermediary. See “*The Offering – How to Purchase the Interests*” for a more detailed discussion on the steps required to purchase Interests.

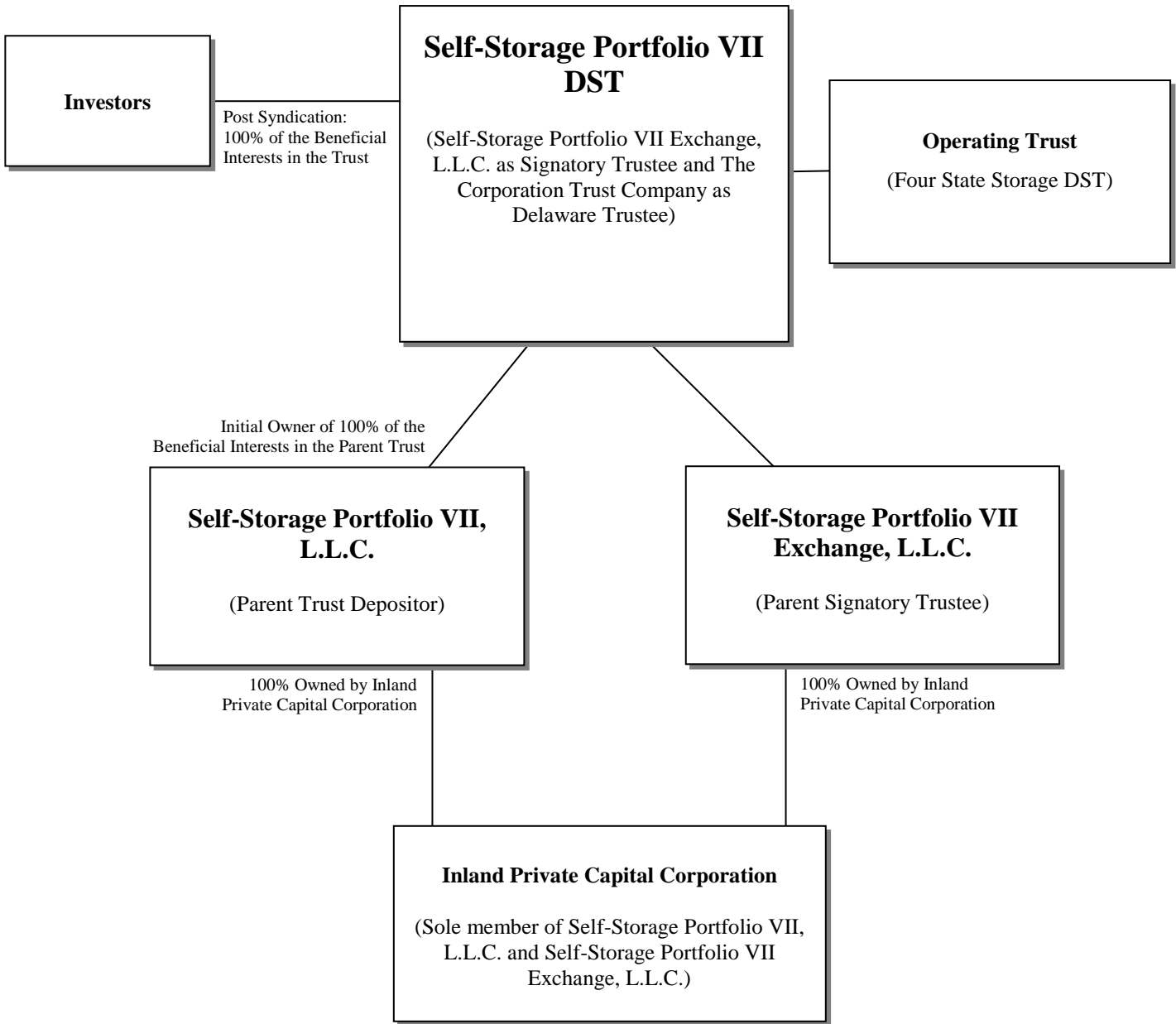
Sale or Transfer of Interests

The Interests are being offered and sold pursuant to exemptions from the registration provisions of federal and state law. Accordingly, the Interests are subject to restrictions on transfer. The Parent Trust Agreement and the Loan Documents contain additional restrictions on transfer. See “*Summary of the Trust Agreements – Restrictions on Transfer of Interests*” and “*Financing Terms – Restrictions on Transfer of Interests.*” If an Investor is able to sell his, her or its Interest, the Investor and his, her or its purchaser(s) will bear the costs, if any, of the sale or transfer.

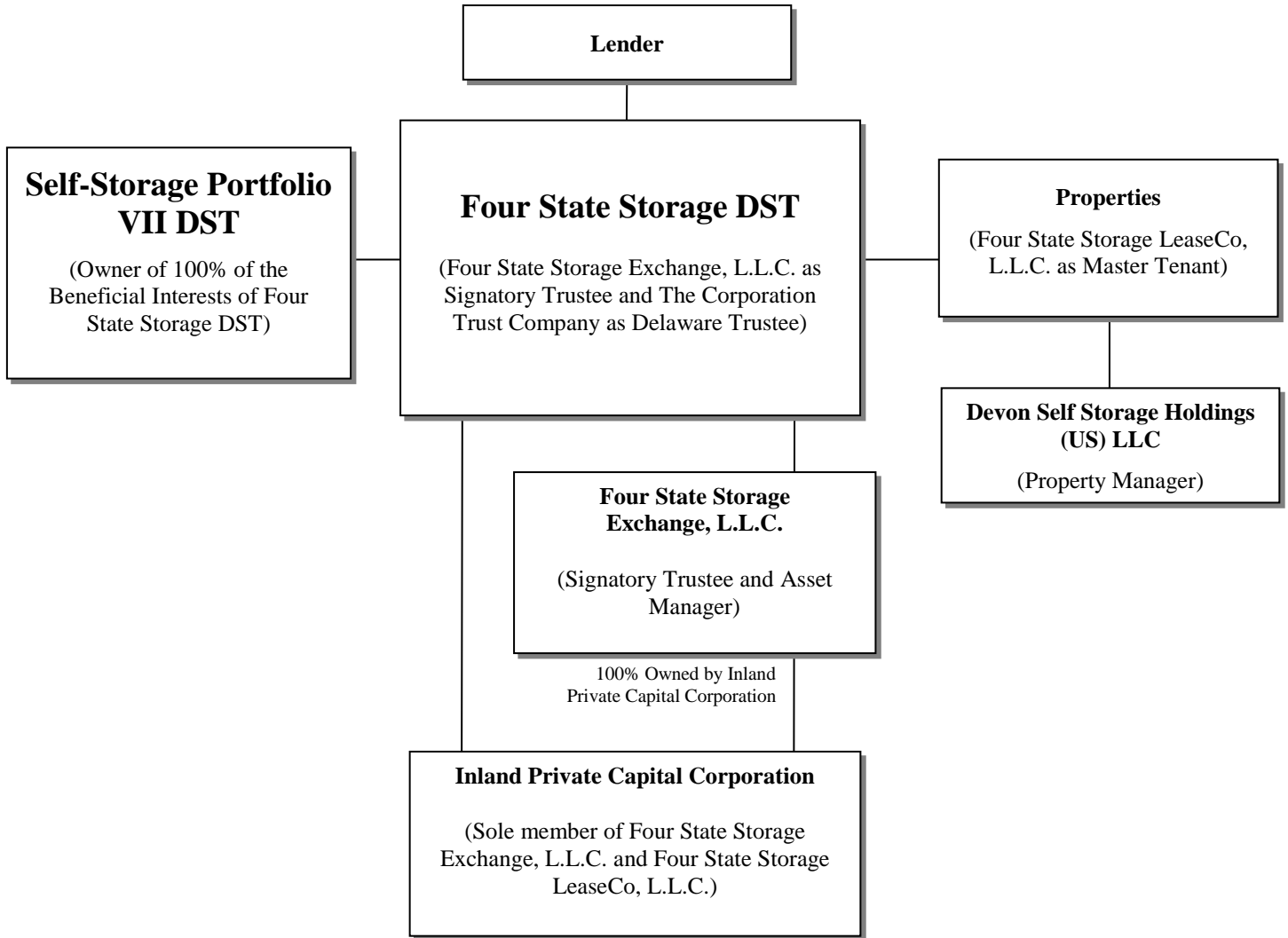
Tax Considerations Tax counsel to the Parent Trust (“**Special Tax Counsel**”) has provided a tax opinion (the “**Tax Opinion**”) that the acquisition of the Interests by an Investor should be treated as a direct acquisition of the Properties for purposes of Section 1031. However, this opinion is limited in scope and does not opine on all matters necessary for the prospective Investor’s acquisition to qualify under Section 1031. See Exhibit C, Opinion of Special Tax Counsel, and “*Risk Factors*” for additional discussion regarding tax considerations. Each prospective Investor should have his, her or its own independent legal, tax, accounting and financial advisors closely review this Memorandum and all documents referenced herein and attached hereto and will be required to acknowledge the same in the Investor Questionnaire & Purchase Agreement.

Diagrams summarizing the ongoing relationship among the Trusts, the Lender, the Asset Manager, the Property Manager, the Master Tenant, the Signatory Trustees and other parties involved in the transactions discussed herein are set forth on the following pages.

The Parent Trust - Trust Structure



Operating Trust - Trust Structure



FREQUENTLY ASKED QUESTIONS

What is Inland Private Capital Corporation?

In March 2001, Inland Private Capital Corporation was formed to provide replacement properties for investors wishing to complete a tax-deferred exchange under Section 1031, as well as investors seeking a quality, multiple-owner real estate investment. The programs sponsored by IPC offer securities to “accredited” investors on a private placement basis. As of December 31, 2018, IPC had sponsored 232 private placement programs, which have offered more than \$4.55 billion in equity to over 12,500 investors. IPC was the recipient of the 2006 and 2015 ACE (A Champion of Excellence) Awards given by the Alternative and Direct Investment Securities Association (“ADISA”), formerly known as the Real Estate Investment Securities Association, a trade association of the real estate securities industry. IPC is a founding member of ADISA.

IPC is a subsidiary of Inland Real Estate Investment Corporation (“IREIC”). IREIC is part of The Inland Real Estate Group of Companies, Inc., which is comprised of independent legal entities that are either subsidiaries of the same entity, affiliates of each other, share some common ownership or were previously sponsored and managed by subsidiaries of IREIC, some or all of which are sometimes referred to herein as “Inland.”

What competitive advantages does IPC achieve through its relationship with Inland?

The Inland Real Estate Group of Companies, Inc., headquartered in Oak Brook, Illinois, is one of the nation’s largest commercial real estate and finance groups, representing more than 50 years of expertise and integrity in the industry. As a business incubator, Inland specializes in creating, developing and supporting member companies that provide real estate-related investment funds, including limited partnerships, institutional funds and nonlisted and listed REITs, and real estate services for both third parties and Inland member companies. As of December 31, 2018, Inland had raised more than \$24 billion from investment product sales to over 490,000 investors, many of whom have invested in more than one product. As of December 31, 2018, Inland entities owned properties in 44 states and managed assets with a value of approximately \$10.5 billion. As of December 31, 2018, Inland was responsible for managing approximately 45 million square feet of commercial properties, as well as 18,607 multifamily units. As of December 31, 2018, Inland had sponsored 578 completed programs, including 508 private and public limited partnerships, 69 Section 1031 exchange programs and five non-listed REITs. IREIC and its subsidiaries completed 30 full-cycle programs in 2017 and 2018 alone, comprised of 18 Section 1031 exchange programs and 51 private/public limited partnerships. Inland Real Estate Acquisitions, Inc. (“IREA”), an affiliate of IREIC and IPC, has extensive experience in acquiring real estate for investment. Over the years, through IREA has facilitated more than \$46 billion of purchases including single-tenant properties, multifamily properties, medical office buildings and retail properties.

Inland was named a recipient of the 2009, 2014 and 2017 Torch Award for Marketplace Ethics by the Better Business Bureau serving Chicago and Northern Illinois, which award spotlights companies that exemplify ethical business practices, as selected by an independent panel of judges.

Inland’s expertise in acquiring, financing, and managing quality properties is a key component to the value-added service that Inland offers. Because Inland is first and foremost a real estate company, it is in a position to capitalize on its expertise to cut operating costs through economies of scale to effectively manage properties. Investor communication is also a critical component of the services IPC provides. Communication methods include, but are not limited to, written correspondence, financial reports, scheduled conference calls, communications with investment representatives and one-on-one dialog with the Investors and their registered representatives.

What is Four State Storage LeaseCo, L.L.C.?

The Master Tenant under the Master Lease, Four State Storage LeaseCo, L.L.C., is a Delaware limited liability company, wholly owned by IPC. The Operating Trust has entered into the Master Lease for the Properties with the Master Tenant. The Operating Trust has assigned the Rental Agreements and Commercial Leases to the Master Tenant.

Capitalization of the Master Tenant was provided by IPC through the Demand Note in an amount equal to \$1,760,000. IPC’s Demand Note obligations will be reduced by the amount of any net earnings IPC retains in the Master Tenant.

The purpose of the Master Lease is to permit the Master Tenant to operate the Properties on behalf of the Operating Trust and to enable actions to be taken with respect to the Properties that the Operating Trust would be unable to take due to tax law-related restrictions, including, but not limited to, a restriction against re-leasing the Properties. See “*Summary of the Leases – Master Lease.*”

What is Devon Self Storage Holdings (US) LLC?

Devon Self Storage Holdings (US) LLC serves as the Property Manager in accordance with the Property Management Agreement.

Devon is an employee-owned, private real estate company founded in 1988. Devon has maintained a dedicated self-storage operating platform since 1993. Over that time the company has been involved in the acquisition, development, management, and disposition of just under \$1 billion of self-storage assets. Over the past 24 years, Devon has owned and/or managed 183 facilities in 24 states and 3 European countries (The Netherlands, France and Germany). Today, Devon is ranked as one of the top 15 self-storage operators in the U.S.

See “*Property Management*” for the biographies of Devon’s senior management team.

This description of Devon is based on, and qualified in its entirety by, the information provided by Devon on its corporate website, <https://www.devonselfstorage.com/>, and in a communication prepared by Devon (the “**Devon Company Overview**”). A copy of the Devon Company Overview is available in the Digital Investor Kit. Investors are encouraged to visit the website on a regular basis to review the most up to date information regarding Devon. Please note, however, that IPC did not independently verify the information on Devon’s website or in the Devon Company Overview, and cannot assure Investors of its accuracy or completeness.

What exactly am I purchasing?

You are purchasing an Interest in the Parent Trust, which owns 100% of the beneficial interests in the Operating Trust, which owns the Properties. For federal income tax purposes, an Interest should constitute an interest in replacement property and you will be treated as having assumed your pro rata share of the Parent Trust’s debt for purposes of calculating the amount of your replacement property for purposes of Section 1031.

Why are the Properties being held in a Delaware Statutory Trust?

The DST structure, rather than a tenant-in-common structure, is being utilized for the ownership of the Properties based on the following:

- no accreditation fee required to be paid by Investors;
- more favorable loan terms for the Investors including, but not limited to, simplified underwriting procedures;
- lower annual administrative costs since no single member limited liability company is required to be formed;
- no personal liability for beneficiaries under the Loan with regard to the Properties; and
- lower transaction costs, since the Investors do not assume the Loan nor do they obtain direct title to the Properties.

There are certain risks related to the DST structure, including the risk that Investors have limited control over the Trusts. See “*Risk Factors – Risks Related to the Delaware Statutory Trust Structure*” for a discussion of the risks related to the DST structure.

Have the Interests been registered with the SEC and States?

No. The Interests have not been, and will not be, registered under the Securities Act or any state securities laws. The Interests will be offered and sold pursuant to an exemption from the registration requirements of the Securities Act, in accordance with Rule 506(b) of Regulation D, and in compliance with any applicable state securities laws. In the event that the Parent Trust fails to comply with the requirements of this exemption or fails to comply

with the state securities laws, an Investor may have the right, if he, she or it so desires, to rescind his, her or its purchase of the Interests.

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

To the extent this investment generates taxable income or loss, such income or loss is expected to be passive income or loss. Generally speaking, an Investor's passive income, if any, from an investment in the Interests may be offset by the Investor's other passive losses, and an Investor's passive losses, if any, from an investment in the Interests may be used to offset the Investor's 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 Investor. In addition, the income may be subject to the 3.8% Net Investment Income Tax (the "**Medicare Contributions Tax**") imposed on rent and other types of investment income. Prospective Investors should consult with their 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, but not assured, that your purchase of an Interest will be closed within 15 to 30 days after the Parent Trust receives your completed Investor Questionnaire & Purchase Agreement. Accordingly, if you are acquiring an Interest as replacement property in a Section 1031 Exchange, you must have sufficient time remaining in your 180-day period for acquiring your replacement property to accommodate this 15- to 30-day period necessary for the closing to occur. See "*The Offering – How to Purchase the Interests*" for additional discussion.

Will there be debt on the Properties?

Yes. Many Investors' Relinquished Properties were encumbered by debt, and, therefore, for federal income tax purposes, to prevent an Investor from having to use more cash to acquire a replacement property than is available from the sale of his, her or its Relinquished Property, there must be equal or greater debt on the replacement property. In addition, the placement of debt may enhance the returns to the Investors. The Properties are subject to the Loan in the original principal amount of \$71,000,000, which is secured by, among other things, a first priority Security Instrument on each of the Properties. In connection with the acquisition of an Interest, each Investor will be treated, for tax purposes, as the borrower of his, her or its pro rata share of the Loan, which is \$107,201.45 per \$100,000 Interest. See "*Financing Terms*" and "*Risk Factors – Risks Related to the Financing*" for additional discussion regarding the Loan.

Will the Lender have to approve me as an Investor?

Generally, other than searches required under the USA PATRIOT Act, the International Emergency Economic Powers Act, The Trading with the Enemy Act, and the Office of Foreign Assets Control and other inquiries as set forth in the Investor Questionnaire & Purchase Agreement attached hereto as Exhibit A, the Lender will not require any underwriting with regard to prospective Investors. However, to the extent an Investor purchases 20% or more of the Interests, the Lender will require that customary searches be performed on such Investor. In addition, the Loan Documents provide that no Investor may own more than 49% of the direct or indirect interests in the Trust. See "*Financing Terms – Restrictions on Transfer of Interests.*"

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

Yes. Each prospective Investor is responsible for all costs associated with his, her or its independent accountant, tax advisor, financial advisor and attorney. Please note that these costs may not be funded from the Section 1031 Exchange escrow held by your qualified intermediary, if applicable.

How does a prospective Investor find a qualified intermediary?

If a prospective Investor does not currently have a qualified intermediary, upon request, IPC can provide a list of qualified intermediaries familiar with this type of sophisticated transaction.

Can an Investor keep some of the proceeds from the sale of the 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 Parent 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 Parent Trust?

The Parent Trust will not accept subscriptions from, or made on behalf of, tax-exempt entities, including, but not limited to, qualified employee pension and profit sharing trusts, individual retirement accounts, Simple 401(k) plans, annuities and charitable remainder trusts.

What should I do if I want to sell my Interest in the Parent Trust before the Properties are sold?

The Interests are being offered and sold pursuant to exemptions from the registration provisions of federal and state law. Accordingly, the Interests are subject to restrictions on transfer. Each Investor will be required to represent that he, she or it is acquiring the Interests for investment and not with a view to distribution or resale, that such Investor understands the Interests are not freely transferable and, in any event, that such Investor must bear the economic risk of investment in the Interest for an indefinite period of time because the Interests have not been registered under the Securities Act or certain applicable state “blue sky” or securities laws, and that the Interest cannot be sold unless they are subsequently registered (which is not expected) or an exemption from such registration is available and unless the Investor complies with the other applicable provisions of the Parent Trust Agreement and the Loan Documents. If an Investor is able to sell his, her or its Interest in accordance with the Parent Trust Agreement, the Loan Documents and applicable securities laws, the Investor and/or his, her or its purchaser(s) will bear the costs, if any, of the sale or transfer. See “*Risk Factors – Risks Related to the Offering – There is no public market for the Interests*” and “*Financing Terms*” for additional discussion related to the restrictions on transfer.

How often will distributions be made to the Investor?

The Parent Signatory Trustee intends to make monthly distributions, payable on or about the 15th day of the following month. Actual distributions may vary from those projected in Exhibit D the Forecasted Statement of Cash Flows.

Will I be receiving any updates regarding the performance of the Properties, and if so, how often?

Yes, the Asset Manager intends to provide all Investors with an Investor Report, which will include a financial update as well as updates regarding the performance of the Properties, on a quarterly basis. However, the Asset Manager will not begin providing these Investor Reports until the later of (1) the last Investor closing on his or her investment in the Parent Trust and (2) the Parent Trust completing its first full year of operations.

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

The Parent Signatory Trustee will provide a statement of each Investor’s income and expenses to be utilized in completing IRS Schedule E or other pertinent tax documents.

The Investor’s statement of income and expenses will be sent to each Investor on or before the end of the first quarter following the end of the calendar year. Each Investor will need to calculate his, her or its own depreciation deduction for tax purposes.

What kind of audit will be performed on the operations of the Properties?

In an effort to increase operational transparency and financial reporting to Investors, the Parent Trust has retained an independent Certified Public Accountant (the “**Auditor**”) to perform an annual “cash basis audit” of the Properties’ income and expense statements. The “cash basis audit” will include, but not be limited to, review of the procedures related to rent collection and paid expenses. Further, the cash basis audit will trace rent receipts to bank accounts and verify accounts to bank statements, including the Reserve Accounts. Upon completion of the cash basis

audit, the Auditor will provide a report to the Parent Trust, which report will be available to Investors upon request.

Will I be subject to state income tax in the states in which the Properties are 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 transfer business 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.

Do I need to be an “accredited” investor to invest?

Yes. The Parent Trust will only accept a subscription from an “accredited investor,” as defined in Regulation D under the Securities Act. Generally, a natural person who satisfies one of the following will qualify as an accredited investor: (1) an individual net worth, or joint net worth with his or her spouse, of more than \$1,000,000, subject to certain criteria for calculating net worth; or (2) an 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. See “*The Offering – Investor Suitability Requirements*” for additional discussion regarding the definition of “accredited investor.”

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.

How do I purchase the Interests?

The Investor must complete and send to his, her or its investment representative the Investor Questionnaire & Purchase Agreement, including the name, phone number and address of his, her or its qualified intermediary (if applicable). The investment representative must then send this to his, her or its broker/dealer (or registered investment advisor) for review, and the broker/dealer (or registered investment advisor) must forward the paperwork to:

Inland Private Capital Corporation
Attention: Investments
2901 Butterfield Road
Oak Brook, IL 60523

Or via e-mail to investments@inlandprivatecapital.com.

Upon receipt of acceptable documentation, the Parent Trust will coordinate with the qualified intermediary (if applicable) to receive the funds and issue the assignment of the Interests in the Parent Trust to the Investor. Coordination with the qualified intermediary also includes providing a closing statement for the purchase and may include completing any other required documentation. See “*The Offering – How to Purchase the Interests*” for a more detailed discussion on the steps you must take to purchase Interests.

RISK FACTORS

The Interests are speculative and involve a high degree of risk. A prospective Investor should be able to bear a complete loss of his, her or its investment. Prospective Investors should carefully read this Memorandum before purchasing an Interest.

A PROSPECTIVE INVESTOR SHOULD CONSIDER CAREFULLY, AMONG OTHER RISKS, THE FOLLOWING RISKS, AND SHOULD HAVE HIS, HER OR ITS OWN INDEPENDENT LEGAL, TAX, ACCOUNTING AND FINANCIAL ADVISORS CLOSELY REVIEW THIS MEMORANDUM AND ALL DOCUMENTS REFERENCED HEREIN AND ATTACHED HERETO BEFORE INVESTING IN THE INTERESTS. THESE RISK FACTORS, OR OTHER EVENTS, COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTAINED IN THIS MEMORANDUM. FURTHERMORE, THESE RISK FACTORS RELATE TO A SOPHISTICATED TRANSACTION AND ALTHOUGH THE PARENT TRUST HAS ENDEAVORED TO ANALYZE THIS TRANSACTION AND THE RISKS ATTENDANT TO THIS TRANSACTION TO THE BEST OF ITS ABILITY, THE FOLLOWING RISKS MAY NOT ENCOMPASS EVERY POSSIBLE RISK WITH REGARD TO THIS TRANSACTION. ONLY AFTER A PROSPECTIVE INVESTOR AND HIS, HER OR ITS INDEPENDENT ADVISORS HAVE ANALYZED THE UNDERLYING DOCUMENTS CAN HE, SHE OR IT FULLY UNDERSTAND THE TRANSACTION.

Risks Related to the Delaware Statutory Trust Structure

Investors will have limited control over the management of the Trusts.

The Trustees (and in particular the Signatory Trustees) are solely responsible for the operation and management of the Trusts. The Investors will have no right to participate in the management of the Trusts or in the decisions made by the Trustees. The Trustees and the Asset Manager will not consult with the Investors when making decisions with respect to the Trusts and the Properties. The Parent Signatory Trustee is under no obligation to make its decision with respect to any prospective sale in accordance with the wishes of Investors. The Trustees of the Parent Trust may only be removed by Investors holding a majority of the Interests and only if the Trustees have engaged in willful misconduct, fraud or gross negligence with respect to the Parent Trust.

The Trustees will have limited duties to Investors and may take actions that are not in the best interests of the Investors.

The Trustees do not owe any duties to the Investors other than those provided for in the Parent Trust Agreement. Specifically, the Trustees do not have a fiduciary duty to any Investors as would be applicable to a limited liability company or partnership and, therefore, may take actions that would not be in the best interests of one or more of the Investors. The Parent Trust Agreement provides that the Trustees are individually answerable for their actions to the Investors only if, among other things, the Trustees engage in willful misconduct or gross negligence or any “prohibited action” under the Parent Trust Agreement, or they fail to use ordinary care in disbursing monies to Investors pursuant to the terms of the Parent Trust Agreement.

The Trustees have limited authority, and the Trusts may face increased termination risk.

To comply with the tax law regarding exchanges under Section 1031, the Parent Trust structure prevents its Trustees from engaging in numerous actions, including: (1) disposing of the Properties and acquiring new real estate or reinvesting any monies of the Trust, except as permitted under the Parent Trust Agreement; (2) renegotiating the terms of the Loan or taking advantage of favorable market conditions, by entering into new financing, or entering into new leases except in the event of a tenant’s bankruptcy or insolvency; (3) making other than minor non-structural modifications to the Properties other than as required by law; (4) after the formation and capitalization of the Parent Trust, accepting any additional capital contributions from any Investor, or any contributions from any prospective new investor; and (5) taking any other action that would, in the opinion of tax counsel, cause the Parent Trust to be treated as a “business entity” for federal income tax purposes. The Operating Trust Agreement contains similar restrictions.

Accordingly, in order to be able to take the actions necessary to avoid a default under the Loan and loss of the Properties or a portion of the Properties, each of the Trusts may be converted into a Springing LLC or the at-risk Properties may be contributed to a Restructure LLC, as the case may be, in which case it will be governed by the terms of the Springing LLC Operating Agreement attached to the applicable Trust Agreement (each, a “**Springing LLC Operating Agreement**”). Although the applicable Properties will remain subject to the Loan and the Master Lease

after such Transfer Distribution (unless otherwise terminated or renegotiated), and the ownership interest of each Investor in the Springing LLC or Restructure LLC (from the applicable Trust) will be identical to such Investor's Interest in such Trust (subject to the impact of additional capital requirements in the Springing LLC or Restructure LLC), as a result of such Transfer Distribution the Investor will at such time no longer be considered to own, for federal income tax purposes, a direct ownership interest in the applicable Properties. Because the Springing LLC or Restructure LLC will be treated as a partnership for tax purposes, it may not be possible for the individual Investors to do a tax-free exchange when the applicable Properties are ultimately sold.

Investors will not have legal title to the Properties.

Investors will not have legal title to the Properties. The Investors will not have the right to seek an in-kind distribution of the Properties or divide or partition the Properties. The Investors will not have the right to sell the Properties.

The Trustees will receive compensation, regardless of whether Investors have received distributions.

The Trustees (including the Operating Trust Signatory Trustee in its capacity as the Asset Manager) are entitled to receive significant fees and other compensation and payments regardless of whether the Trusts are profitable. Those fees will be paid prior to any distributions to the Investors.

Risks Related to the Properties

There are inherent risks with real estate investments.

The investments by the Investors in the Parent Trust will be subject to the risks generally incident to the ownership of real property. Real property investments are subject to varying degrees of risk and are relatively illiquid. Several factors may adversely affect the economic performance and value of the Properties. These factors include:

- changes in the national, regional and local economic climate;
- local conditions such as an oversupply of similar properties or a reduction in demand for the Properties;
- the attractiveness of the Properties to potential Tenants;
- the fluctuations in occupancy rates associated with self-storage properties;
- the ability to collect rent from the Tenants;
- changes in availability and costs of financing, which may affect the sale of the Properties;
- eminent domain or condemnation actions against the Properties;
- covenants, conditions, restrictions and easements relating to the Properties;
- governmental regulations, including financing, environmental usage and tax laws, regulations and insurance;
- the ability of the Master Tenant to pay for adequate maintenance, insurance and other operating costs, including real estate taxes, which could increase over time; and
- acts of nature, such as hurricanes, earthquakes, tornadoes and floods that may damage the Properties and acts of nature such as a drought that could affect the value of real estate in the affected area including the Properties.

Any negative change in the factors listed above could adversely affect the financial condition and operating results of the Properties and, in turn, the Parent Trust. The profitability of an investment in the Parent Trust will depend on factors such as these.

The Trusts' operations will be subject to significant occupancy rate fluctuations and other risks which are inherent in the self-storage industry.

As of March 6, 2019, the average physical occupancy rate for the Properties (including the square footage of the storage units and the Retail Units but not the rentable parking spaces, which are not included in the total rentable square footage), based on the rentable square footage of the Properties, was approximately 80%. Certain of the Properties have an average physical occupancy rate well below the average stated above, including specifically the 4705 Winchester Property, which had a physical occupancy rate of 53.0% as of March 6, 2019. All of the Rental Agreements are on a month-to-month basis. If a significant number of the current Tenants do not renew or extend their Rental Agreements or replacement tenants are not found, the operating results of the Properties could be substantially and adversely affected by the loss of revenue. In the event the cash flow for the Properties is impacted, the Master Tenant and the Trusts may not be able to pay expenses related to the Properties.

Volatile economic conditions may adversely affect the Trusts' income.

U.S. and international financial markets have been volatile, particularly over the last 10 years. The effects of this volatility may persist particularly as financial institutions respond to new, or enhanced, regulatory requirements and other national and international events affecting financial markets, all of which could impact the availability of credit and overall economic activity as a whole. Further, the fluctuation in market conditions makes judging the future performance of real estate assets difficult.

The financial performance of the Properties is dependent upon the Tenants.

The financial performance of the Properties, and in turn the ability of the Master Tenant to meet its obligations under the Master Lease, will depend on the performance of the Tenants and their payment of rent under their respective Rental Agreements. If a large number of Tenants default or become unable to make rental payments when due, decide not to renew their Rental Agreements or decide to terminate their Rental Agreements, this could result in a significant reduction in rental revenues, which could require the Trusts or the Springing LLCs to contribute additional capital or obtain alternative financing to meet obligations under the Loan.

The ability of the Master Tenant, the Asset Manager or the Springing LLCs to retain current Tenants, and the ability of the Master Tenant, the Asset Manager or the Springing LLCs to attract new Tenants, if necessary, and for the Master Tenant, the Asset Manager or the Springing LLCs to increase rental rates as necessary, will depend on factors both within and beyond the control of the Master Tenant, the Asset Manager, and the Springing LLCs. These factors include changing local demographic trends and traffic patterns, market conditions, neighborhood property values, local economic and social conditions, supply and demand for properties similar to the Properties, competition from similar properties, interest rates and real estate tax rates and assessments, governmental rules, regulations and fiscal policies, zoning restrictions and other easements, covenants and restrictions that affect title to the Properties, and the financial viability of the Tenants. The loss of Tenants and the inability to maintain favorable rental rates with respect to a Property would adversely affect the viability of the Operating Trust and the value of such Property. Although insurance has been obtained with respect to the Properties to cover casualty losses and general liability and business interruption, no other insurance will be available to cover losses from ongoing operations. See "*Financing Terms – Insurance, Casualty and Condemnation.*" The occurrence of a casualty resulting in damage to a Property could decrease or interrupt the payment of Tenants' rent at such Property. In the event of an adverse effect on the income of the Trusts, the Trusts are not permitted to obtain additional funds through additional borrowings or additional capital, and could be required to effect a Transfer Distribution. If, after a Transfer Distribution, additional funds are not available from any source, the Springing LLC (or Restructure LLC, as the case may be) would be forced to dispose of all or a portion of the Properties on terms that may not be favorable to the Investors. A Transfer Distribution may have adverse tax consequences for the Investors. See "*Federal Income Tax Consequences.*"

The ages of the Properties may make it more difficult to sell the Properties in the future.

The Properties were originally constructed between 1966 (the Highway 75 Property) and 2001 (the Wesley Property), making the Properties between 18 and 53 years old. The age of the Properties may result in unanticipated repairs and replacements. Although the Trust Reserve Account is expected to fund unanticipated costs throughout the life of the investments, in the event that the funds in the Trust Reserve Account are not sufficient, the Parent Signatory Trustee may withhold distributions from the Parent Trust to the Investors, thereby reducing projected returns. See

“*Summary of the Offering – Trust Reserve Account.*” Additionally, the age of the Properties may make it more difficult to sell the Properties.

There is significant competition among self-storage owners and operators and from other storage alternatives.

Each of the Properties competes with other owners and operators of self-storage properties in its market. The number of competing self-storage properties in the market could have a material effect on occupancy levels, rental rates and on the operating expenses of each of the Properties. It is possible that Tenants from a Property will move to existing or new self-storage facilities in the surrounding area, which could adversely affect the financial performance of such Property. The continued development of new self-storage properties has intensified the competition among storage operators in many markets. If competitors build new facilities that compete with a Property or offer space at rental rates below the rental rates charged at a Property, such Property may lose potential customers and the Master Tenant may be pressured to discount rental rates to retain customers.

Certain aspects of the Properties are not currently in conformance with zoning requirements.

The Zoning Report for the Shelby Property provides that the use of outdoor storage and rentable parking spaces is not a permitted use. The Property Manager is responsible for working to bring the Shelby Property into compliance and to deliver an updated zoning report, identifying all use as conforming, to the Operating Trust. The Property Manager has 45 days from the acquisition closing date, which period may be extended, to complete this work. However, until the Operating Trust has received an updated zoning report, any use of outdoor storage space and rental parking spaces at the Shelby Property could be considered an illegal use of such Property.

In addition, the Zoning Reports for the 18690 Highway Property and the 22075 Highway Property provide that the respective Properties have not received land use entitlements and are currently legal nonconforming uses. Further, the Zoning Report for the Cathedral City Property indicates that the parking is not in compliance with the zoning code. The Operating Trust does not intend to take any action with respect to these matters.

An increase in real estate taxes may affect the operating results of the Properties and the Trusts.

The projected income from the Properties is based on certain assumptions, including an increase in real estate taxes. However, from time to time the real estate taxes may increase further as property values or assessment rates change or for other reasons deemed relevant by the assessors. Real estate taxes may increase even if the value of the affected Property declines. An increase in the assessed valuation of any Property for real estate tax purposes will result in an increase in the related real estate taxes on such Property. In the event that the actual Uncontrollable Costs (which include real estate taxes and similar impositions) for any calendar year for the Properties exceed the Projected Uncontrollable Costs for such year for the Properties, then the Master Tenant will be responsible for payment of such excess amount, but will be entitled to reimbursement of such excess amount by offsetting such amount against Additional Rent and, if necessary, Supplemental Rent, which could adversely affect the financial condition and operating results of the Operating Trust. See “*Summary of the Leases – Master Lease – Rent.*”

The purchase price of the Interests includes fees and other charges.

The Sponsor increased the aggregate purchase price of the Interests above the acquisition price of the Properties to cover selling commissions, loan fees, transfer taxes, legal and accounting expenses and other costs associated with the acquisition and the Offering. See “*Estimated Use of Proceeds.*” These additional costs will cause the cost of your investment in an Interest to exceed the *pro rata* share of the market value of the Properties. In order to make a profit on a sale of the Properties or any Interest, the Investors will need to receive sufficient proceeds to recover the added acquisition costs included in the original purchase price, as well as: (1) the costs associated with their own attorneys and tax advisors; and (2) any costs related to the disposition of the Properties or Interest.

The Reserve Accounts may not be sufficient to cover costs of the Properties and the Master Tenant may not be able to cover any excess costs.

Pursuant to the Master Lease, the Operating Trust has established the Trust Reserve Account to make funds available for Capital Expenditures and unanticipated costs in relation to the Properties. The Operating Trust has made an initial contribution to the Trust Reserve Account from the proceeds of the Loan, in the amount of \$6,630,840. An

annual reserve contribution to the Trust Reserve Account will be withheld from Supplemental Rent, to the extent available, by the Master Tenant up to a maximum annual amount of \$510,660 for 2019, determined on an annualized basis. At the end of any calendar year, if the balance in the Trust Reserve Account is less than the Reserve Minimum Balance of \$75,000, the Operating Trust will be required to make a contribution to the Trust Reserve Account so that the Trust Reserve Account contains at least an amount equal to the Reserve Minimum Balance (and if such contribution is not made, the Master Tenant may withhold Additional Rent and Supplemental Rent until the Trust Reserve Account contains at least an amount equal to the Reserve Minimum Balance). The Operating Trust has no obligation to fund the Trust Reserve Account at any time the account contains more than the Reserve Maximum of \$5,500,000. If funds in the Trust Reserve Account exceed the Reserve Maximum, the Operating Trust, in its sole discretion, may withdraw such excess funds. Any interest earned on the Trust Reserve Account will be retained as additional reserves. Any amount remaining in the Trust Reserve Account upon the sale of the Properties will be distributed to the Investors based on their respective pro rata Interests. The Loan Agreement requires various Lender Reserve Accounts to be maintained for the Properties. Specifically, the Lender requires a “Required Repair Account” and a “Replacement Reserve Account.” The Operating Trust was required to deposit \$1,232,581 in the Required Repair Account, to be used for certain specified repairs required to be made to the Properties, and \$142,892 in the Replacement Reserve Account, to be held by the Lender throughout the Loan term.

The Reserve Accounts will fund additional Capital Expenditures and unanticipated costs throughout the life of the investment. In the event that additional reserves are needed, the Asset Manager may withhold distributions from the Operating Trust to the Investors, thereby reducing projected returns. See “*Summary of the Offering – Trust Reserve Account.*” Under the Master Lease, the Master Tenant is responsible for the remainder of the repair costs. Nevertheless, if the Master Tenant fails to make necessary repairs, the Properties could fall into disrepair or if the Master Tenant fails to compensate any workmen, the Properties could become subject to liens that the Operating Trust would be obligated to pay. Any such failure by the Master Tenant may require a Transfer Distribution to occur. If after a Transfer Distribution, additional funds are not available from any source, the Springing LLC would be forced to dispose of such Properties on terms that may not be favorable to the Investors or, in the case of the Loan, the Lender may foreclose on the applicable Properties and the Investors could lose their entire investment. In addition, a Transfer Distribution may have adverse tax consequences for the Beneficial Owners. See “*Federal Income Tax Consequences.*”

The Investors have limited recourse under the Investor Questionnaire & Purchase Agreement.

The Operating Trust has acquired and leased the Properties in “as is” condition on a “where is” basis and “with all faults,” subject to certain representations and warranties, but without any warranties of merchantability or fitness for a particular use or purpose. In addition, the Investor Questionnaire & Purchase Agreement contains only limited warranties, representations and indemnifications that will only survive for a limited period after the closing. See “*Summary of the Investor Questionnaire & Purchase Agreement.*” A copy of the Investor Questionnaire & Purchase Agreement is included as Exhibit A to this Memorandum.

Compliance with various laws could affect the operation of the Properties.

Various federal, state and local regulations, such as fire and safety requirements, environmental regulations, the Americans with Disabilities Act of 1990, non-discrimination and equal housing laws, land use restrictions and taxes affect the Properties. If any Property does not comply with these requirements, the Trusts may incur governmental fines or private damage awards. New, or amendments to existing, laws, rules, regulations or ordinances could require significant unanticipated expenditures or impose restrictions on the development, construction or sale of a Property. These laws, rules, regulations or ordinances may adversely affect the ability of the Trusts to operate or sell such Property.

A cybersecurity incident and other technology disruptions could negatively impact the Trusts’ business and the Master Tenant’s relationships with the Tenants.

The Trusts and the Master Tenant use computers in substantially all aspects of their business operations. The Property Manager also may use mobile devices, social networking and other online activities to connect with the Tenants. Such uses give rise to cybersecurity risks, including security breach, espionage, system disruption, theft and inadvertent release of information. The businesses of the Trusts, the Master Tenant and the Property Manager involve the storage and transmission of numerous classes of sensitive and/or confidential information and intellectual property, including Tenants’ personal information. If the Trusts, the Master Tenant or the Property Manager fails 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 Trusts and the Master Tenant, or the technology systems of third-parties on which the Trusts and the Master Tenant rely (including those of the Property Manager), could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of Tenants, potential liability and competitive disadvantage, any of which could result in a material adverse effect on the Trusts' financial condition or results of operations.

Uninsured losses may adversely affect returns.

Under the Master Lease, the Master Tenant is required to maintain all risk builder's insurance during any periods of alterations, comprehensive general liability, and such other types of insurance as set forth in the Master Lease, as well as any other insurance required by the Loan Documents or the Trusts. See "*Summary of the Leases – Master Lease – Insurance*" and "*Financing Terms– Insurance, Casualty and Condemnation.*" However, particular risks that are currently insurable may not continue to be insurable on an economical basis, or current levels of coverage may not continue to be available. Subject to certain carve-outs as set forth in the Master Lease, the Master Tenant is required to restore a Property in the event of a casualty regardless of whether insurance proceeds are sufficient for such purposes. Similarly, in the event of a taking of less than an entire Property and the Master Lease is not terminated as to such Property in accordance with the terms thereof, the Master Tenant is required to restore such Property, and will have the right to utilize any condemnation award received, subject to the terms of the Loan, in an amount equal to the cost of the restoration. However, in the event the cost of the restoration exceeds any award, the Master Tenant is required to pay for any deficiency. There is no guarantee that the Master Tenant will have sufficient funds to restore such Property in the event insurance proceeds or any condemnation awards are insufficient. In the event the cost of restoration exceeds the amount of any insurance proceeds or condemnation awards received, the Trusts may be required to fund such excess costs. In the event the Master Lease is terminated as a result of a condemnation, there can be no assurance any condemnation award received will be equal to the value of the real estate taken. The Master Tenant's failure or refusal to rebuild such Property after a casualty or condemnation may result in a default by the Operating Trust under the Loan Documents, which may permit the Lender to exercise its remedies under the Loan Documents.

The locations of some of the Properties present certain risks, which could result in damage to such Properties.

The Assessments indicate that, according to the Seismic Zone Map of the United States, each of the California Properties is located in Zone 4, defined as an area of high probability of damaging ground motion, and each of the Tennessee Properties is located in Zone 3, defined as an area of moderate to high probability of damaging ground motion. The Assessments also indicate that, according to FEMA's Map of Wind Zones in the United States, each of the California Properties is located in a Special Wind Region and each of the Tennessee Properties is located in Wind Zone IV, which has a designated wind speed (3 second gust) of up to 250 mph. Additionally, the Assessments indicate that, according to the Flood Insurance Rate Map maintained by FEMA, the Autry Property, the Cathedral City Property and the Radio Property are each located in flood zone X500L, which is defined as an area protected from the 1% annual chance flood by levees.

The Operating Trust will maintain levels of insurance as are necessary to insure against such risks. However, these risks may not continue to be insurable on an economical basis, or current levels of coverage may not continue to be available, which could result in unexpected costs to the Operating Trust. See "*The Properties*" for additional information related to the flood zones, seismic zones and wind zones of the Properties.

The Trusts will not guarantee the condition of, or title to, the Properties.

The Trusts will not make any warranties or representations to the Investors regarding the condition of the Properties. A prospective Investor is investing in the Properties in "as is" condition, on a "where is" basis and "with all faults," without any warranties of merchantability or fitness for a particular use or purpose.

In addition, each of the Properties is subject to various matters affecting title, including, but not limited to, zoning ordinances, building codes and matters set forth on the pro forma owner's title insurance policy and survey, which policy and survey are available in the Digital Investor Kit. These matters may include, for example, easements, restrictions and other limitations on the right of the Trusts to construct, develop and use the Properties. See "*The*

Properties – Agreements Affecting the Properties” for additional discussion. In addition, other issues that are not disclosed by the policies or the survey may affect title. In connection with the acquisition of the Properties, the Operating Trust has obtained title insurance; however, the title is insured only in an amount equal to the purchase price of the Properties and not the full amount of the total acquisition cost (\$120,412,700). 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 Operating Trust against all title issues affecting such Property, that the title company will pay any claim, that the title insurance is sufficient to cover any damages, or that the Operating Trust will not incur costs in making a title insurance claim.

A portion of the Shelby Property is subject to ongoing condemnation proceedings.

In 2014, the State of Tennessee instituted proceedings to condemn a portion of the Shelby Property for use in the improvement of an adjacent right-of-way, Poplar Avenue (the “**Project**”). The impacted portion of the Shelby Property constitutes approximately 10,716 square feet of land area. The improvements within such area are limited to asphalt, curbing, fencing, a flag pole, signage, landscaping and lighting. The Project has continually been placed on hold by the State of Tennessee and has not yet commenced. Such condemnation proceedings have an uncertain time frame which may or may not be resolved during the Operating Trust’s ownership of the Shelby Property. The Trusts do not expect the taking to have a significant economic impact on the Shelby Property, nor do they expect it to have an adverse impact on the income tax status of the Trusts.

The existence of any environmental issues with the Properties may adversely affect the Trusts.

Federal, state and local laws may impose liability on a landowner for releases of or the presence on the premises of hazardous substances (which by definition does not include petroleum), without regard to fault or knowledge of the presence of such substances. A landowner may be held liable for the presence of hazardous substances that occurred before it acquired title and/or that occur during ownership of, even if the conditions are not discovered until after it sells a property. If hazardous substances are found at any time on a Property, the Operating Trust may be found to be responsible for all or a portion of cleanup costs, fines, penalties and other costs regardless of whether the Operating Trust owned the Property when the releases occurred or the hazardous substances were discovered. Under the Federal Comprehensive Environmental Response, Compensation, and Liability Act (“**CERCLA**”) (which does not apply to petroleum contamination), as well as other federal and state environmental laws, a purchaser of property may qualify for affirmative defenses to, and exemptions from liability; one of the factors often critical to the defense is obtaining, within 180 days before acquiring the property, a Phase I Environmental Site Assessment (a “**Phase I**”) that qualifies as “All Appropriate Inquiry.”

A current Phase I has been obtained for each of the Properties, in compliance with the standards of ASTM Practice E1527-13, which the United States Environmental Protection Agency (“**USEPA**”) and many states have recognized as adequate to demonstrate compliance with “All Appropriate Inquiry.” The objective of the Phase Is was to identify any Recognized Environmental Conditions (“**RECs**”), Historical RECs (“**HRECs**”), Controlled RECs (“**CRECs**”) and/or any other *de minimis* conditions (“**de minimis conditions**”) in connection with the Properties. A REC is defined by ASTM E1527-13 as “the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property due to release to the environment, under conditions indicative of a release to the environment, or under conditions that pose a material threat of a future release to the environment.” A Historical REC is defined by ASTM E1527-13 as “a past release of any hazardous substances or petroleum products that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls.” A Controlled REC is defined by ASTM E1527-13 as “a past release of any hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority (for example as evidenced by issuance of a no further action letter or equivalent) with hazardous substances or petroleum allowed to remain in place subject to implementation of required controls.” *De minimis* conditions are not RECs. *De minimis* conditions generally do not present a threat to human health and the environment and generally are not subject to enforcement action if brought to the attention of governmental agencies. Each Phase I was timely conducted no more than 180 days prior to the date on which the Operating Trust acquired the respective Property, and performed by BBG Assessment (“**BBG**”) as follows:

- (1) a Phase I for the 18690 Highway Property, dated as of January 25, 2019;
- (2) a Phase I for the 22075 Highway Property, dated as of January 25, 2019;

- (3) a Phase I for the 4705 Winchester Property, dated as of January 18, 2019;
- (4) a Phase I for the 6390 Winchester Property, dated as of January 25, 2019;
- (5) a Phase I for the American Property, dated as of January 25, 2019;
- (6) a Phase I for the Austin Property, dated as of January 18, 2019;
- (7) a Phase I for the Autry Property, dated as of January 25, 2019;
- (8) a Phase I for the Cathedral City Property, dated as of January 25, 2019;
- (9) a Phase I for the Germantown Property, dated as of January 25, 2019;
- (10) a Phase I for the Getwell Property, dated as of January 25, 2019;
- (11) a Phase I for the Highway 75 Property, dated as of January 25, 2019;
- (12) a Phase I for the Interstate Property, dated as of January 25, 2019;
- (13) a Phase I for the Lake Property, dated as of January 25, 2019;
- (14) a Phase I for the Macon Property, dated as of January 24, 2019;
- (15) a Phase I for the Moriarty Property, dated as of January 25, 2019;
- (16) a Phase I for the Poplar Property, dated as of January 25, 2019;
- (17) a Phase I for the Radio Property, dated as of January 25, 2019;
- (18) a Phase I for the Shelby Property, dated as of January 24, 2019;
- (19) a Phase I for the Thousand Palms Property, dated as of January 24, 2019;
- (20) a Phase I for the Wesley Property, dated as of January 25, 2019; and
- (21) a Phase I for the Wisconsin Property, dated as of January 25, 2019;

A Phase I does not involve any invasive testing. A Phase I is limited to a physical walk through or inspection of the property and a review of the related governmental records. Consequently, there are no assurances that any actual environmental problems with or conditions on the Properties would be exposed by a Phase I.

In the event that environmental contamination consisting of hazardous substances or petroleum existed with respect to a Property when the Operating Trust acquired the Property, but which were not disclosed in the Phase I for the Property, and the contamination is subsequently discovered on the Property, the Operating Trust may be able to avail itself of the defenses to, and the exemptions from, liability that are available under CERCLA and other federal and state laws, since the Operating Trust acquired the Property within 180 days of the effective date of the Phase I and otherwise satisfied the conditions of All Appropriate Inquiry.

It is possible that an environmental claim may be raised in such a manner that the claim could become enforceable against the Operating Trust. The existence of any environmental issues with the Properties may make it more difficult and more expensive, and perhaps impossible, to sell the Properties. If losses arise from environmental matters, the financial viability of the environmentally impacted Property may be substantially affected. In an extreme case, the impacted Property may be rendered worthless, or the Operating Trust may be obligated to pay cleanup and other costs in excess of the value of the impacted Property.

California Properties

18690 Highway Property. The Phase I for the 18690 Highway Property did not identify any evidence of RECs, HRECs, or CRECs; however, it identified a de minimis condition associated with minor petroleum staining from automobile parking in parking areas. The Phase I did not recommend any further investigation.

22075 Highway Property. The Phase I for the 22075 Highway Property did not identify any evidence of RECs, HRECs, or CRECs; however, it identified a de minimis condition associated with minor petroleum staining from automobile parking in parking areas. The Phase I did not recommend any further investigation.

Autry Property. The Phase I for the Autry Property did not identify any evidence of RECs, HRECs, CRECs, or de minimis conditions. The Phase I did not recommend any further investigation.

Cathedral City Property. The Phase I for the Cathedral City Property did not identify any evidence of RECs, HRECs, CRECs, or de minimis conditions. The Phase I did not recommend any further investigation.

Radio Property. The Phase I for the Radio Property did not identify any evidence of RECs, HRECs, CRECs, or de minimis conditions. The Phase I did not recommend any further investigation.

Thousand Palms Property. The Phase I for the Thousand Palms Property did not identify any evidence of RECs, HRECs, CRECs, or de minimis conditions. The Phase I did not recommend any further investigation.

Tennessee Properties

4705 Winchester Property. The Phase I for the 4705 Winchester Property did not identify any evidence of RECs, HRECs, CRECs, or de minimis conditions. The Phase I did not recommend any further investigation.

6390 Winchester Property. The Phase I for the 6390 Winchester Property did not identify any evidence of RECs, HRECs, CRECs, or de minimis conditions. The Phase I did not recommend any further investigation.

American Property. The Phase I for the American Property did not identify any evidence of RECs, HRECs, CRECs, or de minimis conditions. The Phase I did not recommend any further investigation.

Austin Property. The Phase I for the Austin Property did not identify any evidence of RECs, HRECs, CRECs, or de minimis conditions. The Phase I did not recommend any further investigation.

Germantown Property. The Phase I for the Germantown Property did not identify any evidence of RECs, HRECs, CRECs, or de minimis conditions. The Phase I did not recommend any further investigation.

Getwell Property. The Phase I for the Getwell Property did not identify any evidence of RECs, HRECs, CRECs, or de minimis conditions. The Phase I did not recommend any further investigation.

Macon Property. The Phase I for the Macon Property did not identify any evidence of RECs, HRECs, CRECs, or de minimis conditions. The Phase I did not recommend any further investigation.

Moriarty Property. The Phase I for the Moriarty Property did not identify any evidence of RECs, HRECs, CRECs, or de minimis conditions. The Phase I did not recommend any further investigation.

Poplar Property. The Phase I for the Poplar Property did not identify any evidence of RECs, HRECs, CRECs, or de minimis conditions. The Phase I did not recommend any further investigation.

Shelby Property. The Phase I for the Shelby Property did not identify any evidence of RECs, HRECs, CRECs, or de minimis conditions. The Phase I did not recommend any further investigation.

Texas Properties

Highway 75 Property. The Phase I for the Highway 75 Property did not identify any evidence of RECs, HRECs, or CRECs; however, it identified a de minimis condition associated with minor petroleum staining from automobile parking in parking areas. The Phase I did not recommend any further investigation.

Interstate Property. The Phase I for the Interstate Property did not identify any evidence of RECs, HRECs, or CRECs; it identified a de minimis condition associated with minor petroleum staining from automobile parking in parking areas. The Phase I did not recommend any further investigation.

Lake Property. The Phase I for the Lake Property did not identify any evidence of RECs, HRECs, or CRECs; however, it identified a de minimis condition associated with minor petroleum staining from automobile parking in parking areas. BBG noted that there is an oil well/pump jack located on the Lake Property and recommended that at the end of its useful life the well be closed in accordance with the Texas Railroad Commission requirements. See “*The Properties – Agreements Affecting the Properties – Texas Properties – Lake Property*” for discussion regarding the Lake Property Oil and Gas Leases. The Phase I did not recommend any further investigation.

Wesley Property. The Phase I for the Wesley Property did not identify any evidence of RECs, HRECs, CRECs; it identified a de minimis condition associated with minor petroleum staining from automobile parking in parking areas. The Phase I did not recommend any further investigation.

Wisconsin Property. The Phase I for the Wisconsin Property did not identify any evidence of RECs, HRECs, CRECs, or de minimis conditions. The Phase I did not recommend any further investigation.

The Properties may contain or develop harmful mold, which could lead to liability for adverse health effects and costs of remediating the problem.

The presence of mold at a Property could require the Operating Trust to undertake costly programs to remediate, contain or remove the mold. Mold growth may occur when moisture accumulates in buildings or on building materials. Some molds may produce airborne toxins or irritants. Concern about indoor exposure to mold has been increasing because exposure to mold may cause a variety of adverse health effects and symptoms, including allergic or other reactions. The presence of mold at a Property could expose the Operating Trust to liability to the Tenants and others if property damage or health concerns arise. Although mold is beyond the required scope of a Phase I, the Phase Is for the Properties considered mold as part of a non-scope consideration and did not reveal any readily identifiable mold growth or conditions that would be conducive to mold growth at the Properties. However, the mold evaluations were based on observation only. No sampling or assessment of inaccessible areas was performed.

Terrorist attacks and other acts of violence or war may affect the Trusts' operations and profitability.

Any terrorist attack, other act of violence or war, including armed conflicts, could result in increased volatility in, or damage to, the United States and worldwide financial markets and economy. Increased economic volatility could adversely affect the Tenants' ability to pay their rents, which could affect the ability of the Properties to generate operating income and, therefore, the Trusts' ability to pay distributions.

Risks Related to the Financing

The Loan will reduce the funds available for distribution and increase the risk of loss.

The Operating Trust owns the Properties subject to the Loan. If there is a shortfall between the cash flow from the Properties and the cash flow needed to service the Loan, then the amount of cash flow from operations available for distributions will be reduced. In addition, mortgage debt increases the risk of loss since any defaults under the Loan may result in the Lender initiating a foreclosure action. If this were to occur, Investors would be likely to lose part of their investment equivalent to the Properties foreclosed on and may lose their entire investment in the Parent Trust.

Further, because the Loan is cross-collateralized, there is an increased risk of loss. An event of default under the Loan may result in the Lender initiating a foreclosure action against all of the Properties. In such a case, a default under the Loan could result in the loss of all of the Properties, and the Investors would lose their entire investment in the Parent Trust.

If the Operating Trust is unable to sell or otherwise dispose of the Properties before the maturity date of the Loan, it may be unable to repay the Loan and may have to cause a Transfer Distribution.

The ability of the Operating Trust to repay the Loan will depend in part upon the sale or other disposition of the Properties. There can be no assurance that a sale can be accomplished at a time or on terms and conditions that will permit the Operating Trust to repay the outstanding principal amount of the Loan. Financial market conditions in the future may affect the availability and cost of real estate loans, making real estate financing difficult or costly to obtain for potential buyers of the Properties. Further, because the Loan encumbers all of the Properties, the Operating Trust will need to sell all of the Properties in order to repay the Loan, unless it has obtained the prior release of one or more Properties. Selling all of the Properties simultaneously might be difficult and, if the Operating Trust is unable to coordinate the sales, the Operating Trust might default under the Loan or incur penalties such as the prepayment fee, as described below.

If any of the Properties cannot be sold by the maturity date of the Loan, then the Operating Trust Signatory Trustee would likely determine that the Operating Trust is in danger of losing such Properties due to a payment default under the Loan and would cause a Transfer Distribution to the Springing LLC. The Springing LLC structure would allow the Operating Trust Signatory Trustee, which would then become the sole manager of the Springing LLC, to take actions that the Operating Trust Signatory Trustee in the DST structure could not, such as refinancing the Loan. However, no assurances can be made that the terms of any new loan will be competitive with or better than the terms

of the Loan. Similarly, no assurances can be made that a sale of the Properties would not result in a loss for the Trusts. In addition, a Transfer Distribution may have adverse tax consequences for the Investors. See “*Federal Income Tax Consequences.*”

The prepayment provisions of the Loan Agreement may negatively affect the Trusts’ exit strategy.

One of the Trusts’ principal objectives is to complete a sale of the Properties prior to the maturity date of the Loan. However, depending on when the Operating Trust sells the Properties and repays the Loan, it may be subject to a prepayment penalty. Specifically, the Operating Trust will not have the right to prepay the Loan prior to the Lockout Date, which is the 24th monthly payment date (April 6, 2021). After the Lockout Date, the Operating Trust has the right to prepay the Loan in whole or in part, provided that if any such prepayment occurs prior to December 6, 2026, the prepayment will be subject to a prepayment penalty equal to the “Yield Maintenance Premium,” based on the corresponding Treasury yield plus 0.50%, as described in greater detail herein. See “*Financing Terms – Basic Terms of the Loan.*” Therefore, in the event that the Operating Trust sells the Properties on any date prior to the payment date that is three months prior to the maturity date, the proceeds from a sale will be reduced by the prepayment penalty under the Loan Documents and the Trusts’ desire to avoid a prepayment penalty may impact the timing of a sale of the Properties.

Cash Management Trigger Events may have a material adverse effect on the Trusts, and on the Investors.

Upon the occurrence of a “Cash Management Trigger Event,” the Lender will require the operating income generated by the Properties to be deposited directly into a separate account, which will be controlled by the Lender. The Loan Documents will provide certain cure provisions for each Cash Management Trigger Event. Following a cure, any funds held in the separate account will be returned to the Operating Trust. As used herein, “Cash Management Trigger Events” are defined as the occurrence of any of the following: (1) the occurrence and continuance of an “event of default” under the Loan Documents, as described in additional detail below; and (2) the last day of any two or more consecutive calendar quarters for which the “Debt Service Coverage Ratio” (as defined in the Loan Agreement) for the Properties is less than 1.20 to 1.00. In the case of certain Cash Management Trigger Events, the events causing the cash flow sweep or the actions required to cure the same may not be within the control of the Trusts. Further, in the event of a Cash Management Trigger Event, although the Investors will not receive any cash distributions from the Properties, they will still be obligated to pay income tax on the income generated by such Properties.

The Loan Documents contain various restrictions on transfer.

The Loan Documents contain various restrictions on the transfer of Interests. Specifically, a transfer of Interests is permitted, without the Lender’s consent, so long as, among other standard conditions: (1) following such transfer, no single transferee owns more than 49% of the direct or indirect interests in the Operating Trust; provided, that to the extent a transferee owns 20% or more (or 10% or more if the transfer occurs prior to the securitization of the Loan) of the direct or indirect interests in the Operating Trust immediately following such transfer, the Operating Trust must deliver to the Lender, prior to such transfer, notice of such transfer and customary searches (as described in the Loan Agreement), as reasonably acceptable to the Lender; (2) each transferee is an “accredited investor;” (3) each transfer complies with all applicable legal requirements, including applicable securities laws and regulations; (4) no “Change of Control” (as defined in the Loan Documents) in the Operating Trust results from any such transfer; and (5) the Operating Trust continues to comply with the representation set forth in the Loan Agreement, stating that it is not an “investment company” or company “controlled” by an “investment company,” within the meaning of the Investment Company Act (as defined herein), among other things. A violation of the restrictions on transfer will constitute an event of default under the Loan Documents, and the Lender may, at its option, exercise any of the rights and remedies available to it pursuant to the Loan Documents, including declaring the entire indebtedness immediately due and payable. If the Lender were to declare the Loan due, the Investors could lose their entire investment in the Parent Trust.

The Loan Documents contain various restrictive covenants, and if the Operating Trust fails to satisfy or violates these covenants, the Lender may declare the Loan in default.

The Loan Documents contain customary covenants, representations and warranties. If the Operating Trust fails to satisfy or violates the covenants and agreements in the Loan Documents, then the Lender may declare the Loan in default. If the Operating Trust fails to cure a default within the time periods set forth in the Loan Documents, the

Lender will have several remedies available, including foreclosing on the Properties or declaring all amounts due and payable. If the Lender were to foreclose on the Properties or to declare the Loan due, the Investors could lose their entire investment in the Properties. See “*Financing Terms – Covenants, Representations and Warranties.*”

In certain events, the Lender may require that the insurance or condemnation proceeds be used to repay the Loan rather than repair or restore the Properties.

The Loan Agreement requires the Operating Trust to maintain (or cause the Master Tenant to maintain) specific types and amounts of insurance with respect to the Properties. Under the Loan Documents, in the event of a condemnation or casualty of a Property, the Lender will allow the insurance or condemnation proceeds to be used by the Operating Trust to repair and restore such Property only under certain specified circumstances and subject to certain conditions. If these circumstances and conditions are not satisfied, the Lender may require that the insurance or condemnation proceeds be used to repay the Loan. Consequently, the Investors could lose all or substantially all of their investment in such Property.

A failure to comply with reporting obligations of the Loan Documents may result in a default.

The Loan Documents contain several covenants requiring the Operating Trust to prepare various financial and operating reports and statements. These reports and statements will be prepared by the Asset Manager or the Property Manager. If the Asset Manager or the Property Manager fails to prepare these reports or statements, that failure will result in a default under the Loan Documents, which may ultimately result in a foreclosure under the Loan.

Risks Related to the Master Lease and the Management of the Properties

The Master Tenant has limited capital.

The capitalization of the Master Tenant consists solely of the Demand Note in favor of the Master Tenant from IPC, and IPC is under no obligation to contribute capital to the Master Tenant other than the amount of the Demand Note. If the Master Tenant needs funds to pay the Rent under the Master Lease or satisfy its other obligations under the Master Lease, it will need to call upon IPC to contribute the amount of the Demand Note. However, no assurance can be given that the amount of the Demand Note will be sufficient to enable the Master Tenant to pay Rent or to fund its obligations under the Master Lease, or that IPC will be able to fund the Demand Note if called upon by the Master Tenant to do so. If the Master Tenant is unable to pay Rent or satisfy its obligations under the Master Lease, the Master Tenant would be in default under the Master Lease and the Operating Trust would likely terminate the Master Lease, subject to terms of the Loan Documents. In such event, the Operating Trust (or the Springing LLC) may not be able to enter into a master lease for the Properties on terms similar to the Master Lease.

IPC may not be able to fund the Demand Note.

IPC has capitalized the Master Tenant with the Demand Note. IPC has additionally capitalized other master tenants in a like manner in connection with other sponsored offerings. IPC has in the past, and anticipates that it will in the future, through affiliates, master lease additional properties in transactions structured similarly to this Offering. Although IPC has met all demand note funding obligations in the past, there can be no assurance that IPC will be able to satisfy the Demand Note to the Master Tenant. In the event the Master Tenant is unable to pay Rent or satisfy its obligations under the Master Lease, the Operating Trust may experience loss of income.

The Operating Trust cannot require the Master Tenant to call on IPC to contribute funds under the Demand Note, nor does the Demand Note include any triggering events mandating such funding.

If the Master Tenant needs funds to pay its Rent under the Master Lease or satisfy its other obligations under the Master Lease, it may need to call upon IPC to contribute the amount of the Demand Note. However, the Master Tenant is an affiliate of IPC and may face certain conflicts of interest in its roles as master tenant and as borrower under the Demand Note, and neither the Master Lease nor the Demand Note was negotiated at arm’s length. See also “*Conflicts of Interest – The Trust does not have arm’s-length arrangements with the Asset Manager, the Property Manager or the Master Tenant*” and “*Conflicts of Interest – The landlord-tenant relationship between the Operating Trust Signatory Trustee and the Master Tenant may lead to a conflict of interest*” for further discussion.

Accordingly, even if the Properties are generating insufficient income, the Master Tenant has no obligation to call upon IPC to contribute the amount of the Demand Note, and the Demand Note does not provide for any triggering events requiring IPC to contribute funds to the Master Tenant. Further, there are no provisions preventing the Master Tenant from canceling the Demand Note. If the Properties are generating insufficient income and the Master Tenant decides not to call upon IPC under the Demand Note or decides to cancel the Demand Note, the Master Tenant could be unable to pay its Rent or satisfy their obligations under the Master Lease, resulting in a default on the Master Lease and the likely termination of the Master Lease.

The Master Tenant is a newly formed entity.

The Master Tenant is a newly formed entity and has no operating history. Although the Properties are managed by the Property Manager, which has experience in managing similar properties, no assurances can be given that the Properties will be operated properly or successfully. In addition, no person or entity will guarantee payment of the Rent or the performance of the obligations of the Master Tenant under the Master Lease. A significant financial problem with any Property could adversely affect the Master Tenant's ability to satisfy its financial obligations under the Master Lease. Under the Master Lease, the Master Tenant is obligated to pay the Rent and the operating expenditures of the Properties (see "*Summary of the Leases – Master Lease – Rent*") regardless of whether such Properties are profitable. If any Property is performing poorly, for whatever reason, the Master Tenant may not be able to pay the Rent. Furthermore, if the Master Tenant is unable to pay the operating expenditures with respect to any Property, such Property may fall into disrepair, or in the event of a failure to pay property or real estate taxes or assessments, may be subject to foreclosure or seizure by the taxing authority. Such inability to act could require the Operating Trust Signatory Trustee to cause a Transfer Distribution to a Springing LLC in order to address these deficiencies. Additionally, such inability to act could result in an event of default under the Loan Documents. See "*Financing Terms – Events of Default*."

Bankruptcy of the Master Tenant would adversely affect the Operating Trust.

If a bankruptcy or similar insolvency proceeding were initiated with respect to the Master Tenant, the Operating Trust would be adversely affected. For example, a bankruptcy trustee appointed for the Master Tenant might attempt to reject one or more Rental Agreements. Further, as a result of the automatic stay provided for under the applicable bankruptcy laws, the Operating Trust might not be able to enforce the Master Tenant's obligations under the Master Lease or reach rental payments being made by Tenants to the Master Tenant, which could negatively impact the Operating Trust's ability to receive rent with respect to the Properties. Any such bankruptcy or similar insolvency proceeding could also result in an event of default under the Loan Documents. See "*Financing Terms – Events of Default*."

There is no assurance that the Base Rent, Additional Rent, or Supplemental Rent will be paid.

There can be no assurance that payments of Base Rent, Additional Rent, or Supplemental Rent will be made as such payments are contingent upon the successful operation of the Properties. See "*Risk Factors – Risks Related to the Properties*."

The Operating Trust relies on the Asset Manager to manage its assets and day-to-day operations.

The Operating Trust has entered into the Asset Management Agreement with the Asset Manager, which manages the Operating Trust's day-to-day operations, including, but not limited to: reviewing all performance and financial information related to the Properties; conducting relations with, and supervising services performed by, lenders, consultants, accountants, brokers, third-party asset managers, attorneys, underwriters, appraisers, insurers, corporate fiduciaries, banks, builders and developers, sellers and buyers of assets, among others; providing loan payment services in connection with the Loan; preparing financial reports for the Lender; managing the Reserve Accounts; providing bookkeeping and accounting services and maintaining the Operating Trust's books and records; administering monthly distributions; communicating with Investors, brokers, dealers, financial advisors and custodians; and undertaking and performing all services or other activities necessary and proper to carry out the Operating Trust's investment objectives, including providing secretarial, clerical and administrative assistance for the Operating Trust. As a result, a prospective Investor should not purchase the Interests unless the prospective Investor is willing to entrust all the aspects of the assets and finances of the Properties to the Asset Manager. If the Asset Manager fails to properly manage the assets or finances or other aspects of the Properties, then an Investor's investment may be adversely impacted, and the Investor may not achieve the expected return, if any, on its Interest.

The Master Tenant relies on the Property Manager, a third party unaffiliated with IPC, to manage the Properties.

Devon currently manages the Properties pursuant to the Property Management Agreement between the Master Tenant and Devon. The Property Management Agreement has a three-year term, ending on March 28, 2022. During the term of the Property Management Agreement, the Property Manager has the exclusive right to manage and operate the Properties. If the Property Manager is not successful in operating and managing the Properties, then an Investor's Interest may be adversely impacted, and the Investor may not achieve the expected return, if any, on its Interest.

IPC, the Asset Manager and the Master Tenant are subject to various conflicts of interest.

IPC, the Asset Manager, the Master Tenant and their affiliates are subject to conflicts of interest between their activities, roles and duties for other entities and the activities, roles and duties they have assumed, or will assume, on behalf of the Trusts. Conflicts exist in allocating management time, services and functions between their current and future activities and the Trusts. None of the management arrangements or agreements between or with such entities is the result of arm's-length negotiations. See "*Conflicts of Interest*" for additional discussion.

The Property Manager is subject to additional conflicts of interest.

The Property Manager, a third party unrelated to IPC, is subject to conflicts of interest among its activities, roles and duties for other entities and the activities, roles and duties it has assumed on behalf of the Operating Trust. Conflicts exist in allocating management time, services and functions between its current and future activities and the Operating Trust.

If the Property Manager or any of its affiliates were to acquire self-storage properties in the vicinity of a Property, then the Property Manager could direct Tenants away from renewing their Rental Agreements and toward leasing self-storage units at such other properties; provided, however, the Property Management Agreement requires the Property Manager to use generally-accepted, reasonable best efforts to keep the storage units and rentable parking spaces leased to Tenants and to procure new or replacement tenants as necessary. See "*Property Management*" for additional discussion.

Actual results may differ from those forecasted in this Memorandum.

The anticipated results of operations set forth in this Memorandum, and in Exhibit D, *Forecasted Statement of Cash Flows*, are based upon current estimates of income and expenses relating to the operation of the Properties. Any return to the Investors on their investment will depend on the ability of the Asset Manager, the Property Manager and the Master Tenant to operate the Properties profitably and ultimately sell the Properties at a profit, which, in turn, will depend upon economic factors and conditions beyond their control. A variety of factors, including, without limitation, any of the following, may cause actual results to differ:

- (1) actual rental income could be below projected rental income;
- (2) actual expenses may exceed projected expenses;
- (3) Capital Expenditures and unanticipated costs may exceed the amount placed in the Reserve Accounts; or
- (4) rent may be collected later than projected, due to failure of the Master Tenant or any Tenants to make such payments when due.

Therefore, the actual results achieved during the life of the ownership of the Properties may vary from those anticipated, and the variation may be material. As a result, the rate of return to Investors may be lower than that projected.

Investors may not recover all or any portion of their investment in a sale of the Properties.

Any proceeds realized from the sale of the Properties will be distributed to the Investors in accordance with their respective Interests, but only after payment of any loan then outstanding on the Properties (and any other loans), expenses of the transaction, including a broker's fee and a disposition fee to the Property Manager and satisfaction of

the claims of other third-party creditors. Since the Asset Manager will have the exclusive right to retain the listing broker, this may prevent the Investors from retaining their own listing broker. The ability of the Investor to recover all or any portion of his, her or its investment through a sale will therefore 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 Investor will receive any proceeds from the sale of the Properties.

Investors will not receive audited financial statements for the Properties.

There will not be any standard audited financial reports available to the Investors with respect to the Properties. Instead, a “cash basis” audit will be performed; see “*Frequently Asked Questions – What kind of audit will be performed on the operations of the Properties?*” for additional discussion regarding the “cash basis” audit. Given the scope of the “cash basis” audit, it may be costly and difficult to verify the accuracy of certain financial reports detailing the operations of the Properties.

Risks Related to the Offering

There is no public market for the Interests.

An Investor will be required to represent that he, she or it is acquiring the Interests for investment purposes and not with a view to distribution or resale, and he, she or it can bear the economic risk of investment in the Properties for an indefinite period of time. The Interests are being offered and sold pursuant to exemptions from the registration provisions of federal and state law. Accordingly, the Interests will be subject to restrictions on transfer. Even if these transfer restrictions expire or are not applicable to a particular Investor, there is no public market for the Interests, and neither IPC nor the Trusts will take any steps to develop a market. Investors should expect to hold their Interests for a significant period of time.

The Interests are not registered with the SEC or any state securities commission.

The Interests have not been, and will not be, registered with the SEC or any state securities commission. The Interests are being offered in reliance upon an exemption from the registration provisions of the Securities Act and state securities laws applicable only to offers and sales to a prospective Investor meeting the suitability requirements set forth herein. Since the Offering is a nonpublic offering and, as such, is not registered under federal or state securities laws, a prospective Investor will not have the benefit of review or comment by the SEC or any state securities commission. 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.

If the Parent Trust fails to comply with the requirements of the exemptions related to the Interests, the Parent Trust could suffer material adverse effects.

The Interests are being offered in reliance upon an exemption from the registration provisions of the Securities Act and state securities laws applicable only to offers and sales to a prospective Investor meeting the suitability requirements set forth herein. If the Parent Trust should fail to comply with the requirements of such exemption, Investors may have the right, if they so desired, to rescind their purchase of an Interest. This might also occur under the applicable state securities laws and regulations in states where an Interest will be offered without registration or qualification pursuant to a private offering or other exemption. If this were the case and a number of Investors were successful in seeking rescission, the Parent Trust would face severe financial demands that would adversely affect the Parent Trust as a whole and, thus, the investment in Interests by the remaining Investors.

An Investment in the Interests is not a diversified investment.

An Investor will acquire the Interests in the Parent Trust, the assets of which consist solely of beneficial interests in the Operating Trust, which owns the Properties, subject to the Master Lease. Thus, an investment in the Interests will not be diversified as to the type of asset or the tenant mix.

Investors may not realize a return on their investment for years, if at all.

An Investor may not realize a return on his, her or its investment and could lose the entire investment. For this reason, a prospective Investor should carefully read this Memorandum and should consult with his, her or its attorney, tax advisor, and business advisor prior to making the investment.

The Parent Trust is not providing the prospective Investor with separate legal, accounting or business advice or representation.

The Trusts, the Signatory Trustees and their respective affiliates are not represented by separate counsel. Further, the Parent Trust's and the Parent Signatory Trustee's counsel and accountants have not been retained, and will not be available, to provide legal counsel, tax advice or accounting advice to a prospective Investor.

The arrangements with ISC were not negotiated at arm's length.

ISC is an affiliate of IREIC. The arrangements with ISC, including fees and expenses payable thereunder, were not negotiated at arm's length.

If all of the Interests are not sold, the Parent Trust Depositor or its affiliate will own the unsold Interests which could result in potential conflicts of interest.

There is no minimum amount of Offering proceeds that must be raised or minimum number of Investors required in connection with this Offering. Accordingly, if the Placement Agent is unable to sell all of the Interests, the Parent Trust Depositor or its affiliate will own any unsold Interests or may transfer unsold Interests to its affiliates. The ownership of the Interests by these entities involves certain risks that potential Investors should consider, including, but not limited to, the fact that there may be conflicts of interest between the objectives of the Investors and that of the Parent Trust Depositor and its affiliates, 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.

ISC signed a Letter of Acceptance, Waiver and Consent with FINRA. Any further action, proceeding or litigation with respect to compliance with the Letter of Acceptance, Waiver and Consent, or with respect to similar allegations by FINRA relating to future conduct, could adversely affect the Placement Agent.

In August 2014, ISC submitted a Letter of Acceptance, Waiver and Consent (the "AWC") to FINRA, the self-regulatory organization that oversees broker dealers, for the purpose of proposing a settlement of certain rule violations alleged by FINRA. Without admitting or denying the findings, ISC consented to an entry of findings of certain violations of FINRA Rules, including those related to its due diligence obligations in connection with its activities as placement agent to two private placement offerings. FINRA accepted the AWC on August 27, 2014. In connection with the AWC, ISC consented to a fine of \$40,000, and agreed to (1) retain an independent consultant to review its written supervisory procedures, and (2) revise its written supervisory procedures as recommended by the independent consultant. ISC has fully complied with the terms and conditions of the AWC. Although ISC has never before been the subject of any FINRA action and although no complaints have been received regarding the two private placement programs, to the extent any action would be taken against ISC in connection with its compliance with the AWC, or if future violations of FINRA rules are alleged, ISC could be adversely affected.

Tax Risks

There are substantial issues associated with the federal income tax aspects of a purchase of an Interest, especially if the purchase is part of a Section 1031 Exchange. The following risk factors summarize some of the tax risks to an Investor. A further discussion of the tax aspects (including other tax risks) of a purchase of an Interest is set forth under "Federal Income Tax Consequences." Because the tax aspects of the Offering are complex and certain of the tax consequences may differ depending on individual tax circumstances, each prospective Investor is strongly encouraged to consult with and rely on his, her or its own tax advisor about this Offering's tax aspects in light of that Investor's individual situation. No representation or warranty of any kind is made with respect to the IRS' acceptance of the treatment of any item by an Investor.

THE DISCUSSION SET FORTH HEREIN IS NOT ADVICE INTENDED TO BE RELIED UPON AND USED, AND CANNOT BE USED BY ANY TAXPAYER, FOR THE PURPOSE OF AVOIDING ANY

PENALTIES IMPOSED ON THE TAXPAYER. THIS SECTION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS CONTEMPLATED BY AND DESCRIBED IN THIS MEMORANDUM. EACH PROSPECTIVE INVESTOR SHOULD SEEK ADVICE BASED ON HIS, HER OR ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR CONCERNING THE INCOME AND OTHER TAX CONSEQUENCES OF PARTICIPATION IN THIS INVESTMENT.

Acquisition of the Interests may not qualify as a Section 1031 Exchange.

The Interests may not qualify under Section 1031 for tax-deferred exchange treatment and a portion of the proceeds from an Investor's sale of his, her or its Relinquished Property could constitute taxable "boot" (as defined herein). Whether any particular acquisition of Interests will qualify as a Section 1031 Exchange depends on the specific facts involved, including, without limitation, the nature and use of the Relinquished Property and the method of its disposition, the use of a qualified intermediary and a qualified exchange escrow and the lapse of time between the sale of the Relinquished Property and the identification and acquisition of the replacement property. Neither the Trusts nor their affiliates or agents are examining or analyzing any prospective Investor's circumstances to determine whether it qualifies under Section 1031. Moreover, no opinion or assurance is being provided to the effect that any individual prospective Investor's transaction will qualify under Section 1031. Such examinations or analyses are the sole responsibility of each prospective Investor, who should consult with his, her or its own legal, tax, accounting and financial advisors before purchasing an Interest. If the factors surrounding a prospective Investor's disposition of the Relinquished Property and his, her or its acquisition of the Interests do not meet the requirements of Section 1031, the disposition of the Relinquished Property will be taxed as a sale and the IRS will assess interest and possibly penalties for failure to timely pay such taxes. Also, merely designating an Interest in connection with an Investor's tax deferred exchange does not assure the Investor that there will be Interests available to purchase when the Investor executes the Investor Questionnaire & Purchase Agreement and actually causes his, her, or its qualified intermediary to transfer funds to complete the purchase of the Interests.

On July 20, 2004, the IRS issued Revenue Ruling 2004-86, 2004-2 C.B. 191, which held that, assuming the other requirements of Section 1031 are satisfied, a taxpayer's exchange of real property for an Interest in the Delaware statutory trust described in the ruling (the "DST") satisfies the requirements of Section 1031. The IRS based its holding on the following conclusions: (1) the DST is treated as an entity separate from its owners (and not as a co-ownership or agency arrangement); (2) the DST is an "investment" trust and not a "business entity" for federal income tax purposes; (3) the DST is a "grantor trust" for federal income tax purposes, with the holders of interests in the DST treated as the grantors of the DST; and (4) the holders of interests in the DST are treated as directly owning interests in real property held by the DST. Because the holding of Revenue Ruling 2004-86 is based on certain factual assumptions regarding the DST, not all of which apply to the Trusts, and because there are provisions in the Trust Agreements which are not mentioned in the limited facts laid out in the ruling, there can be no guarantee that the Interests will satisfy the requirements of Section 1031. For example, the facts in the ruling neither expressly permit nor prohibit: (a) conversion of the DST to a limited liability company; (b) the fact that the Parent Signatory Trustee is related to the Parent Trust Depositor; or (c) any Interest retained by the Sponsor or its affiliates; or (d) the leasing of the Properties by the Operating Trust pursuant to the Master Lease to the Master Tenant, which is a special purpose entity affiliated with the Sponsor, including the mechanism set forth in the Master Lease for the calculation of rent payable by the Master Tenant to the Operating Trust.

A delayed closing on the acquisition of an Interest could adversely affect the qualification of an exchange under Section 1031.

Investors who are completing Section 1031 Exchanges should be aware that closing on their replacement property must occur before the earlier of: (1) the day which is 180 days after the date on which the taxpayer transferred the Relinquished Property in the exchange; or (2) the due date (determined with regard to extension) for the transferor's return for the taxable year in which the transfer of the Relinquished Property occurs. See "*Frequently Asked Questions – How long is the closing process for my purchase of an Interest?*" No extensions will be granted or other relief afforded to taxpayers who do not satisfy this requirement. Therefore, a delayed closing on the acquisition of an Interest could adversely affect the qualification of an exchange under Section 1031.

Replacement property identification rules are complex and may be strictly construed.

Section 1031 generally permits taxpayers to identify up to three replacement properties (the "**three-property rule**"), without regard to the fair market value of those properties. In addition, taxpayers may identify any number of

properties so long as their aggregate fair market value at the end of the identification period does not exceed 200% of the value of the Relinquished Property on the date it was transferred (the “**200% rule**”). If the three-property rule and 200% rule are violated, an Investor will still be treated as properly identifying any replacement property identified before the end of the identification period and received before the end of the exchange period if the fair market value of the replacement property received is at least 95% of the aggregate fair market value of all identified replacement property. These identification rules are strictly construed and your exchange will be totally disqualified if you fail to comply with these requirements or do not meet the applicable deadlines under Section 1031. Prospective investors should consult with their own tax advisors prior to identifying the Interests as replacement property.

Funds from a Section 1031 Exchange may not be used for certain costs associated with the Properties.

Under certain conditions, closing and carrying costs, loan fees and costs, leasing reserves and other reserves, may not constitute property that is like-kind to real property for purposes of Section 1031. The Sponsor has attempted to structure the offering of the Interests so that such costs will be incurred by the Sponsor in connection with its syndication and offering of the Interests. You must consult your own tax advisor regarding the proper tax treatment of these costs.

State laws may differ.

State and local tax regimes may not provide for tax-deferred like-kind exchanges, or may provide for them but with different requirements than apply for Federal income tax purposes. By way of illustration but not limitation, the State of California (where the California Properties are located) has historically taken the position that any capital gains deferred under Section 1031 with respect to California property remain California-source income ultimately subject to taxation in California when the deferred gain is ultimately recognized. In order to track compliance with this rule, for years beginning on and after January 1, 2014, the State of California has imposed a reporting rule which requires any person who engages in a Section 1031 Exchange of non-California property for California property to file an annual information return until the deferred gain is ultimately recognized.

In addition, ownership of an Interest may result in an obligation to pay state or local tax in the State of California, and Investors may be subject to California state tax withholding at a rate of 7% (or such other rate as may be required by law) of their cash distributions from the Trust attributable to the California Properties. Any such withholdings would be paid to the California taxing authorities by the Operating Trust, and would be creditable against an Investor’s income tax obligations in California with respect to their share of the Trusts’ income attributable to the California Properties. State and local taxing jurisdictions may also impose applicable transfer taxes upon a disposition of a Property. Investors must consult with their own tax advisors concerning the applicability and impact of state and local tax laws.

The conversion of the Parent Trust or the Operating Trust to a Springing LLC or partial conversion to a Restructure LLC may have adverse tax consequences to Investors.

If the Parent Trust or the Operating Trust is converted to a Springing LLC or partially converted to a Restructure LLC, the “Trust Property” (as defined in the Trust Agreements) or applicable portion thereof will be transferred from the Parent Trust or the Operating Trust to the Springing LLC or Restructure LLC and the membership interests in the Springing LLC or Restructure LLC will be held by the Investors. It is anticipated that the Signatory Trustee of a Trust that converts into a Springing LLC or partially converts to a Restructure LLC will serve as the manager of that Springing LLC or Restructure LLC. Under current law, such a transfer generally should not be subject to federal income tax pursuant to Code Section 721. The Transfer Distribution could be subject, however, to state or local income, transfer or other taxes. In addition, there can be no assurances that the transfer will not be taxable under the federal income or other tax laws in effect at the time the transfer occurs. Because the conversion of the Parent Trust or the Operating Trust to a Springing LLC or partial conversion to a Restructure LLC could occur in several situations, it is not possible to determine all of the potential tax consequences to the Investors.

The Investors’ ownership Interests in a Springing LLC will not qualify for tax-deferred exchange treatment under Section 1031.

If the Parent Trust or the Operating Trust is converted to a Springing LLC or partially converted to a Restructure LLC, the Investors will hold membership interests in a Springing LLC or Restructure LLC, which cannot be transferred in an exchange that qualifies for tax-deferred exchange treatment under Section 1031. If, after the

conversion of the Parent Trust or the Operating Trust into a Springing LLC (or partially conversion to a Restructure LLC) or the formation of the Springing LLC (or Restructure LLC), the Investors wish to engage in a tax-deferred exchange of their indirect interests in the Property or Properties held by a Springing LLC or Restructure LLC, the manager of the Springing LLC or Restructure LLC may be able to convert the Investors' interests in the Springing LLC or Restructure LLC into (or exchange them for) direct interests in the Property or Properties or adopt some other tax strategy to accomplish the tax-deferred exchange. However, there can be no guarantee that this can or will be accomplished.

Any amounts treated as “boot” will be taxable to Investors.

If, in a Section 1031 Exchange, money is received or deemed received in addition to the like-kind property (referred to as “boot”), then gain on the Relinquished Property is recognized up to the amount of boot. Although there is no direct authority on point (other than certain potentially favorable authority that allows taxpayers to treat certain transaction expenses as reducing amounts otherwise taxable as boot in a Section 1031 Exchange), prospective Investors should be aware that the IRS may take the position that certain costs paid or deemed paid from money received from the sale of the Relinquished Property are boot and, therefore, income to the Investors. For example, the IRS may contend that some amounts paid into the Reserve Accounts and amounts paid in connection with the Offering constitute boot received by the Investors and not a reinvestment in real estate.

Passive activity, at risk, and excess business loss rules may limit losses.

Losses from passive trade or business activities generally may not be used to offset “portfolio income,” such as interest, dividends and royalties, or salary or other active business income. Deductions from passive activities, including interest deductions attributable to passive activities, generally may only be used to offset passive income. Passive activities include: (1) most trade or business activities in which the taxpayer does not “materially participate” (a statutorily-defined test); and (2) rental activities (subject to an exception for taxpayers who qualify as real property operators under certain statutory tests). Subject to satisfaction of the real property operator test and the material participation test, an Investor's income and loss from an investment in an Interest, if any, will constitute income and loss from passive activities. 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 Investor. Prospective Investors should consult their tax advisors with respect to the tax consequences to them of the rules described above.

In addition, an Investor that is an individual or closely held corporation will be unable to deduct losses from the Parent Trust, if any, to the extent such losses exceed the amount the Investor is considered “at risk” under the Code. Losses not allowed under the at-risk provisions may be carried forward to subsequent tax years and used when the Investor's amount “at risk” increases or when the Investor generates gain on the disposition of the activity. However, the rules regarding the applicability of the at risk rules to a particular Investor are complex and vary with the facts and circumstances particular to each Investor. Prospective Investors should consult their tax advisors with respect to the tax consequences to them of the rules described above.

In addition, under the recent Tax Cuts and Jobs Act of 2017, excess business losses of a taxpayer other than a corporation are not allowed for the taxable year. Such losses are carried forward and treated as part of the taxpayer's net operating loss carryforward in subsequent taxable years. An excess business loss for the taxable year is the excess of aggregate deductions of the taxpayer attributable to trades or businesses of the taxpayer over the sum of aggregate gross income or gain of the taxpayer plus a threshold amount. The threshold amount for 2018 was \$250,000 (or twice the applicable threshold amount in the case of a joint return). The threshold amount is indexed for inflation. In the case of a partnership or S corporation, the provision applies at the partner or shareholder level. The provision applies after the application of the passive loss rules.

An Investor may be required to make an election if the Investor wishes to avoid the limit on business interest deductions for real estate ventures.

Under the Tax Cuts and Jobs Act of 2017, business interest deductions for taxpayers with average annual gross receipts in excess of \$25 million are in general deferred to the extent that annual business interest expense exceeds business interest income plus 30% of taxable income subject to certain adjustments. A real estate trade or business, however, may elect out of the deferral regime, in which case the business must depreciate certain types of real property by the straight line method under slightly longer recovery periods (40 years for nonresidential property, 30 years for residential rental property, and 20 years for qualified interior improvements). While Investors in the Interests may be eligible to make this election, there is considerable uncertainty as to the application of the new rules, which may depend in part upon an Investor's specific circumstances. Investors should consult their own tax advisors as to the applicability of the new rules to them and as to their ability to make such election. See "*Limit on Business Interest Deductions*" in "*Federal Income Tax Consequences*."

Income and gain from passive activities may be subject to the Medicare contributions tax.

Certain Investors who are U.S. individuals are subject to the Medicare Contributions Tax, which imposes a 3.8% tax on the "net investment income" of certain U.S. individuals and on the undistributed "net investment income" of certain estates and trusts. Among other items, "net investment income" generally includes passive investment income, such as rent and net gain from the disposition of investment property, less certain deductions. Prospective Investors should consult their tax advisors with respect to the tax consequences to them of the rules described above.

An Investor should expect to use funds from other sources to satisfy tax liabilities.

An Investor should expect to have taxable income even in the absence of any distribution of cash from the Trusts. This will occur because cash flow from the Properties may be used to fund nondeductible operating or capital expenses of the Properties, including reserves and payments of principal on the Loan, that are not offset by depreciation or other deductions. In addition, a sale or exchange of the Properties at an economic loss without a Section 1031 Exchange could result in ordinary income, depreciation recapture or capital gain to an Investor without any accompanying net cash proceeds from the sale or disposition of the Properties to pay income taxes on such items. This is a particular risk for certain Investors, such as persons acquiring an Interest in a Section 1031 Exchange, whose income tax basis in an Interest may be substantially lower than his, her or its cash investment in the Properties. If this were to occur, an Investor would have to use funds from other sources to satisfy his, her, or its tax liability.

Future legislative or regulatory action could significantly change the tax aspects of an investment in an Interest.

The discussion of tax aspects contained in this Memorandum is based on law presently in effect and certain proposed Treasury Regulations. Nonetheless, Investors should be aware that new administrative, legislative or judicial action could significantly change the tax aspects of an investment in an Interest. Any such change may be retroactive with respect to transactions entered into or contemplated before the effective date of such change, and could have a material adverse effect on the tax consequences of an investment in an Interest.

ESTIMATED USE OF PROCEEDS

The following table sets forth the estimated sources and uses of the proceeds of the Offering. IPC, the Asset Manager, the Property Manager and their respective affiliates will receive substantial compensation and fees in connection with the Offering and the acquisition of the Properties, as described in this Memorandum. The figures below are based upon the sale of 100% of the Interests, equivalent to \$66,230,446.

	Total Proceeds (Offering Proceeds + Loan Proceeds)		Amount from Offering Proceeds	Percentage of Maximum Offering Amount¹
<u>Sources</u>				
Offering Proceeds			\$66,230,446	100.00%
Loan Proceeds		\$71,000,000	-	-
Total Sources	\$137,230,446	\$71,000,000	\$66,230,446	-
<u>Application</u>				
<u>Selling Commissions and Expenses</u>				
Selling Commissions ^{2, 3}			\$3,311,522	5.00%
Dealer Fee ^{2, 3}			\$827,881	1.25%
Placement Agent Fee ²			\$1,092,802	1.65%
O&O Expenses ^{2, 5}			\$621,728	0.94%
Total	\$5,853,933	\$0	\$5,853,933	8.84%
<u>Costs of Acquisition</u>				
Total Acquisition Cost ^{2, 4, 5}		\$62,993,687	\$57,419,013	86.70%
Acquisition Fee ²			\$2,957,500	4.46%
Reserves		\$8,006,313	-	-
Total	\$131,376,513	\$71,000,000	\$60,376,513	91.16%
Total Application	\$137,230,446	\$71,000,000	\$66,230,446	100.00%

- (1) Percentages have been rounded to the nearest hundredth of a percentage for purposes of this table.
- (2) The Parent Trust will pay or reimburse some or all of these amounts to affiliates of the Parent Trust, as described in this Memorandum.
- (3) ISC will reallocate (pay) the full amount of the Selling Commissions and the Dealer Fees to third party broker/dealers who are members of FINRA.
- (4) The total cost for the acquisition of the Properties is comprised of: (a) the aggregate purchase price of the Properties; (b) the aggregate acquisition closing costs, which include costs paid in connection with the acquisition of the Properties relating to title insurance, recording costs, document taxes, escrow costs, tax review fees, prepaid taxes and document preparation; and (c) the financing closing costs, which include costs paid to the Lender in connection with financing the Properties relating to loan origination and processing, title insurance, recording costs, mortgage taxes, escrow costs, property reports obtained by the Lender, document preparation and the Lender legal expenses. As part of the total acquisition cost, the Operating Trust will reimburse certain affiliates of IPC for costs related to the acquisition and financing of the Properties, in an aggregate amount equal to \$480,900.
- (5) Certain of these costs have been estimated for purposes of this table. If the actual costs and expenses exceed the estimates, IPC will pay those costs and expenses. Conversely, if the estimates exceed the actual costs and expenses, IPC will retain the difference as additional compensation.

COMPENSATION TO IPC, ITS AFFILIATED PARTIES AND THE PROPERTY MANAGER

The following is a description of compensation that may be paid to IPC, the Asset Manager, the Property Manager, the Master Tenant or their affiliates during the period of the Operating Trust's ownership of the Properties or in connection with the Offering. With the exception of the fees payable to the Property Manager, these compensation arrangements are not the result of arm's-length negotiations. Investors should note that although the Property Manager is not affiliated with IPC, the compensation payable to the Property Manager has been included in this table because it is one of the significant aspects of the Offering.

Because of the nature of a Section 1031 Exchange and applicable IRS requirements, it is difficult, if not impossible, to charge Investors for any shortfall in costs and expenses related to the Offering that are paid out of the gross Offering proceeds. If the actual costs and expenses exceed the estimates, IPC will pay those costs. Conversely, if the estimates exceed the actual costs and expenses, IPC will retain the difference as compensation.

For purposes of this table, the amount of the commissions and fees set forth below are calculated based on 100% of the Interests, equivalent to \$66,230,446.

<u>Type of Compensation</u>	<u>Method of Compensation</u>	<u>Estimated Maximum Amount of Compensation</u>
Selling Commissions	The Parent Trust will pay ISC Selling Commissions of up to 5.0% of the gross cash proceeds of the Offering. ISC will reallocate (pay) the full amount of the Selling Commissions to broker/dealers who are members of FINRA.	\$3,311,522
Dealer Fee	The Parent Trust will pay ISC a Dealer Fee, in an amount equal to up to 1.25% of the gross cash proceeds of the Offering, for coordinating the marketing of the Interests with any participating broker/dealers as well as for non-itemized, non-invoiced due diligence efforts. ISC will reallocate (pay) the full amount of the Dealer Fee to broker/dealers who are members of FINRA.	\$827,881
Placement Agent Fee	The Parent Trust will pay ISC a fee, equal to 1.65% of the gross cash proceeds of the Offering, for serving as the Placement Agent.	\$1,092,802
Reimbursement of O&O Expenses	The Parent Trust will reimburse the Sponsor, its affiliates and certain third parties for offering and organizational expenses in an amount equal to 0.94% of the gross cash offering proceeds of the Offering.	\$621,728
Acquisition Fee	The Parent Trust will pay IPC an acquisition fee for its services in the identification, negotiation and acquisition of the Properties.	\$2,957,500
Reimbursement of Acquisition and Financing Costs	The Parent Trust will reimburse certain affiliates of IPC for costs related to the acquisition and financing of the Properties. Specifically, the Parent Trust will reimburse IREIC for loan processing costs.	\$480,900

<u>Type of Compensation</u>	<u>Method of Compensation</u>	<u>Estimated Maximum Amount of Compensation</u>
Asset Management Fees	<p>The Operating Trust is responsible for paying the Asset Manager the Asset Management Fee on a monthly basis, out of the gross income generated by the Properties, equal to approximately \$19,717 (equal to \$236,600 on an annual basis).</p> <p>In addition, if a Springing LLC refinances the Properties in connection with a Transfer Distribution, the Asset Manager, or an affiliate thereof, will receive a fee equal to 1.0% of the principal amount of the new loan, plus reimbursement of any out-of-pocket expenses incurred by the Asset Manager in connection with the refinancing, including but not limited to: expenses incurred in connection with third party reports; legal fees; application fees; and mortgage brokerage fees to both non-affiliate and affiliate mortgage brokers.</p> <p>In addition to the fees payable to the Asset Manager, the Operating Trust is responsible for reimbursing the Asset Manager for all expenses attributable to the Operating Trust and paid or incurred by the Asset Manager in providing services under the Asset Management Agreement.</p> <p>If the Operating Trust requests any additional services not specified in the Asset Management Agreement, the Asset Manager may agree to provide the requested services upon terms mutually agreeable to the Operating Trust and the Asset Manager.</p> <p>The Asset Manager may decide, in its sole discretion, to be paid an amount less than the total amounts to which it is entitled under the Asset Management Agreement, and any excess amount that is not paid may, in the Asset Manager's sole discretion, be waived permanently or, as applicable, deferred or accrued, without interest, to be paid at a later point in time.</p>	\$236,600 for the initial year of ownership of the Properties.
Property Management Fees	<p>The Master Tenant is responsible for paying the Property Manager a monthly base management fee, in an amount equal to the greater of \$2,500 (per Property, not on a portfolio basis) or 5.0% of the "Gross Revenue," defined in the Property Management Agreement as the gross amount of all rents with respect to the use or occupancy of storage units and rentable parking spaces at the Properties or cell tower or billboard leases, proceeds from the sale of tenant rental insurance and merchandise, any rental application charges, late charges and credit verification fees, if any are charged, but excluding any security, utility or other deposits (until any such security deposits are actually applied in lieu of rent after all other obligations of a tenant have been satisfied in accordance with applicable law, such as reimbursements for property damage to a unit</p>	Estimated to be \$686,676 for the initial year of ownership of the Properties; however, it is not possible to determine at this time.

<u>Type of Compensation</u>	<u>Method of Compensation</u>	<u>Estimated Maximum Amount of Compensation</u>
	<p>or for attorneys' fees incurred in collecting rent or evicting a tenant), and/or state sales taxes, expense reimbursements, insurance proceeds other than those related to loss of business income, or condemnation proceeds.</p> <p>In addition, the Property Manager is entitled to an incentive fee, in an amount equal to 50% of the Master Tenant's proportionate share of the Gross Income (as defined in the Master Lease) for a year that exceeds the Supplemental Rent Breakpoint for that year, as outlined in the Master Lease, which fee is only to be paid after the Base Rent and Additional Rent have been fully paid for such year pursuant to the Master Lease. The incentive fee is calculated on a portfolio-wide, rather than Property-by-Property, basis.</p> <p>The Master Tenant also is responsible for reimbursing the Property Manager for certain expenses, as follows: (1) reimbursement for all actual expenses and costs of managing, maintaining, repairing and operating the Properties, in each case in accordance with the annual budget for the Properties; and (2) for each Property, a portion of the cost of the salary of the regional manager whose region includes such Property, not to exceed \$750 per month, and the cost of any bonuses, benefits, travel and meal costs of the regional manager attributable to such Property.</p>	
Master Tenant Income	<p>Under the Master Lease, the Master Tenant will earn 25% of Gross Income exceeding the Supplemental Rent Breakpoint, as provided in the Master Lease.</p> <p>In addition, the difference between the Base Rent and the Additional Rent Breakpoint for the Properties for a given month, if any, after taking into account any expenses of the Properties, will inure to the benefit of the Master Tenant and, therefore, indirectly to IPC as the sole member of the Master Tenant. The Parent Trust estimates that this will result in additional income to the Master Tenant from approximately \$175,542 to \$176,424 per year. Such amounts will not be available for distributions to the Parent Trust or the Investors.</p>	<p>Estimated to be approximately \$237,205 for the Properties for the first 12 months, however, it is not possible to determine at this time.</p>

<u>Type of Compensation</u>	<u>Method of Compensation</u>	<u>Estimated Maximum Amount of Compensation</u>
Disposition Fees	<p>Pursuant to the Property Management Agreement, the Master Tenant has assigned to the Property Manager all of its rights to the Disposition Fees under the Master Lease. Upon the sale of a Property, the Property Manager will be entitled to a Disposition Fee if the “Sales Proceeds” (defined as the gross sales price of a Property, reduced by any amounts used or incurred by the Operating Trust to pay off the debt on such Property) of a Property are greater than 110% of the Maximum Offering Amount directly allocable to such Property. The amount of the Disposition Fee is equal to the gross sales price of a Property multiplied by: (1) 0.5%, if the Sales Proceeds are greater than 110% but less than or equal to 140% of the Maximum Offering Amount directly allocable to such Property; (2) 1.0%, if the Sales Proceeds are greater than 140% but less than or equal to 170% of the Maximum Offering Amount directly allocable to such Property; (3) 1.5%, if the Sales Proceeds are greater than 170% but less than or equal to 200% of the Maximum Offering Amount directly allocable to such Property; or (4) 2.0%, if the Sales Proceeds are greater than 200% of the Maximum Offering Amount directly allocable to such Property.</p>	Not possible to determine at this time.

THE PROPERTIES

Ownership of the Properties

The Operating Trust owns fee simple title to the Properties.

Property Identification

Each of the Properties is operated as a self-storage facility under the Devon Self-Storage name. Property specific construction information is available in the Property Condition Assessments for the Properties (each, an “Assessment” and collectively, the “Assessments”) prepared by McClain Consulting Services, Inc. (“McClain”), copies of which are available in the Digital Investor Kit. In the aggregate, there are 10,824 storage units. Most of the Properties also contain rentable parking spaces, totaling 486 spaces. Additional information concerning the Properties is summarized in the tables below.

Property and Address	Approx. Land Area ¹	Approx. Leasable Area ²	Year Built	Storage Units ²	Rentable Parking Spaces ²	Zoning
California Properties						
18690 Highway Property 18690 Highway 18 Apple Valley, California 92307	2.68 acres	61,755 sq. ft.	1988	455	0	C-G (General Commercial)
22075 Highway Property 22075 Highway 18 Apple Valley, California 92307	4.07 acres	73,565 sq. ft.	1984	573	8	C-S/C-V (Service Commercial/ Village Commercial)
Autry Property 1400 South Gene Autry Trail Palm Springs, California 92264	4.70 acres	72,875 sq. ft.	1989	547	7	M1 (Service/ Manufacturing)
Cathedral City Property ³ 67650 East Ramon Road Cathedral City, California 92234	6.01 acres	120,260 sq. ft.	1982/ 1984	767	0	PCC (Planned Community Commercial)
Radio Property 500 West Radio Road Palm Springs, California 92262	3.55 acres	64,770 sq. ft.	1983	549	0	R2/PD 87 (Limited Family Residential/ Planned Development Overlay)
Thousand Palms Property 72500 Varner Road Thousand Palms, California 92276	3.47 acres	74,855 sq. ft.	1988/ 2001	693	37	I-P (Industrial Park)
Tennessee Properties						
4705 Winchester Property 4705 Winchester Road Memphis, Tennessee 38118	3.40 acres	60,320 sq. ft.	1981	457	43	EMP/CMU-3 (Employment/ Commercial Mixed Use)
6390 Winchester Property 6390 Winchester Road Memphis, Tennessee 38115	2.28 acres	38,892 sq. ft.	1985	316	6	CMU-3 (Commercial Mixed Use)
American Property 5141 American Way Memphis, Tennessee 38115	2.72 acres	40,599 sq. ft.	1984	329	20	CMU-3/FW (Commercial Mixed Use/ Floodway)
Austin Property 3040 Austin Peay Highway Memphis, Tennessee 38128	4.98 acres	71,885 sq. ft.	1973/ 2003	539	26	CMU-3 (Commercial Mixed Use)
Germantown Property 3686 South Germantown Road Memphis, Tennessee 38125	5.57 acres	108,906 sq. ft.	1986/ 1993	841	13	CMU-3 (Commercial Mixed Use)

Property and Address	Approx. Land Area ¹	Approx. Leasable Area ²	Year Built	Storage Units ²	Rentable Parking Spaces ²	Zoning
Getwell Property 3577 New Getwell Road Memphis, Tennessee 38118	5.28 acres	96,363 sq. ft.	1982/ 1984	478	58	IH (Heavy Industrial)
Macon Property 9275 Macon Road Memphis, Tennessee 38016	7.60 acres	67,900 sq. ft.	1994	549	159	EMP (Employment)
Moriarty Property 7777 Moriarty Road Cordova, Tennessee 38018	3.47 acres	54,325 sq. ft.	1989	368	16	IH/FW (Heavy Industrial/ Floodway)
Poplar Property 2700 Poplar Avenue Memphis, Tennessee 38112	9.23 acres	92,845 sq. ft.	1966/ 1985/ 2000	651	72	EMP/ CMU-3 (Employment Industrial/ Commercial Mixed Use)
Shelby Property ⁴ 6140 East Shelby Drive Memphis, Tennessee 38141	7.19 acres	96,023 sq. ft.	1990	577	6	CMU-2 (Commercial Mixed Use)
Texas Properties						
Highway 75 Property 1700 North US Highway 75 Sherman, Texas 75090	2.88 acres	48,625 sq. ft.	1996/ 2000	393	0	C-1/O-1 (Retail Business/ Overlay)
Interstate Property 6017 Interstate 30 Greenville, Texas 75402	4.74 acres	59,585 sq. ft.	1990	445	5	C (Commercial)
Lake Property 1720 Loy Lake Road Sherman, Texas 75090	3.64 acres	55,100 sq. ft.	1997	502	0	M-1/C-2 (Light Manufacturing/ General Commercial)
Wesley Property 8123 Wesley Street Greenville, Texas 75402	2.45 acres	45,100 sq. ft.	2001	307	6	C (Commercial)
Wisconsin Property						
Wisconsin Property 2922 South 5 th Court Milwaukee, Wisconsin 53207	3.91 acres	58,700 sq. ft.	1988	488	4	IH (Industrial Heavy)

¹ All references in this Memorandum to the acreage of the Properties are approximate and are based on the surveys, copies of which are available in the Digital Investor Kit.

² All references in this Memorandum to the leasable square footage of the buildings, number of storage units and rentable parking spaces at the Properties are approximate and are based on the Rent Rolls for the Properties, included as Exhibit B to this Memorandum. Please note that the leasable square footage of the buildings includes the square footage of the storage units and the Retail Units, but not the rentable parking spaces.

³ The Cathedral City Property includes 18 Retail Units containing an aggregate of approximately 11,005 rentable square feet. See “*Summary of the Leases – Commercial Leases – Retail Leases*” for additional information.

⁴ The Shelby Property includes 19 Retail Units containing an aggregate of approximately 23,323 rentable square feet. See “*Summary of the Leases – Commercial Leases – Retail Leases*” for additional information.

Detailed Descriptions of the Buildings

Each of the Properties features multiple storage buildings. Each of the Properties has an on-site leasing office which is housed in one of the storage buildings or in a separate building. Each of the Properties, other than the Austin Property, the Poplar Property and the Wesley Property, also has an apartment for the on-site Property Manager personnel (each such apartment referred to herein as a “**PM Apartment**”), which is located in the same building as the leasing office, except the Getwell Property has a second PM Apartment which is located in one of the storage buildings. The Retail Units at the Cathedral City Property and the Shelby Property are located in one of the storage buildings. Each Property features between three and 15 storage buildings.

The buildings at each of the Properties are summarized in the table below.

Property	Buildings
California Properties	
18690 Highway Property	Three single-story storage buildings, one of which also contains the leasing office and the PM Apartment.
22075 Highway Property	Six single-story storage buildings, one of which also contains the leasing office and the PM Apartment.
Autry Property	15 single-story storage buildings and one two-story building which contains the leasing office and the PM Apartment.
Cathedral City Property	15 single-story storage buildings, one of which also contains 18 Retail Units, and one two-story building which contains the leasing office and the PM Apartment.
Radio Property	Eight single-story storage buildings and one two-story building which contains the leasing office and the PM Apartment.
Thousand Palms Property	Three single-story storage buildings, one of which also contains the leasing office and the PM Apartment.
Tennessee Properties	
4705 Winchester Property	10 single-story storage buildings, one of which also contains the leasing office and the PM Apartment.
6390 Winchester Property	Four single-story storage buildings, one of which also contains the leasing office and the PM Apartment.
American Property	Eight single-story storage buildings, one of which also contains the leasing office and the PM Apartment.
Austin Property	Eight single-story storage buildings, one of which also contains the leasing office.
Germantown Property	Eight single-story storage buildings and one two-story building which contains the leasing office and the PM Apartment.
Getwell Property	12 single-story storage buildings, one of which also contains a PM Apartment, and one two-story building which contains the leasing office and a PM Apartment.
Macon Property	Six single-story storage buildings and one two-story building which contains the leasing office and the PM Apartment.
Moriarty Property	Six single-story storage buildings and one two-story building which contains the leasing office and the PM Apartment.
Poplar Property	Seven single-story storage buildings, one single-story storage building with a partial mezzanine and one single-story building which contains the leasing office.
Shelby Property	10 single-story storage buildings, one of which also contains 19 Retail Units and one two-story building which contains the leasing office and the PM Apartment.
Texas Properties	
Highway 75 Property	10 single-story storage buildings and one two-story building which contains the leasing office and the PM Apartment.
Interstate Property	11 single-story storage buildings and one single-story building which contains the leasing office and the PM Apartment.
Lake Property	Nine single-story storage buildings and one two-story building which contains the leasing office and the PM Apartment.
Wesley Property	Five single-story storage buildings and one single-story building which contains the leasing office.
Wisconsin Property	
Wisconsin Property	Five single-story storage buildings, one of which also contains the leasing office and the PM Apartment.

The following descriptions of the Properties' buildings are based on the descriptions set forth in the Assessments.

California Properties

The foundation of each building is assumed to consist of conventional shallow concrete footings. Each building ground floor is constructed as concrete slab-on-grade, except that a portion of the first floor of one of the buildings at the Thousand Palms Property is a flat slab over a partial basement. Each building typically includes steel-

framed roofs supported by masonry and wood stud walls. The roofing systems typically consist of metal panels at the storage areas and a single-ply thermoplastic polyolefin system or built-up membrane at the office area and the PM Apartment.

The exterior walls of each building typically consist of primarily a combination of concrete masonry unit (“CMU”) and metal panels. The entrance to the office area consists of a painted aluminum-frame door with a glass insert. The storage unit entrance doors are metal roll-up type. Auxiliary doors are constructed of wood or metal in wood or metal frames. Windows are typically limited to the office area and the PM Apartment. The windows typically consist of fixed and/or sliding units with tempered single- or double-pane tinted glass in aluminum frames.

The water supply lines at the domestic water heaters are primarily copper. Domestic hot water is typically provided by an electric water heater. The climate-controlled storage areas, the leasing office and the PM Apartment are typically heated and cooled by a split-system with electric or natural gas-fired heating or rooftop package units. The electric system at each of the California Properties typically consists of 200- or 400-amp, 120/240 volt, single phase, three wire alternating current or 600 amp, 208/120 volt, three phase, four wire alternating current.

The fire suppression systems are typically limited to fire extinguishers. Each of the California Properties features security cameras with both interior and exterior coverage.

Tennessee Properties

The foundation of each building appears to consist of continuous perimeter reinforced concrete spread footings. Each building ground floor is constructed as concrete slab-on-grade. Each building typically consists primarily of wood or steel frame and CMU wall construction or reinforced concrete tilt-up wall construction with roof framing consisting of wood trusses supporting plywood or oriented strand board roof sheathing or steel beams and purlins supporting standing seam metal roof decking. The roofing systems typically consist of metal panels with asphalt composition shingles or a single-ply ethylene propylene diene monomers membrane at the office area and PM Apartment. The exterior walls of each building typically consist of a combination of CMU or brick veneer and metal panels.

The entrance to the office area typically consists of a painted aluminum-frame door with a glass insert. The storage unit entrance doors are metal roll-up type. Auxiliary doors are constructed of wood or metal in wood or metal frames. Windows are limited to the office area and the PM Apartment. The windows consist of fixed, sliding or single-hung units with tempered dual-pane tinted glass in aluminum or wood frames.

The water supply lines at the domestic water heaters are primarily copper. Domestic hot water is provided by an electric water heater. The leasing office and the PM Apartment are typically cooled by a split-system air conditioning condensing unit or rooftop package unit with gas or electric heating. The electric system at each of the Tennessee Properties consists of 120/240 volt, single phase, three wire alternating current. The supply amperage was typically not available for the Tennessee Properties.

The fire suppression systems are typically limited to fire extinguishers, except the Austin Property and the Poplar Property each include a wet or a combination wet and dry fire sprinkler system in the climate-controlled building. Each of the Tennessee Properties features security cameras with both interior and exterior coverage.

Texas Properties

The foundation of each building appears to consist of continuous perimeter reinforced concrete spread footings. Each building ground floor is constructed as concrete slab-on-grade. Each building typically consists primarily of brick, steel or CMU wall construction and structural steel framing with roof framing consisting of steel beams and purlins supporting standing seam metal roof decking. The roofing systems typically consist of metal panels at the storage areas and asphalt composition shingles at the office area and the PM Apartment. The exterior walls of each building typically consist of a combination of brick and metal panels or CMU.

The entrance to the office area consists of a painted metal door with an insulated-glass insert or aluminum storefront system. The storage unit entrance doors are metal roll-up type. Auxiliary doors are constructed of metal in metal frames. Windows are limited to the office area and the PM Apartment. The windows consist of single-hung units with dual-pane clear glass in wood or aluminum frames.

The water supply lines at the domestic water heaters are primarily copper. Domestic hot water is provided by an electric water heater except domestic hot water is not provided at the Wesley Property (which does not have a PM Apartment). The leasing office and the PM Apartment are typically cooled by a split-system air conditioning condensing unit with gas or electric heating. The electric system at each of the Texas Properties consists of 120/240 volt, single phase, three wire alternating current. The supply amperage was typically not available for the Texas Properties.

The fire suppression systems are typically limited to fire extinguishers. Each of the Texas Properties features security cameras with both interior and exterior coverage.

Wisconsin Property

The foundation of each building appears to consist of continuous perimeter reinforced concrete spread footings. Each building ground floor is constructed as concrete slab-on-grade. Four of the buildings consist primarily of pre-manufactured concrete wall construction with wall and roof framing consisting of wood studs and joists respectively supporting wood sheathing and asphalt shingle roofing. The fifth building consists primarily of structural steel framing and with roof framing consisting of steel beams and purlins supporting standing seam metal roof decking. The exterior walls of the buildings consist of either concrete or metal panels.

The entrance to the office area consists of an aluminum storefront system. The storage unit entrance doors are metal roll-up type. Auxiliary doors are constructed of metal in metal frames. Windows are limited to the office area and the PM Apartment. The windows consist of casement-type single-hung units with tempered dual-pane clear glass in aluminum frames.

The water supply lines at the domestic water heaters are primarily copper. Domestic hot water is provided by an electric water heater. The office area and PM Apartment are cooled by a split-system with air conditioning condensing units and heat is provided by a gas furnace. The electric system consists of 120/240 volt, single phase, three wire alternating current.

The fire suppression systems are typically limited to fire extinguishers. The Wisconsin Property features security cameras with both interior and exterior coverage.

Physical Condition of the Properties

The Assessments indicate that generally the Properties are in overall good condition. The Assessments recommend certain repairs as outlined below.

Immediate Repairs – Immediate repairs are those repairs that are beyond the scope of regular maintenance which, in the opinion of McClain, should be performed on a priority basis. The Assessments provide an aggregate estimated cost of \$3,110,980 for the immediate repair needs for the Properties.

Physical Needs Over Time – Physical needs over time are items needing repair or replacement that are beyond the scope of regular maintenance but, in the opinion of McClain, are necessary to maintain the overall condition of the Properties for 10 years from the date of the applicable Assessment. The Assessments provide an estimated cost for such physical needs, with 3% inflation, ranging between approximately \$32,400 and \$371,700, with an aggregate estimated cost of \$10,919,215.

The amounts of the estimated immediate repairs and physical needs over time for each of the Properties are set forth in the table below.

Property	Immediate Repairs	Physical Needs over Time (with 3% inflation)
California Properties		
18690 Highway Property	\$68,350	\$651,410 or \$143 per storage unit/year
22075 Highway Property	\$32,400	\$698,325 or \$122 per storage unit/year
Autry Property	\$69,575	\$307,777 or \$56 per storage unit/year

Property	Immediate Repairs	Physical Needs over Time (with 3% inflation)
Cathedral City Property	\$175,750	\$1,717,481 or \$223 per storage unit/year
Radio Property	\$77,750	\$722,344 or \$132 per storage unit/year
Thousand Palms Property	\$128,400	\$486,075 or \$70 per storage unit/year
Tennessee Properties		
4705 Winchester Property	\$371,700	\$231,770 or \$51 per storage unit/year
6390 Winchester Property	\$63,650	\$505,641 or \$160 per storage unit/year
American Property	\$51,150	\$542,463 or \$165 per storage unit/year
Austin Property	\$94,450	\$562,675 or \$104 per storage unit/year
Germantown Property	\$222,150	\$1,053,973 or \$125 per storage unit/year
Getwell Property	\$213,950	\$1,114,658 or \$233 per storage unit/year
Macon Property	\$212,850	\$251,169 or \$46 per storage unit/year
Moriarty Property	\$169,400	\$184,974 or \$50 per storage unit/year
Poplar Property	\$350,100	\$765,257 or \$118 per storage unit/year
Shelby Property	\$115,500	\$456,895 or \$79 per storage unit/year
Texas Properties		
Highway 75 Property	\$80,900	\$130,637 or \$33 per storage unit/year
Interstate Property	\$86,655	\$225,891 or \$51 per storage unit/year
Lake Property	\$61,750	\$115,787 or \$23 per storage unit/year
Wesley Property	\$52,050	\$109,057 or \$36 per storage unit/year
Wisconsin Property		
Wisconsin Property	\$232,500	\$131,859 or \$27 per storage unit/year
Total	\$2,929,980	\$10,919,215

The costs for the repairs described above will be allocated in accordance with the terms of the Master Lease.

Lake Property Casualty. A portion of one of the buildings comprising the Lake Property was damaged by fire on May 10, 2018. The damaged portion of the building constitutes approximately 5,450 square feet. As of the date of this Memorandum, the restoration work is in progress and has an estimated completion date of April 15, 2019. Such restoration work will be completed before any subscriptions from Investors are accepted.

Flood Zones, Seismic Zones and Wind Zones

The following table sets forth the flood, seismic and wind zones in which the Properties are located. The flood zone information is based on the Flood Insurance Rate Map maintained by the Federal Emergency Management Agency (“**FEMA**”); the seismic zone information is based on the “Seismic Zone Map of the United States,” in the 1997 Uniform Building Code; and the wind zone information is based on FEMA’s “Map of Wind Zones in the United States.”

Property	Flood Zone	Seismic Zone	Wind Zone	Special Wind Region	Hurricane Susceptible Region
California Properties					
18690 Highway Property	X (shaded) (area of 0.2% annual chance flood)	4 (area of high probability of damaging ground motion)	I (up to 130 mph winds)	Yes	No
22075 Highway Property	D (area of possible but undetermined flood hazards)	4 (area of high probability of damaging ground motion)	I (up to 130 mph winds)	Yes	No
Autry Property	X500L (area protected from the 1% annual chance flood by levees)	4 (area of high probability of damaging ground motion)	I (up to 130 mph winds)	Yes	No
Cathedral City Property	X500L (area protected from the 1% annual chance flood by levees)	4 (area of high probability of damaging ground motion)	I (up to 130 mph winds)	Yes	No
Radio Property	X500L (area protected from the 1% annual chance flood by levees)	4 (area of high probability of damaging ground motion)	I (up to 130 mph winds)	Yes	No
Thousand Palms Property	AO (area of 1% annual chance shallow flood)	4 (area of high probability of damaging ground motion)	I (up to 130 mph winds)	Yes	No
Tennessee Properties					
4705 Winchester Property	X (unshaded) (area outside of 0.2% annual chance flood)	3 (area of moderate to high probability of damaging ground motion)	IV (up to 250 mph winds)	No	No
6390 Winchester Property	X (unshaded) (area outside of 0.2% annual chance flood)	3 (area of moderate to high probability of damaging ground motion)	IV (up to 250 mph winds)	No	No
American Property	Zone AE (area of 0.2% annual chance flood)	3 (area of moderate to high probability of damaging ground motion)	IV (up to 250 mph winds)	No	No
Austin Property	X (unshaded) (area outside of 0.2% annual chance flood)	3 (area of moderate to high probability of damaging ground motion)	IV (up to 250 mph winds)	No	No
Germantown Property	X (unshaded) (area outside of 0.2% annual chance flood)	3 (area of moderate to high probability of damaging ground motion)	IV (up to 250 mph winds)	No	No
Getwell Property	X (unshaded) (area outside of 0.2% annual chance flood)	3 (area of moderate to high probability of damaging ground motion)	IV (up to 250 mph winds)	No	No
Macon Property	X (unshaded) (area outside of 0.2% annual chance flood)	3 (area of moderate to high probability of damaging ground motion)	IV (up to 250 mph winds)	No	No

Property	Flood Zone	Seismic Zone	Wind Zone	Special Wind Region	Hurricane Susceptible Region
Moriarty Property	X (unshaded) (area outside of 0.2% annual chance flood)	3 (area of moderate to high probability of damaging ground motion)	IV (up to 250 mph winds)	No	No
Poplar Property	X (unshaded) (area outside of 0.2% annual chance flood)	3 (area of moderate to high probability of damaging ground motion)	IV (up to 250 mph winds)	No	No
Shelby Property	X (unshaded) (area outside of 0.2% annual chance flood)	3 (area of moderate to high probability of damaging ground motion)	IV (up to 250 mph winds)	No	No
Texas Properties					
Highway 75 Property	X (unshaded) (area outside of 0.2% annual chance flood)	1 (area of low probability of damaging ground motion)	IV (up to 250 mph winds)	No	No
Interstate Property	X (unshaded) (area outside of 0.2% annual chance flood)	1 (area of low probability of damaging ground motion)	IV (up to 250 mph winds)	No	No
Lake Property	X (unshaded) (area outside of 0.2% annual chance flood)	1 (area of low probability of damaging ground motion)	IV (up to 250 mph winds)	No	No
Wesley Property	X (unshaded) (area outside of 0.2% annual chance flood)	1 (area of low probability of damaging ground motion)	IV (up to 250 mph winds)	No	No
Wisconsin Property					
Wisconsin Property	X (unshaded) (area outside of 0.2% annual chance flood)	0 (area of very low probability of damaging ground motion)	II (up to 160 mph winds)	No	No

See “*Risk Factors – Risks Related to the Properties – The locations of some of the Properties present certain risks, which could result in damage to such Properties*” for additional discussion.

Environmental

The Operating Trust received a Phase I Environmental Site Assessment for each of the Properties, each of which was performed in compliance with the standards of ASTM Practice E1527-13, which is recognized by the United States Environmental Protection Agency and many states as adequate to demonstrate compliance with “All Appropriate Inquiry.” The reliance terms of each Phase I entitle the Operating Trust to rely on such Phase I. In the event that environmental contamination consisting of hazardous substances (but not petroleum) existed with respect to a Property when the Operating Trust acquired such Property, but which was not disclosed in the Phase I for the Property, and the contamination is subsequently discovered on the Property, the Operating Trust may be able to avail itself of the defenses to, and the exemptions from, liability that are available under CERCLA and state laws, since the Operating Trust acquired the Properties within 180 days of the effective date of the corresponding Phase I. See “*Risk Factors – Risks Related to the Properties – The existence of any environmental issues with the Properties may adversely affect the Trusts*” for additional discussion related to environmental matters.

Agreements Affecting the Properties

The Properties are subject to various easements, restrictions and other agreements of record with neighboring landowners, the most significant of which are available in the Digital Investor Kit and further described below. Such agreements generally: (1) grant the parties to such agreements certain easements and rights of use (for example, for access and drainage) which both benefit and burden the Properties, as applicable; (2) provide for the maintenance of

certain easement areas and for allocation and payment of costs and expenses related thereto; (3) provide for certain restrictions on the use of the applicable Property; and (4) provide certain rights to third parties for the exploration and mining of oil, gas and other minerals or the installation and operation of a solar photovoltaic system. See “*Risk Factors – Risks Related to the Properties – The Trusts do not guarantee the condition of, or title to, the Properties*” for additional discussion.

California Properties

18690 Highway Property. The 18690 Highway Property is subject to a Declaration of Restrictions which provides, among other things, that any new construction or alterations require the prior approval of an architectural committee and sets forth certain easements and use, signage, setback and subdivision restrictions.

Radio Property. The Radio Property is subject to a Solar Agreement between the owner of the Radio Property and Green Lease, Inc., which permits the Provider to install, maintain and operate a solar photovoltaic system at the Radio Property. The owner of the Property is required to purchase the electricity derived from the solar photovoltaic system and other services at a rate specified in the agreement. The Provider is responsible for the operation of the system and for all repairs and maintenance services to the system. The initial term of the agreement expires in 2026 and will automatically renew for successive one-year terms thereafter, subject to certain termination rights of the parties.

Thousand Palms Property. The Thousand Palms Property is subject to a Declaration of Restriction that prohibits the use of the Thousand Palms Property for the operation of a convenience food store or other facility selling motor fuel, which restriction expires in November 2021.

Tennessee Properties

American Property. The American Property is subject to, and benefitted by, certain easements including (1) a non-exclusive easement granted to the owner of an adjacent parcel for ingress and egress, including the right to pave, repair and maintain a private roadway, at its own expense, across an easement area on the American Property to provide access between the adjacent parcel and the public right-of-way, American Way; and (2) a non-exclusive easement which benefits the American Property for surface water drainage and maintenance of a creek bank slope, including the right to maintain, repair and replace the drainage structures and the slope, at its own expense.

Austin Property. The Austin Property is subject to, and benefited by, an easement for a shared roadway which is partially located on the Austin Property and partially located on an adjacent parcel. The owner of the Austin Property is responsible for the maintenance and repair of the roadway, however, the owner of the adjacent parcel is responsible for half of the costs of such maintenance and repairs.

Getwell Property.

The Getwell Property is benefited by a non-exclusive driveway easement for perpetual vehicular and pedestrian ingress and egress over a portion of an adjacent parcel. The owner of the adjacent parcel is responsible for the maintenance and repair of the easement area, however, the owner of the Getwell Property is responsible for half of the costs of such maintenance and repairs.

The Getwell Property is also subject to a non-exclusive easement granted to the owner of an adjacent parcel for the purpose of using and maintaining a drive area on the Getwell Property solely for drive and roadway purposes and for the temporary parking of motor vehicles. The owner of the adjacent parcel is responsible for the maintenance and repair of the easement area at its sole expense.

Texas Properties

Lake Property. The Lake Property is subject to two oil and gas leases (each, a “**Lake Property Oil and Gas Lease**”). Each Lake Property Oil and Gas Lease grants to the respective lessee the exclusive right to prospect, explore, mine, operate, produce, store and remove oil, gas and all petroleum products from a portion of the Lake Property and to build tanks, power houses and other structures and lines in connection with the exercise of such rights, subject to the payment of certain royalties to the lessor. The initial term of each Lake Property Oil and Gas Lease expired in 1955, however, (1) with respect to one of the Lake Property Oil and Gas Leases, the term continues as long as oil or

gas is produced from the applicable portion of the Lake Property, or as much longer as the lessee in good faith conducts drilling operations on such portion of the Lake Property and should production result from such operations, such Lake Property Oil and Gas Lease will remain in effect as long as oil or gas is produced from such portion of the Lake Property; and (2) with respect to the other Lake Property Oil and Gas Lease, the term continues so long as oil, gas or other mineral is produced from the applicable portion of the Lake Property or from lands pooled with such portion of the Lake Property. The Seller of the Lake Property was not a party to the Lake Property Oil and Gas Leases, and the Lake Property Oil and Gas Leases were not assigned to or assumed by the Operating Trust at closing.

Highway 75 Property. The Highway 75 Property is subject to an oil and gas lease (the “**Highway 75 Property Oil and Gas Lease**”), which grants to the lessees the exclusive right to access certain subsurface portions of the Highway 75 Property for the purpose of investigating, exploring, drilling and mining for and producing oil, gas and other minerals, and for laying pipes, building roads and other facilities and structures in connection with exercising such rights under the lease to produce and transport the products and to house employees, subject to the payment of certain royalties to the lessor. The initial term of the Highway 75 Property Oil and Gas Lease expired in 1955, however, the term continues as long as oil, gas or other mineral is produced from the Highway 75 Property or from lands pooled with the Highway 75 Property. The Seller of the Highway 75 Property was not a party to the Highway 75 Property Oil and Gas Lease, and it was not assigned to or assumed by the Operating Trust at closing. The Highway 75 Property is also subject to a 1982 deed reservation for all oil and gas in and under the Highway 75 Property but includes a specific release the rights of ingress and egress to and from the surface of the land and provides that oil and gas may be produced by any means which does not involve using, and does not adversely affect the use of, the surface of the land.

SUMMARY OF THE LEASES

General

The Operating Trust has entered into the Master Lease for the Properties with the Master Tenant. A copy of the Master Lease is available in the Digital Investor Kit. The Operating Trust has assigned the Rental Agreements and the Commercial Leases to the Master Tenant.

As of March 6, 2019, the average physical occupancy rate for the Properties (including the square footage of the storage units and the Retail Units but not the rentable parking spaces, which are not included in the total rentable square footage), based on the rentable square footage of the Properties, was approximately 80%.

The Master Lease is a net lease incorporating all expenses and debt service associated with the operation of the Properties. The Master Tenant operates the Properties for its own benefit and is entitled to retain certain positive differences between the operating cash flow of the Properties and Master Lease payments due to the Operating Trust and the Lender, as described in greater detail below. Likewise, the Master Tenant is liable for the cash shortfalls between the operating cash flow and Master Lease payments due to the Operating Trust and the Lender. See “*Risk Factors – Risks Related to the Master Lease and the Management of the Properties – The Master Tenant has limited capital*” for additional discussion regarding the capitalization of the Master Tenant.

Master Lease

EACH PROSPECTIVE INVESTOR SHOULD REVIEW THE ENTIRE MASTER LEASE, WHICH IS AVAILABLE IN THE DIGITAL INVESTOR KIT, BEFORE INVESTING. THE FOLLOWING IS A SUMMARY OF SOME OF THE SIGNIFICANT PROVISIONS OF THE MASTER LEASE. IT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT THEREOF.

Term of the Master Lease

The initial term of the Master Lease is 120 months or, if later, the date on which all monetary obligations under the Loan Documents have been repaid or satisfied, unless terminated earlier in accordance with the terms of the Master Lease. The Master Lease will automatically terminate upon a sale of a Property, as to such Property only.

Rent

Under the terms of the Master Lease, the Master Tenant is required to pay rents as described below.

Base Rent

The amount of annual Base Rent payable under the Master Lease will be \$4,136,644 per year. Base Rent is to be paid in monthly installments by the Master Tenant to the Lender, in accordance with the terms of the Loan Documents. Base Rent will be equitably adjusted to take into account any modifications in the payments due to the Lender under the Loan Documents, or in the event that the Operating Trust sells one or more Properties.

Additional Rent

In addition to Base Rent, the Master Lease requires the Master Tenant to pay as Additional Rent any amount of Gross Income under the Master Lease (which includes all income collected by the Master Tenant from rents, license fees and/or assessments and other items arising from the use of the Properties, but excludes amounts paid by or on behalf of a Tenant, whether by application of a security deposit or otherwise, for the following: (1) returned check charges; (2) reimbursement of costs to repair damages to the interior or exterior of any storage unit, common areas or grounds of the Properties; (3) reimbursement of costs to replace missing or destroyed items, including, but not limited to, appliances, furnishings, fixtures, flooring or floor coverings; (4) reimbursement of costs of excess cleaning or waste hauling; or (5) reimbursement of legal fees or collection costs in connection with a collection action, eviction or other legal action against a Tenant) for a year which exceeds the Additional Rent Breakpoint for that year provided for in the Master Lease (such breakpoint is \$10,941,000 for 2019 on an annualized basis) up to a maximum annual amount and is to be paid to the Operating Trust in monthly installments (such amount is \$2,499,000 for 2019 on an annualized basis). Such installment payments are based on the Master Tenant’s good faith estimates taking into consideration

the operational characteristics of the Properties. The Master Tenant and the Operating Trust are required to reconcile Additional Rent within 90 days after the end of each calendar year.

The difference between the Base Rent and the Additional Rent Breakpoint for the Properties for a given month, if any after taking into account any expenses for the Properties, will inure to the benefit of the Master Tenant and, therefore, IPC as the sole member of the Master Tenant. The Parent Trust estimates that this will result in additional income to the Master Tenant from approximately \$175,542 to \$176,424 per year. Such amounts will not be available for distributions to the Parent Trust or the Investors. In the event that the Operating Trust sells a Property, the Additional Rent Breakpoint will be equitably adjusted.

In the event that the Projected Uncontrollable Costs under the Master Lease (which includes real estate taxes, insurance costs, the cost of snow removal and the cost of utility services provided to the Properties) for any calendar year (or stub period thereof) exceed the actual amount of such costs for such calendar year or stub period, the Master Tenant is required to pay to the Operating Trust, as Additional Rent, the amount of such excess, within 90 days following the end of the applicable calendar year (or stub period thereof). However, if the actual costs for any calendar year (or period thereof) exceed the projected costs for such period, then the Master Tenant will be responsible for payment of such excess amount, but will be entitled to reimbursement of such excess amount by offsetting such amount against Additional Rent and, if necessary, Supplemental Rent, beginning with the first Master Lease month that begins on or after 90 days following the end of such period, and against such amounts payable to the Operating Trust in later months, if and as needed, until the full amount of such excess amount incurred for the applicable period have been reimbursed to the Master Tenant.

Supplemental Rent

The Master Tenant also is required to pay to the Operating Trust as Supplement Rent an amount equal to 75% of Gross Income for a year that exceeds the Supplemental Rent Breakpoint provided for in the Master Lease for that year. The Supplemental Rent Breakpoint for 2019 on an annualized basis is \$13,440,000. Supplemental Rent will only be paid by the Master Tenant after Base Rent and Additional Rent have been fully paid. Supplemental Rent is calculated on a calendar year basis (prorated for any partial year) and will be paid in arrears by the Master Tenant to the Operating Trust within 90 days after the end of each calendar year. In the event that the Operating Trust sells a Property, the Supplemental Rent Breakpoint will be equitably adjusted.

Notwithstanding the foregoing, or anything in the Master Lease to the contrary, in the event that the payments due to the Lender under the Loan Documents are increased above what is contemplated in the Master Lease and the Master Tenant is required to remit such payments out of cash flow from the Properties that exceeds the Base Rent, then to the extent (and only to the extent) of such cash flow in excess of Base Rent, such increased payments remitted to the Lender by the Master Tenant will be treated: (1) as having been paid to the Operating Trust as Additional Rent and Supplemental Rent (each as applicable) in satisfaction of the Master Tenant's obligation to pay such amounts to the Operating Trust under the Master Lease; and then (2) remitted by the Master Tenant on behalf of the Operating Trust to the Lender in satisfaction of the Operating Trust's obligations under the Loan Documents. In such event, the amounts actually paid to the Operating Trust as Supplemental Rent will be reduced.

Capital Expenditures

The Master Lease require the Master Tenant to be responsible for the operation, repair, maintenance and management obligations of the Properties. The Master Lease requires the Operating Trust to be responsible for the following Capital Expenditures: (1) repairs and replacements of the structure, foundation, roof, exterior walls, the parking lot and improvements to the Properties to meet the needs of the "**Property Tenants**" (as defined under the Master Lease to include any current and future subtenants, space tenants, occupants and business invitees or licensees of the Properties); (2) leasing commissions; (3) certain Hazardous Substances Costs (as such term is defined in the Master Lease); (4) any repairs identified in the Assessments (as defined herein), or similar engineering reports, related to the structure, foundation, roof, exterior walls, the parking lot and improvements to the Property, performed in connection with the acquisition of the Properties; (5) any Insurance Deductible (as such term is defined in the Master Lease); and (6) other improvements to the Properties that would be considered capital expenditures under IPC's capitalization policy as related to the structure, foundation, roof exterior walls, the parking lot and improvements to the Property. The Operating Trust is not required to pay any Capital Expenditures which: (a) arise due to the negligence or willful misconduct of the Master Tenant; (b) arise from certain hazardous substances on or about the Properties after the commencement of the Master Lease; or (c) would otherwise constitute a "prohibited action" under

the Trust Agreements for so long as the Operating Trust is a DST. The Operating Trust will not otherwise be required to provide any services, facilities, repairs or alterations to the Properties.

To the extent the Master Tenant plans to make any modifications to a Property which are more than minor, non-structural modifications, the Master Tenant must provide 30 days' advance written notice of such changes or alterations to the Operating Trust. For so long as the Operating Trust is a DST, the Operating Trust will not have the right, power or ability to make more than minor, non-structural modifications to the Properties.

Impositions

The Master Tenant are required to timely pay all taxes, assessments, excises, levies, license and permit fees and other governmental impositions and charges (collectively, "**Impositions**") arising from the Properties. The Master Tenant has the right, at its own expense and after prior written notice to the Operating Trust, to contest or review by appropriate legal proceedings or in such manner as the Master Tenant in its opinion deems advisable any and all Impositions, so long as such contest does not operate to prevent or in any way impair or delay a sale of a Property by the Operating Trust or result in a tax sale of a Property or any portion thereof.

Insurance

The Master Tenant is required, at its sole cost and expense, at all times throughout the term of the Master Lease, to maintain the following insurance policies on the Properties for the mutual benefit of the Operating Trust and the Master Tenant:

- (1) all risks property insurance on each Property's improvements, in an amount not less than 100% of the full replacement costs (*i.e.*, the cost of replacing the Property improvements, exclusive of cost of excavations, foundation and footings below the lowest basement floor, without deduction for physical depreciation thereof) with agreed value;
- (2) boiler and machinery insurance in an amount sufficient to cover loss of rent, physical damage to each Property's improvements and to the major components of any central heating, air-conditioning or ventilation systems and such other equipment as the Operating Trust may require;
- (3) provided that a Property, or any portion thereof, is located in an area designated as a flood prone area participating in the National Flood Insurance Program, flood insurance in an amount equal to the full replacement cost or the maximum amount then available or evidence satisfactory to the Operating Trust, that neither such Property, nor any portion thereof, is located within a 100-year flood plain as determined by the Federal Insurance Administration;
- (4) during any changes or alteration of a Property or any part thereof and during any restoration following a taking or a casualty, all risk builder's risk insurance in an amount not less than 100% of the full replacement cost of such Property's improvements; and
- (5) any other insurance required under the Loan Documents or by the Operating Trust in its reasonable discretion. See "*Financing Terms – Insurance, Casualty and Condemnation.*"

Trust Reserve Account

Pursuant to the Master Lease, the Operating Trust has established the Trust Reserve Account to make funds available for Capital Expenditures and unanticipated costs in relation to the Properties.

The Operating Trust has made an initial contribution to the Trust Reserve Account from the proceeds of the Loan, in the amount of \$6,630,840. An annual reserve contribution to the Trust Reserve Account will be withheld from Supplemental Rent, to the extent available, by the Master Tenant up to a maximum annual amount of \$510,660 for 2019, determined on an annualized basis. At the end of any calendar year, if the balance in the Trust Reserve Account is less than the Reserve Minimum Balance of \$75,000 the Operating Trust will be required to make a contribution to the Trust Reserve Account so that the Reserve Account contains at least an amount equal to the Reserve Minimum Balance (and if such contribution is not made, the Master Tenant may withhold Additional Rent and Supplemental Rent until the Trust Reserve Account contains at least an amount equal to the Reserve Minimum Balance). The Operating Trust has no obligation to fund the Trust Reserve Account at any time the account contains more than the Reserve Maximum of \$5,500,000. If funds in the Trust Reserve Account exceed the Reserve Maximum,

the Operating Trust, in its sole discretion, may withdraw such excess funds. Any interest earned on the funds in the Trust Reserve Account will be retained as additional reserves. Any amount remaining in the Trust Reserve Account upon the sale of the Properties will be distributed to the Investors based on their respective pro rata Interests.

Casualty and Condemnation

The casualty and condemnation provisions under the Master Lease are subject to the Loan Documents. In the event of a casualty, the Master Tenant is required to restore such Property, at its sole cost and expense, whether or not the insurance proceeds are sufficient, and in such event, the Master Tenant will not be relieved of its obligation to pay the full Rent under the Master Lease. If a casualty occurs within 12 months of the expiration of the Master Lease, and the cost of restoration exceeds 50% of fair market value of such Property, then, subject to the Loan Documents, and provided the Master Tenant is not in default under the Master Lease and the insurance proceeds are, in the Operating Trust's reasonable judgment, sufficient to restore such Property, the Operating Trust may: (1) require the Master Tenant to complete the restoration; or (2) terminate the Master Lease as to such Property.

In the event of a total condemnation, the Master Lease will terminate and expire as to such Property and Rent attributable to such Property will be prorated through the termination date. The Master Tenant will have the right to participate and receive the entire award above and beyond the payment of all debt of the Operating Trust and the Operating Trust's original beneficial interest holder's capital up to the amount of the Disposition Fee, plus the fair market value of the Master Tenant's tangible personal property attributable to such Property. In the event of a partial condemnation, the Master Lease may be terminated as to such Property if the Master Tenant determines that such Property can no longer be used as it was intended. However, if the Master Lease is not terminated there will not be a reduction in the Rent, except as set forth in the Master Lease, and the Master Tenant, at its sole cost and expense, is required to restore such Property.

Assignment and Subletting

Except in certain circumstances as set forth in the Master Lease, the Master Tenant may sell, assign, sublet, pledge, transfer or otherwise dispose of its interest in the Master Lease only with the prior consent of the Operating Trust and the Lender, each of which may be withheld for any reason or no reason. The Master Tenant may assign the Master Lease to any subsidiary or affiliate without consent from the Operating Trust, subject to guidelines set forth in the Master Lease. The Operating Trust may assign its rights under the Master Lease to the Springing LLC as part of a Transfer Distribution.

The Master Tenant may sublet the whole or any portion of the Properties without the necessity of obtaining the Operating Trust's prior written consent so long as the term of any "**Property Leases**" (defined as any leases or subleases of any or all of the Properties on commercially reasonable terms and as permitted pursuant to the terms of the Master Lease, including, but not limited to, the Rental Agreements) terminate prior to the term of the Master Lease. The Master Tenant may enter into Property Leases with terms that exceed the term of the Master Lease without the Operating Trust's prior written consent so long as such Property Leases comply with the following provisions: (1) each Property Lease must be deemed by law subject and subordinate to the Master Lease; (2) each Property Lease must be with a bona-fide arm's-length Property Tenant; (3) each Property Lease may not contain any rental concessions or other concessions which are not then customary and reasonable for similar properties and leases in the market area of such Property; (4) the rental rate for each Property Lease must be at least at the market rate then prevailing for similar properties and leases in the market areas of such Property (with due consideration given to the size of the storage unit or rentable parking space leased); (5) each Property Lease is guaranteed, the Property Tenant under the Property Lease demonstrates sufficient creditworthiness to support the Property Lease payments or the Property Tenant submits a sufficient security deposit to cover the risk; and (6) for net leases, the payment of normal pass-through expenses by Property Tenant to the Master Tenant.

Termination Rights

The Operating Trust may terminate the Master Lease upon prepayment of the Loan. The Master Lease will automatically terminate in the event that all of the Properties are sold or will partially terminate if one of the Properties is sold, as to the sold Property. Upon the termination of the Master Lease, the Master Tenant's rights and obligations in and under all current Property Leases will automatically vest in the Operating Trust and the Operating Trust will be deemed, without further action required, to have assumed all of the Master Tenant's obligations under the Property Leases from and after the effective date of the termination.

Disposition Fees

The Master Lease provides that, upon the sale of a Property, the Master Tenant is entitled to a Disposition Fee if the “Sales Proceeds” (defined as the gross sales price of a Property, reduced by any amounts used or incurred by the Operating Trust to pay off the debt on such Property) of a Property are greater than 110% of the Maximum Offering Amount directly allocable to such Property. The amount of the Disposition Fee is equal to the gross sales price of a Property multiplied by: (1) 0.5%, if the Sales Proceeds are greater than 110% but less than or equal to 140% of the Maximum Offering Amount directly allocable to such Property; (2) 1.0%, if the Sales Proceeds are greater than 140% but less than or equal to 170% of the Maximum Offering Amount directly allocable to such Property; (3) 1.5%, if the Sales Proceeds are greater than 170% but less than or equal to 200% of the Maximum Offering Amount directly allocable to such Property; or (4) 2.0%, if the Sales Proceeds are greater than 200% of the Maximum Offering Amount directly allocable to such Property. Pursuant to the Property Management Agreement, the Master Tenant has assigned to the Property Manager all of its rights to the Disposition Fees.

Rental Agreements

Each of the Tenants has entered into a Rental Agreement. In addition, each new Tenant will be required to enter into a Rental Agreement moving forward.

A sample of the Rental Agreement that is used at each Property is available in the Digital Investor Kit. EACH PROSPECTIVE INVESTOR SHOULD REVIEW THE SAMPLE RENTAL AGREEMENTS IN THEIR ENTIRETY, WHICH ARE AVAILABLE IN THE DIGITAL INVESTOR KIT, BEFORE INVESTING. THE FOLLOWING IS A SUMMARY OF SOME OF THE SIGNIFICANT PROVISIONS OF THE RENTAL AGREEMENTS. IT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT THEREOF.

Each Rental Agreement is for a specific storage unit or rentable parking space on an “AS IS” basis for a month-to-month term and may be terminated by either party by providing a written termination notice to the other party at least five days’ prior to the end of the current rental month. The Master Tenant may terminate a Rental Agreement immediately upon default by the Tenant of any of the terms in the Rental Agreement. The Tenants are only permitted to store owned personal property; however, certain items are prohibited, including but not limited to explosives or any highly flammable or dangerous goods, or irreplaceable items such as art works or heirlooms. Habitable occupancy of the space by humans or pets of any kind is prohibited. Each Tenant is required to keep the respective leased space in good repair, order and condition, reasonable wear and tear excepted. No alterations or additions are permitted.

In general, Tenants are required to acquire and maintain an insurance policy of fire, extended coverage endorsement, burglary, vandalism and malicious mischief insurance for the actual cash value of the stored property. The Master Tenant will not provide any insurance, but the Property Manager will provide Tenants with the option to purchase insurance policies issued by a third party insurance company.

The Tenants may not assign the Rental Agreement or sublet the leased space without the prior written consent of the Master Tenant.

Commercial Leases

Copies of each of the Commercial Leases are available in the Digital Investor Kit. EACH PROSPECTIVE INVESTOR SHOULD REVIEW EACH OF THE COMMERCIAL LEASES IN ITS ENTIRETY, WHICH IS AVAILABLE IN THE DIGITAL INVESTOR KIT, BEFORE INVESTING. THE FOLLOWING IS A SUMMARY OF SOME OF THE SIGNIFICANT PROVISIONS OF THE COMMERCIAL LEASES. IT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT THEREOF.

Retail Leases

The following table contains a summary of the basic terms of the Retail Leases:

Retail Unit	Approximate Leased SF	Use	Current Monthly Rent	Lease Expiration Date
<i>Cathedral City Property</i>				
67652	677	general office	\$750	month-to-month
67654	446	music studio	\$550	month-to-month
67656	256	vacant		
67660	1,112	air conditioning business office	\$850	December 31, 2019
67664	912	insurance company office	\$950	month-to-month
67666	256	nail salon	\$500	August 31, 2019
67684	346	vacant		
67686	712	retail and warehouse	\$850	month-to-month
67690	446	property management office	\$575	month-to-month
67692	446	psychic	\$535	month-to-month
67694	446	mobile auto glass replacement office	\$600	month-to-month
67696	256	driving school office	\$400	May 31, 2019
67698	646	beauty salon	\$600	month-to-month
67700 - 67702	896	tattoo shop and body piercing	\$1450	month-to-month
67704	446	DirecTV dealership and retail store	\$400	month-to-month
67712	1,840	retail and warehouse	\$1,000	February 28, 2020
67714	866	administrative services office	\$800	month-to-month
<i>Shelby Property</i>				
6148	1,800	tax preparation and real estate services	\$1,388	month-to-month
6150	900	vacant		
6152	900	embroidery and screen printing	\$836	month-to-month
6154	900	tailor	\$950	month-to-month
6156	900	vacant	\$845	month-to-month
6158	900	vacant		
6160	2,363	vacant		
6164	1,200	vacant		
6166	1,200	vacant		
6168	1,340	nail salon	\$1,050	October 4, 2021
6170	1,340	vacant		
6172	1,340	vacant		
6174	1,340	vacant		
6176	900	spa	\$670	month-to-month
6178	1,200	vacant		
6180 - 82	2,100	barber shop	\$1,370	month-to-month
6184	900	insurance agency office	\$835	month-to-month
6186	900	vacant		
6188	900	retail bookstore	\$850	month-to-month

Upon the expiration date of each of the Retail Leases, the term will automatically renew on a month-to-month basis on the same terms (other than the lease term), until one party gives 30 days' prior written notice of non-renewal to the other party. After the expiration date, the landlord may increase the monthly rental amount upon 30 days' prior written notice to the tenant.

The tenants are responsible for paying all charges for utility services consumed on the leased premises and a monthly common area maintenance charge, which is included in the monthly rent amounts set forth above. The landlord is responsible for making all repairs and replacements to the roof and to the exterior structural portions of the building. Each tenant is responsible for making all other repairs to its leased premises.

The tenants may not assign the respective Retail Leases or sublease the leased premises, in whole or in part, without the prior written consent of the landlord.

Each of the tenants is required to maintain a commercial general liability insurance policy in a minimum amount of \$500,000, which policy must name the landlord as an additional insured. No alterations or improvements to the leased premises are permitted without the prior written consent of the landlord.

Billboard Leases

American Property Billboard Lease

A billboard is located on a portion of the land comprising the American Property, which land is leased to The Lamar Companies, an unaffiliated third party, as successor in interest to Clear Channel Outdoor, Inc., pursuant to a lease agreement dated September 26, 2014 (the “**American Property Billboard Lease**”).

The initial term of the American Property Billboard Lease expires on November 30, 2019, subject to certain termination rights of the parties. The American Property Billboard Lease does not provide for any renewal terms.

No advertising copy is permitted on the Billboard that displays distasteful or offensive adult products or businesses, self-storage facilities or other facilities in direct competition with the lessor.

The current monthly rent payable by the lessee under the American Property Billboard Lease is equal to the greater of \$200 or 25% of the annual net revenue that the lessee generates from the billboard. The lessee is also responsible for any property taxes attributable to the billboard and for utility services.

Cathedral City Property Billboard Lease

A billboard is located on a portion of the land comprising the Cathedral City Property, which land is leased to Lamar Central Outdoor, LLC, an unaffiliated third party, as successor in interest to Fairway Outdoor Advertising, pursuant to a lease agreement entered into on September 29, 1999 (the “**Cathedral City Property Billboard Lease**”).

The initial term of the Cathedral City Property Billboard Lease was for 10 years. The term automatically renews each year for successive one-year terms for a total of 10 years. The expiration date of the last one-year renewal term is March 31, 2020. The lessee may terminate the Cathedral City Property Billboard Lease (1) upon written notice to the lessor at least 30 days’ prior to the end of the then-current term; (2) if the view of the premises or the billboard is partially or wholly obstructed, or the advertising value is impaired or diminished by reduced vehicular circulation; or (3) if the construction or use of the billboard becomes restricted or prevented by law or permits to build are denied. After March 31, 2020, the Cathedral City Property Billboard Lease may be terminated by either party.

The lessor may not permit any adjoining properties owned or controlled by the lessor to be used for the placement of another off-premises advertising structure. If the lessor has another location that may be permitted for an off-premises advertising structure, the lessee will have a first right of refusal for placement. The lessee may not permit any adult advertising or any advertising that would be competitive to the lessor to appear on the billboard.

The current annual rent payable by the lessee under the Cathedral City Property Billboard Lease is equal to the greater of \$14,050 or 25% of gross revenue less agency commissions. The lessee is also responsible for any utility services.

Cell Tower Leases

18690 Highway Property Cell Tower Lease

A telecommunications tower is located on a portion of the land comprising the 18690 Highway Property, which land is leased to MetroPCS Networks California, LLC, a Delaware limited liability company and an unaffiliated

third party, as successor in interest to Royal Street Communications California, LLC, pursuant to an option to lease dated July 6, 2009 (the “**18690 Highway Property Cell Tower Lease**”).

The initial term of the 18690 Highway Property Cell Tower Lease was for five years. The term automatically renews for four additional five-year terms unless the lessee provides the lessor notice of its intent not to renew at least 60 days and not more than 90 days prior to the expiration of the then-current term. The first renewal term is currently in effect and expires on July 1, 2019. The 18690 Highway Property Cell Tower Lease may be terminated for reasons which include, among other things, (1) the lessee failing to cure a monetary lien within 10 days, or a non-monetary lien within 30 days, after receiving written notice from the lessor, (2) the lessee’s inability to maintain government approval or comply with FCC directives, (3) condemnation of the premises or destruction of the equipment, (4) lessee bankruptcy or receivership, or (5) either party committing a material breach or failing to perform a covenant for a period of 30 days after receiving written notice from the other party.

The lessor has approval rights over construction plans and the locations of related easements granted to the lessee. The lessor will be deemed to have approved any plan approval request from the lessee if the lessor fails to respond within 15 days after receipt of the lessee’s plans; provided that the lessee’s transmittal letter conspicuously notified the lessor that silence would be deemed approval. After expiration of the first renewal term (July 1, 2019), the lessor may (at its expense) relocate the lessee’s equipment or easements upon six months’ prior written notice.

The current monthly rent is \$1,900.16, which is subject to annual increases of 3%. The lessee is also responsible for any property taxes attributable to its equipment and for utility services.

Moriarty Property Cell Tower Leases

New Cingular Cell Tower Lease.

A telecommunications tower is located on a portion of the land comprising the Moriarty Property, which land is leased to New Cingular Wireless PCS, LLC, a Delaware limited liability company and an unaffiliated third party, successor by merger to BellSouth Mobility, Inc. pursuant to a lease agreement dated July 22, 1994, which is expected to be amended subsequent to the date of this Memorandum (as amended, the “**New Cingular Cell Tower Lease**”).

The current term of the New Cingular Cell Tower Lease will commence upon entry into the amendment describe above, and is for a five-year period. The term will automatically renew for four successive five-year terms, unless the lessee gives the lessor written notice of its intent not to renew at least 60 days prior to the expiration of the then-current term.

The lessor may not erect or permit any use or structure that would interfere with the normal operations of the telecommunications tower, which covenant does not restrict the lessor’s current self-storage operations or its right to develop the remaining property for similar uses such as office, warehouse or retail shopping.

The lessee may sublease the leased premises or assign the New Cingular Cell Tower Lease to its principal, affiliates or subsidiaries of its principal or to any company upon which the lessee is merged or consolidated. The lessee may sublease, with the lessor’s prior written consent, which may not be unreasonably withheld, to any person or entity that is licensed by the FCC to operate wireless communication services. The lessor is not entitled to any revenue sharing from any such subleases.

The monthly rent is expected to be \$1,600 pursuant to the anticipated amendment to the New Cingular Cell Tower Lease. For each renewal term, the monthly rent will increase by 10% over the rent paid during the previous term. The lessee is also responsible for any property taxes attributable to the leased premises and the improvements located thereon, utility services and any increases of the lessor’s insurance premiums or assessments resulting from the lessee’s use of the leased premises.

Castle GT Cell Tower Lease.

A telecommunications tower is located on a portion of the land comprising the Moriarty Property, which land is leased to Crown Castle GT Company, LLC, a Delaware limited liability company and an unaffiliated third party, successor-in-interest to Contel Cellular of Memphis, Inc. pursuant to a lease agreement dated October 3, 1990 and amendments thereto (as amended, the “**Castle GT Cell Tower Lease**”).

The initial term of the Castle GT Cell Tower Lease was for five years. The term automatically renews for 15 successive five-year terms, unless the lessee gives the lessor written notice of its intent not to renew at least six months prior to the expiration of the then-current term.

The lessor may not erect or permit any use or structure that would interfere with the normal operations of the telecommunications tower, which covenant does not restrict the lessor's current self-storage operations or its right to develop the remaining property for similar uses such as office, warehouse or retail shopping.

The lessee may not sublease the leased premises or assign the Castle GT Cell Tower Lease, without the lessor's prior consent, which may not be unreasonably withheld. Pursuant to a sublease entered into on March 31, 2004, the lessee has subleased the leased premises to SprintCom, Inc.

The current monthly rent is \$2,375. Beginning on September 1, 2031 and on September 1 of each year thereafter, the monthly rent will increase by 4% over the monthly rent due in the immediately preceding lease year. The lessee is required to continue to pay rent through October 31, 2022, even if the lessee terminates the Castle GT Cell Tower Lease in accordance with its terms (other than if terminated as a result of a lessor default in which case no such additional payments will be due). The lessee is also responsible for any property taxes attributable to the leased premises and the improvements located thereon, utility services and any increases of the lessor's insurance premiums or assessments resulting from the lessee's use of the leased premises.

Castle PT Cell Tower Lease.

A telecommunications tower is located on a portion of the land comprising the Moriarty Property, which land is leased to Crown Castle PT Inc., a Delaware corporation and an unaffiliated third party, successor-in-interest to Powertel/Memphis, Inc., pursuant to a lease agreement dated May 17, 1996 and amendments thereto (as amended, the "**Castle PT Cell Tower Lease**").

The initial term of the Castle PT Cell Tower Lease was for five years. The term automatically renews for 14 successive five-year terms, unless the lessee gives the lessor written notice of its intent not to renew at least 90 days prior to the expiration of the then-current term. The Castle PT Cell Tower Lease may be terminated by either party for any reason or no reason during any renewal term upon six months' prior written notice. Additionally, the lessee may terminate the Castle PT Cell Tower Lease for (1) the lessor's failure to cure lessee's objections regarding its review of title matters and soil analysis results, or (2) the lessee's inability to maintain government approval necessary for the construction or operation of the telecommunications tower and the lessee's business.

The lessor may not erect or permit any use or structure that would interfere with the normal operations of the telecommunications tower, which covenant does not apply to the structures or operations in existence upon commencement of the Castle PT Cell Tower Lease or the lessor's right to develop the remaining property for similar uses such as office, warehouse or retail shopping.

The lessee may assign the Castle PT Cell Tower Lease to affiliates without the lessor's consent. The lessee also has the right to sublease space on its telecommunications tower to no more than one other entity whose primary business is the provision of wireless communications services; provided that (1) the lessor receives a copy of the sublease prior to its commencement, (2) the sublease rent is at the then prevailing market rates for subleases of tower space, and (3) the lessor receives as additional rent 50% of any compensation the lessee receives under such sublease. Except for the foregoing, the lessee may not sublease the leased premises or assign the Castle PT Cell Tower Lease, without the lessor's prior consent, which may not be unreasonably withheld.

The current annual rent is \$37,800. Beginning on June 17, 2031 and at the commencement of each extension term thereafter, the annual rent will increase by 20% over the annual rent due in the immediately preceding extension term. The lessee is required to continue to pay rent through May 31, 2023, even if the lessee terminates the Castle PT Cell Tower Lease in accordance with its terms (other than if terminated as a result of a lessor default in which case no such additional payments will be due). The lessee is also responsible for any property taxes attributable to the leased premises and the improvements located thereon, utility services and any increases of the lessor's insurance premiums or assessments resulting from the lessee's use of the leased premises.

SUMMARY OF THE TRUST AGREEMENTS

The terms of the Parent Trust are governed by the Parent Trust Agreement dated March 7, 2019 and the terms of the Operating Trust are governed by the Operating Trust Agreement dated March 7, 2019. Copies of the Trust Agreements are available in the Digital Investor Kit.

The initial beneficiary of the Parent Trust is the Parent Trust Depositor, Self-Storage Portfolio VII, L.L.C., a Delaware limited liability company and an affiliate of the Sponsor. The Delaware Trustee of the Parent Trust is The Corporation Trust Company, a Delaware corporation, and the Signatory Trustee of the Parent Trust is Self-Storage Portfolio VII Exchange, L.L.C., a Delaware limited liability company and an affiliate of the Sponsor.

The Parent Trust is the beneficiary of and owns 100% of the beneficial interests in the Operating Trust. The Delaware Trustee for the Operating Trust is The Corporation Trust Company, a Delaware corporation and the Signatory Trustee of the Operating Trust is Four State Storage Exchange, L.L.C., a Delaware limited liability company and an affiliate of the Sponsor. An Independent Trustee has been appointed to the Operating Trust for the purpose of satisfying the Lender's requirement that the Operating Trust have an independent trustee.

The rights and obligations of the Investors and Trustees with respect to the Properties will be governed by the Parent Trust Agreement and the Operating Trust Agreement.

Purpose and Term of the Parent Trust

The purpose of the Parent Trust is to own the beneficial interests in the Operating Trust.

The Parent Trust will terminate on the earlier of December 31, 2069 or the sale or other disposition of the Trust Property, provided that the Loan has been repaid in full. The term “**Trust Property**” is defined in Parent Trust Agreement as all right, title and interest of the Parent Trust in and to any property contributed to the Parent Trust by the Parent Trust Depositor or otherwise owned by the Parent Trust, including the beneficial interests in the Operating Trust. The term “**Transaction Documents**” is defined in the Parent Trust Agreement as the Parent Trust Agreement and the Loan Documents.

Purposes and Terms of the Operating Trust

The purposes of the Operating Trust are to: (1) acquire and own the Properties; (2) enter into and comply with the terms of the Transaction Documents (as defined in the Operating Trust Agreement); (3) conserve, protect, manage and dispose of the Properties; and (4) take those actions that the Trustees of the Operating Trust determine are necessary or advisable to carry out such purposes. The term “**Transaction Documents**” is defined in the Operating Trust Agreement as the Operating Trust Agreement, the Master Lease and the Loan Documents.

The Operating Trust will terminate on December 31, 2069, or the sale or other disposition of its Trust Property, provided that the Loan has been repaid in full.

Terms of the Trust Agreements

EACH PROSPECTIVE INVESTOR SHOULD REVIEW EACH ENTIRE TRUST AGREEMENT, WHICH ARE AVAILABLE IN THE DIGITAL INVESTOR KIT, BEFORE INVESTING. THE FOLLOWING IS A SUMMARY OF SOME OF THE SIGNIFICANT PROVISIONS OF THE PARENT TRUST AGREEMENT. IT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT THEREOF. The Operating Trust Agreement is substantially similar to the Parent Trust Agreement, except as noted below.

Authority and Duties of the Trustees

The Trustees of the Parent Trust have the sole authority to manage, control, dispose of, or otherwise deal with the Trust Property in a manner that is consistent with their duty to conserve and protect the Trust Property. The Trustees are not individually liable for their actions except: (1) in the event of their own willful misconduct or gross negligence; (2) for the inaccuracy of their representation that the Parent Trust Agreement has been authorized, executed and delivered by each of the Trustees; (3) for engaging in any Prohibited Action (as defined herein); (4) for their failure to use ordinary care in disbursing monies to Investors pursuant to the terms of the Parent Trust Agreement;

and (5) for their own income taxes based on fees, commissions or compensation received in the capacity of Trustees. The Trustees are indemnified by the Parent Trust from and against any liabilities, losses, claims, suits and expenses (including reasonable legal fees) that may be incurred or asserted against the Trustees in connection with the Trust Property, the Loan Documents, or the operation of the Operating Trust. Such indemnification does not apply, however, if the claim, suit or liability results from any action of the Trustees described in clauses (1) through (5) above. To the fullest extent permitted by law, the Trustees are entitled to advancement of expenses incurred in defending a claim prior to its final disposition, subject to repayment if a court renders a final, non-appealable judgment that the applicable Trustee is not entitled to indemnification. The Trustees of the Operating Trust are entitled to indemnification rights comparable to those described above with respect to the Trustees of the Parent Trust.

The duties of the Delaware Trustee are limited to acting as Trustee in the State of Delaware to satisfy the requirement of the Delaware Statutory Trust Act that each Trust have at least one Trustee with a principal place of business in Delaware. All other duties reside with the Signatory Trustee of each Trust, including, but not limited to: (1) acquiring, owning, conserving, protecting, operating and selling the Trust Property; (2) entering into and/or assuming and complying with the terms of the Loan Documents and any other Transaction Documents; (3) making distributions in accordance with the applicable Trust Agreement (and collecting rents in connection therewith, in the case of the Operating Trust); (4) entering into any agreement for purposes of completing tax-free exchanges of real property with any Qualified Intermediary, as defined under Section 1031; (5) notifying the relevant parties of any default by them under the applicable Transaction Documents; (6) solely to the extent necessitated by the bankruptcy or insolvency of a tenant, renegotiating the Master Lease or entering into new lease(s) with respect to the applicable Properties or renegotiating or refinancing any debt secured by such Properties; (7) solely in the case of the Operating Trust, entering into the Asset Management Agreement with the Asset Manager; (8) taking any actions required as part of a Transfer Distribution; (9) sole in the case of the Operating Trust, consenting to the exercise of any right held by the Lender, or to any proposed modification of any agreement affecting the Properties (other than the Master Lease); provided, however, that any such right or obligation to the extent it exists may only be exercised to maintain the value of the Trust Property; and (10) taking any action which, in the reasoned opinion of Special Tax Counsel, should not have an adverse effect on the treatment of such Trust as an “investment trust” within the meaning of Treasury Regulation 301.7701-4(c).

The Operating Trust Agreement provides for the Independent Trustee to be appointed for the purpose of satisfying the Lender’s requirement that the Operating Trust have an independent trustee until the Loan has been paid in full. The duties of the Independent Trustee are limited in nature and primarily relate to the prevention of the dissolution of the Operating Trust in certain circumstances until the Loan has been paid in full.

Compensation to the Trustees

Each Trust will pay the Delaware Trustee an initial fee, monthly fees, and document execution fees for its services. The Parent Signatory Trustee serves in such capacity without compensation. The Operating Trust Signatory Trustee serves in such capacity without compensation, except for such fees that the Signatory Trustee is entitled to in its role as the Asset Manager, for which it is compensated in that capacity, as described in this Memorandum. See *“Compensation to IPC, its Affiliated Parties and the Property Manager.”*

Limitation on Authority of the Trustees

To protect the tax-free exchange status for the Investors under Section 1031, the Parent Trust Agreement prohibits the Trustees from taking any action to the extent that the effect of taking such action would constitute a power to “vary the investment” of the Investors under Treasury Regulation Section 301.7701-4(c)(1) and Revenue Ruling 2004-86 (any such action a “**Prohibited Action**”). Specifically, the Trustees of the Parent Trust may not: (1) dispose of the Properties and acquire new real property or reinvest any of the monies of the Parent Trust except as provided in the Parent Trust Agreement; (2) renegotiate the terms of the Loan, enter into new financing or renegotiate any lease (the Master Lease in the case of the Operating Trust) or enter into a new lease or leases except in the event of a tenant’s bankruptcy or insolvency; (3) make other than minor non-structural modifications to the Properties, other than as required by law; (4) after the formation and capitalization of the Parent Trust, accept any additional capital contributions from any Investor, or any contributions from any prospective new investor; or (5) take any other action that in the reasoned opinion of tax counsel to the Parent Trust should be expected to cause the Parent Trust to be treated as a “business entity” under Treasury Regulation Section 301.7701-3 for federal income tax purposes. The Operating Trust Agreement imposes comparable restrictions on the Trustees of the Operating Trust.

Authority of Investors

Because each of the Trust Agreements was designed with the intent to meet the parameters of Revenue Ruling 2004-86 issued by the IRS and other relevant regulatory and judicial requirements with respect to the Delaware statutory trust, Investors are not permitted to have any vote over the operation and ownership of the Properties. Subject to the terms of the Loan Documents, Investors holding a majority of the Interests may remove a Trustee of the Parent Trust only if the Trustee has engaged in willful misconduct, fraud or gross negligence with respect to the Parent Trust as determined by a final, non-appealable judgment of a court of competent jurisdiction. Further, until the date on which all obligations of the Operating Trust under the Loan Documents are indefeasibly and fully satisfied, the prior written consent of the Lender is required for the removal of the Operating Trust Signatory Trustee and the appointment of a replacement for the Operating Trust Signatory Trustee, and the removal of the Operating Trust Signatory Trustee will not be effective without the prior written consent of the Operating Trust Signatory Trustee until the Operating Trust Signatory Trustee and each of its affiliates have been fully removed from any guarantee and indemnity obligations they may have with respect to the Loan.

Upon the resignation or removal of a Trustee of the Parent Trust, Investors holding a majority of the Interests may appoint a successor Trustee.

Distributions

Pursuant to the Parent Trust Agreement, the Investors will be entitled, based on their respective Interests, to monthly cash distributions (which the Parent Trust will receive as distributions from the Operating Trust), net of amounts required to pay and reimburse the Trustees, pay debt service on the Loan and related expenses and retain amounts necessary to pay anticipated ordinary current and future expenses of the Parent Trust. Such cash flow, if available, will be distributed on a monthly basis. Amounts retained may be invested only in certain short-term government obligations or certificates of deposit in banks or trust companies having a minimum stated capital and surplus of \$50,000,000.

Restrictions on Transfer of Interests

No Interest in any Trust, or any portion thereof, may be assigned, pledged, encumbered or transferred without the prior consent of the Signatory Trustee of such Trust. A Signatory Trustee's consent to each proposed transfer is subject to the sole discretion of the Signatory Trustee, including without limitation the satisfaction of the following, as determined by the Signatory Trustee in its sole discretion: (1) the proposed transfer's compliance with all applicable securities laws; (2) the proposed transfer's compliance with all transfer restrictions and requirements stated in the Loan Documents, including that the transfer does not constitute an event of default under such Loan Documents; (3) a determination that the proposed transfer would not result in the applicable Trust having to register as an investment company under the Investment Company Act of 1940, as amended ("**Investment Company Act**"), or require the applicable Trust or any Trustee to register as an investment adviser under the Investment Advisers Act of 1940, as amended; (4) a determination that the proposed transfer would not cause the Trust Property to become "plan assets" (as defined in the Trust Agreements); (5) the execution by the proposed transferor and transferee(s) of documents to effectuate the transfer that are satisfactory to the Signatory Trustee of the applicable Trust; and (6) the payment of all expenses related to the proposed transfer by the transferor. See "*Risk Factors – Risks Related to the Offering – There is no public market for the Interests,*" for additional discussion related to the restrictions on transfer.

Property Rights

The Operating Trust, and not the Investors, holds legal title to the Properties. The Investors will not be entitled to share in the use of the Properties or to any in-kind distribution of the Properties.

Transfer Distribution and Springing LLC

Under the Parent Trust Agreement, if, during the term of the Loan: (1) the Trust Property (or the Property of the Operating Trust) is in jeopardy of being foreclosed due to a default on a Loan; (2) the Trust Property or any portion thereof (including the Trust Property of the Operating Trust) is subject to a casualty, condemnation, or similar event that is not adequately compensated for through insurance or otherwise sufficient to permit restoration of the Trust Property (or the Trust Property of the Operating Trust) to the same condition as previously existed; or (3) the Parent Signatory Trustee determines that the Investors are at risk of losing all or a substantial portion of their investment, and

the Parent Signatory Trustee is prohibited from taking action to cure or mitigate such events because such action would “vary the investment” of the Investors, the Parent Signatory Trustee will terminate the Parent Trust by converting it into a Springing LLC. As a result of any Transfer Distribution, each of the Investors would become members of the new Springing LLC, owning an interest in the Springing LLC which will be subject to the terms of the Springing LLC Operating Agreement, and the Parent Signatory Trustee would become the manager of the Springing LLC. Notwithstanding the termination of the Parent Trust, the Trust Property would remain subject to the terms of the Loan Documents and the Master Lease.

The Operating Trust Agreement provides for similar triggering events for a Transfer Distribution. Also see “*Risk Factors – Risks Related to the Financing – If the Operating Trust is unable to sell or otherwise dispose of the Properties before the maturity date of the Loan, it may be unable to repay the Loan and may have to cause a Transfer Distribution.*”

If the conditions described above apply to a Restructure Property, the Operating Trust Signatory Trustee may, among other actions: (1) contribute the Restructure Property to a Restructure LLC, and such Restructure LLC: (a) will acquire, by operation of law, contract, or otherwise, the Restructure Property subject to the then-outstanding obligations of the Operating Trust under the Loan Documents and the Master Lease, (b) will become jointly and severally liable, by operation of law, contract, or otherwise, for the Operating Trust’s obligations under the Loan Documents and (c) will assume, by operation of law, contract, or otherwise, the Operating Trust’s obligations under the Leases with respect to the Restructure Property (subject in each case, inter alia, to such revisions as are consistent with the Restructure LLC’s ownership of less than all of the Properties); (2) in the case of the Parent Trust, cause the Restructure LLC to issue ownership interests to the Investors in proportion to the Investors’ ownership of Interests in the Parent Trust, or, in the case of the Operating Trust cause the Restructure LLC to issue ownership interests to the Parent Trust, which would then be distributed by the Parent Trust to the Investors in proportion to the Investors’ ownership of Interests in the Parent Trust; (3) cause the Signatory Trustee to be designated as the manager of the Restructure LLC and to execute all necessary documents on behalf of the members of the Restructure LLC; and (4) take all other actions necessary to complete the formation of the Restructure LLC in accordance with the Delaware Statutory Trust Act and the Delaware Limited Liability Company Act.

As a result of any of the foregoing transactions, actions could be taken to conserve and protect the at-risk Properties that could not have been taken otherwise.

Investor Liability and Bankruptcy

Investors will not have liability for the debts or obligations of the Trusts or any other Investor, whether with respect to the Properties or otherwise, and the Parent Trust Agreement will not be terminated by reason of the bankruptcy or insolvency of any Investor.

Tax Status of the Parent Trust and the Operating Trust

The Trust Agreements provide that each Trust is intended to qualify as an “investment trust” and a “grantor trust” for federal income tax purposes, and not as a partnership or other business entity. Thus, although each Trust is respected as a separate entity for state law purposes, each Investor should be treated as owning a direct interest in the Properties for purposes of Section 1031. See “*Federal Income Tax Consequences.*” Each Investor will be required to report his, her or its Interests in the Parent Trust in a manner that is consistent with the foregoing.

Non-Disclosure of Information

Under the Parent Trust Agreement, each Investor will agree to keep confidential and not disclose to any person (except to its employees, attorneys, advisors and other representatives who reasonably need to know and who likewise will agree to keep confidential and not disclose), any of the information furnished or made available to it or otherwise obtained by it from or on behalf of the Parent Trust, without the prior written approval of the Parent Signatory Trustee, except if disclosure is required pursuant to a request the failure with which to comply could result in the imposition of sanctions by a court.

MARKET ANALYSIS AND OVERVIEW

The following marketing information is excerpted from the Appraisal Reports from Colliers International Valuation & Advisory Services (“**Colliers**”) for each of the Properties (each, an “**Appraisal**” and collectively, the “**Appraisals**”), copies of which are included in the Digital Investor Kit. The Appraisals were compiled using data and information obtained from various third party services. Appraisals, the data used to compile them, and the results that they predict are by definition somewhat subjective and may be subject to various interpretations.

Based upon the foregoing, this information may not accurately reflect or predict all information relevant to the market area or the Properties. In addition, the Parent Trust has not independently verified any of the data included in the Appraisals. However, the Parent Trust has revised portions of the appraisal included in this “*Market Analysis and Overview*” section to eliminate typographical errors, to eliminate duplicative language and to conform to the definitions contained in this Memorandum.

The market analysis and overview for each Property includes:

- A Regional Analysis, which provides an overview regarding the region in which the Properties are located; and
- A Market Analysis.

California Properties

Regional Analysis

Below is a demographic study of the Riverside – San Bernardino – Ontario, California MSA, sourced by Pitney Bowes/Gadberry Group - GroundView® (“**Pitney Bowes**”), an online resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas.

POPULATION AND HOUSEHOLD PROJECTIONS			
	US	CA	CBSA
Population			
2010 Population	308,745,538	37,253,956	4,224,851
2018 Population	328,062,672	39,857,821	4,627,621
2023 Population	339,788,898	41,463,447	4,861,523
Annual Growth 2010 – 2018	0.8%	0.8%	1.1%
Annual Growth 2018 – 2023	0.7%	0.8%	1.0%
Households			
2018 Households	122,929,625	13,049,105	1,371,611
2023 Households	126,604,011	13,333,173	1,415,018
Annual Growth 2018 – 2023	0.6%	0.4%	0.6%
Housing Units (2018)			
Owner Occupied	65.11%	55.87%	64.83%
Renter Occupied	34.89%	44.13%	35.17%
Income			
2018 Median Household Income	\$58,828	\$68,209	\$59,870
2023 Median Household Income	\$70,600	\$81,780	\$72,597
Annual Growth 2018 - 2023	3.7%	3.7%	3.9%

Source: Pitney Bowes/Gadberry Group - GroundView®

Summary. The Riverside-San Bernardino-Ontario region boasts a diverse and strong economy with dynamic sectors such as technology, healthcare, tourism, and clean energy technologies. Over the longer term, the region’s strengths are its concentration of high-tech manufacturing industries, renewable energy, and strong education research. These factors are expected to have a positive impact and benefit the regional economy for years to come.

Market Analysis

Competitive Properties. Comparable properties were surveyed in order to identify the current occupancy within the competitive market. The comparable data is summarized in the following table.

SUMMARY OF COMPARABLE SELF-STORAGE RENTALS						
Comp. No.	Property Name and Location	Year Built	Occ.	NRA (SF)	Number Units	Avg. SF/Unit
1	Extra Space Self Storage 2055 Executive Dr, Palm Springs, CA	1977	96.2%	69,532	498	140
2	StorQuest Self-Storage 2711 East Tamarisk Rd, Palm Springs, CA	1975	90.3%	74,264	707	105
3	Extra Space Storage 1000 N Farrell Dr, Palm Springs, CA	1980	97.8%	71,100	711	100
4	Palm Springs Airport Storage 3950 Airport Center Dr, Palm Springs, CA	2004	97.7%	70,258	617	114
5	Public Storage 1000 S Gene Autry Trl, Palm Springs, CA	1980	95.0%	125,900	1,049	120
6	StorAmerica Self Storage 13533 Powhatan Ct, Apple Valley, CA	1999	90.0%	51,300	450	114
7	StorAmerica Self Storage 19464 Town Center Dr, Apple Valley, CA	1989	90.0%	63,700	401	159
8	StorAmerica Self Storage 12474 Industrial Blvd, Victorville, CA	1990	93.0%	53,817	368	146
9	Victor Valley Self Storage 12250 Ridgecrest Rd, Victorville, CA	1990	90.0%	54,300	543	100

Compiled by Colliers

Comparable Sales. The following table summarizes the comparable data used in the valuation of the California Properties.

SUMMARY OF COMPARABLE SELF-STORAGE SALES										
No.	Name	Transaction		Year Built	NRA (SF)	Actual Sale Price	Price Per		NOI Per	
		Type	Date				SF	Occ.	SF	OAR
1	Country Club Storage 39700 Garand Ln, Palm Desert, CA	Sale	Jul-18	2000	57,358	\$7,890,000	\$137.56	95.0%	N/A	N/A
2	Storage Express 2103 W Avenue, Lancaster, CA	Sale	May-17	2002	93,042	\$14,950,000	\$160.68	95.0%	\$8.35	5.20%
3	Big 10 Storage 788 S Vella Rd, Palm Springs, CA	Sale	May-18	1973	16,500	\$1,638,000	\$99.27	93.0%	\$7.27	7.33%
4	Diaz Super Storage 41906 Remington Ave, Temecula, CA	Sale	Mar-17	1999	61,743	\$8,100,000	\$131.19	99.0%	N/A	N/A
5	Spring Valley Self Storage 10786 US Elevator Road, Spring Valley, CA	Sale	Apr-18	1974	61,958	\$7,400,000	\$119.44	90.0%	\$7.97	6.67%
6	Storage Direct 16422 Adelanto Road, Adelanto, CA	Sale	May-18	2006	53,176	\$3,400,000	\$63.94	80.0%	\$4.16	6.50%
7	The Space Place 220 West Valley Blvd Rialto, CA	Sale	May-18	1986	56,560	\$4,250,000	\$75.14	95.0%	\$4.69	6.24%
8	Yankee Mini Storage 1020 Western Ave Beaumont, CA	Sale	Sep-18	2005	103,540	\$8,100,000	\$78.23	80.0%	\$4.22	5.40%

9	Palmdale Self-Storage 3305 E Palmdale Blvd Palmdale, CA	Sale	Apr-17	2005	78,630	\$6,200,000	\$78.85	84.0%	\$4.73	6.00%
10	Phelan Self Storage 9428 Sheep Creek Rd, Phelan, CA	Sale	Feb-18	2003	71,090	\$7,000,000	\$98.47	97.0%	\$6.50	6.60%

Compiled by Colliers

Tennessee Properties

Regional Analysis

According to Pitney Bowes, the Memphis metropolitan area had a 2018 total population of 1,350,964 and experienced an annual growth rate of 0.2%, which was lower than the Tennessee annual growth rate of 0.8%. The metropolitan area accounted for 20.0% of the total Tennessee population (6,766,522). Within the metropolitan area, the population density was 264 people per square mile compared to the lower Tennessee population density of 161 people per square mile, and the lower United States population density of 91 people per square mile.

POPULATION AND HOUSEHOLD PROJECTIONS			
	US	TN	CBSA
Population			
2010 Population	308,745,538	6,346,105	1,324,829
2018 Population	328,062,672	6,766,522	1,350,964
2023 Population	339,788,898	7,019,836	1,364,624
Annual Growth 2010 – 2018	0.8%	0.8%	0.2%
Annual Growth 2018 – 2023	0.7%	0.7%	0.2%
Households			
2018 Households	122,929,625	2,661,509	519,969
2023 Households	126,604,011	2,760,077	534,132
Annual Growth 2018 – 2023	0.6%	0.7%	0.5%
Housing Units (2018)			
Owner Occupied	65.11%	68.28%	63.76%
Renter Occupied	34.89%	31.72%	36.24%
Income			
2018 Median Household Income	\$58,828	\$49,576	\$51,772
2023 Median Household Income	\$70,600	\$59,423	\$62,135
Annual Growth 2018 - 2023	3.7%	3.7%	3.7%

Source: Pitney Bowes/Gadberry Group - GroundView®

Summary. The Memphis, TN-MS-AR MSA is well positioned to maintain economic stability with its well-diversified employment base and tourism appeal. The positive features of the Memphis metropolitan area are considered sufficient to maintain the region as a desirable commercial and economic center. The Memphis, TN-MS-AR metropolitan area has one of the largest and most diverse economies in the United States and economic prospects are considered positive.

Market Analysis

Competitive Properties. Comparable properties were surveyed in order to identify the current occupancy within the competitive market. The comparable data is summarized in the following table.

SUMMARY OF COMPARABLE SELF-STORAGE RENTALS						
Comp. No.	Property Name and Location	Year Built	Occ.	NRA (SF)	Number Units	Avg. SF/Unit
1	Public Storage 4500 Winchester Rd, Memphis, TN	1996	90.0%	64,400	690	93
2	Extra Space 4175 Winchester Rd, Memphis, TN	1984	87.0%	36,451	334	109
3	Simply Self Storage 3454 Hickory Hill Rd, Memphis, TN	1999	78.0%	85,000	600	142

4	Extra Space 7222 Riverdale Bend Dr, Memphis, TN	1997	92.0%	90,650	880	103
5	Extra Space 7301 Winchester Rd, Memphis, TN	1996	90.0%	49,900	499	100
6	Extra Space Storage 2625 Mt. Moriah Rd Memphis, TN	1988	94.0%	78,279	626	125
7	American Self Storage 6105 Apple Tree Dr Memphis, TN	1995	85.0%	68,029	387	176
8	1 st Choice Storage 4271 Raleigh Lagrange Rd, Memphis, TN	1987	98.0%	40,000	400	100
9	Public Storage 2878 Covington Pike, Memphis, TN	1998	90.0%	58,350	467	125
10	Medical Center Self-Storage 1045 Jefferson Ave, Memphis, TN	1965	75.0%	36,881	433	85
11	Simply Self Storage 6714 Winchester Rd, Memphis, TN	1997	93.0%	63,560	508	125
12	Secure Lock Storage 1570 Bonnie Ln, Cordova, TN	1997	91.0%	54,199	549	124

Compiled by Colliers

Comparable Sales. The following table summarizes the comparable data used in the valuation of the Tennessee Properties.

SUMMARY OF COMPARABLE SELF-STORAGE SALES											
No.	Name	Transaction		Year Built	NRA (SF)	No. Units	Actual Sale Price	Price Per		NOI Per	
		Type	Date					SF	Occ.	SF	OAR
1	Storage Xxtra Stockbridge 490 Eagles Landing Pkwy, Stockbridge, GA	Sale	Nov-18	2000	91,130	722	\$10,150,000	\$111.38	95.0%	\$7.45	6.69%
2	Extra Room Storage Center 6700 Flat Rock, Midland, GA	Sale	Feb-18	2006	59,885	417	\$4,850,000	\$80.99	97.0%	\$6.45	7.96%
3	Extra Space Storage 350 Adams St, Louisville, KY	Sale	Nov-17	1965	81,657	N/A	\$6,700,000	\$82.05	90.0%	\$5.54	6.75
4	Compass Self Storage 8036 US Highway 70, Bartlett, TN	Sale	Oct-17	1985	66,510	520	\$6,550,000	\$98.48	87.9%	\$7.26	7.37%
5	Public Storage 9100 S Blue Lick Road, Louisville, KY	Sale	Jul-17	2015	55,275	394	\$4,660,000	\$84.31	95.0%	\$5.69	6.75%
6	Storage Direct 16422 Adelanto Road, Adelanto, CA	Sale	June-17	1987	59,225	410	\$4,737,599	\$79.99	85.1%	\$5.57	6.96%
7	Rossville Self Storage 1402 Wilson Rd, Rossville, GA	Sale	Feb-18	1998	28,600	264	\$1,137,500	\$39.77	75.0%	\$2.97	7.46%
8	Devon Self Storage 3417 Fontaine Rd, Memphis, TN	Sale	Dec-17	1972	86,525	562	\$2,380,000	\$27.51	71.6%	\$3.10	7.89%
9	Judson Storage 14989 Judson Rd, San Antonio, TX	Sale	Dec-17	1996	129,573	606	\$4,100,000	\$31.64	72.0%	\$2.14	6.75%

10	Compass Self Storage 4175 Winchester Rd, Memphis, TN	Sale	Oct-17	1984	36,451	334	\$1,000,000	\$27.43	75.4%	\$2.31	7.01%
11	South Point Self-Storage 1308 South Point Rd, Belmont, NC	Sale	May-17	1992	45,555	189	\$1,300,000	\$28.54	80.0%	\$1.74	6.10%
12	Music City Self Storage 506 Fesslers Lane Nashville, TN	Sale	Nov-18	2018	97,333	146	\$18,203,630	\$187.02	24.0%	\$13.09	7.00%
13	Delk Road Self Storage 1155 Powers Ferry Place Marietta, GA	Sale	Oct-18	1985	112,535	128	\$19,950,000	\$177.28	94.0%	\$9.50	5.36%
14	Iron Guard Storage 2101 Ridgeway Rd, Pine Bluff, AR	Sale	Jul-18	2006	50,300	344	\$2,600,000	\$60.36	89.9%	\$3.99	8.12%
15	A-AAA Mini Storage 1880 Titus Road, Memphis, TN	Sale	Dec-17	1973	67,930	456	\$3,080,000	\$45.34	76.5%	\$3.07	6.77%

Compiled by Colliers

Texas Properties – Highway 75 Property and Lake Property

Regional Analysis

According to Pitney Bowes, the Sherman-Denison metropolitan area had a 2018 total population of 132,525 and experienced an annual growth rate of 1.2%, which was lower than the Texas annual growth rate of 1.7%. The metropolitan area accounted for 0.5% of the total Texas population (28,749,311). Within the metropolitan area the population density was 135 people per square mile compared to the lower Texas population density of 108 people per square mile and the lower United States population density of 91 people per square mile. The 2018 median age for the metropolitan area was 38.71, which was 3.53% older than the United States median age of 37.35 for 2018. The median age in the metropolitan area is anticipated to grow by 0.48% annually, increasing the median age to 39.65 by 2023.

POPULATION AND HOUSEHOLD PROJECTIONS			
	US	TX	CBSA
Population			
2010 Population	308,745,538	25,145,561	120,877
2018 Population	328,062,672	28,749,311	132,525
2023 Population	339,788,898	30,972,197	139,514
Annual Growth 2010 – 2018	0.8%	1.7%	1.2%
Annual Growth 2018 – 2023	0.7%	1.5%	1.0%
Households			
2018 Households	122,929,625	9,960,766	48,669
2023 Households	126,604,011	10,592,464	49,553
Annual Growth 2018 – 2023	0.6%	1.2%	0.4%
Housing Units (2018)			
Owner Occupied	80,041,309	6,398,286	33,636
Renter Occupied	42,888,316	3,562,480	15,033
Income			
2018 Median Household Income	\$58,828	\$59,000	\$52,938
2023 Median Household Income	\$70,600	\$71,628	\$63,108
Annual Growth 2018 - 2023	3.7%	4.0%	3.6%

Source: Pitney Bowes/Gadberry Group - GroundView®

Summary. Overall, the Sherman-Denison market has experienced steady economic trends over the past years. The unemployment has trended with the state and national averages and is typically about 1% lower than the state/averages. The population is expected to grow steadily at a similar pace as Texas overall. Overall, the economic and population trends display a steady trend for the market.

Market Analysis

Competitive Properties. Comparable properties were surveyed in order to identify the current occupancy within the competitive market. The comparable data is summarized in the following table.

SUMMARY OF COMPARABLE SELF-STORAGE RENTALS						
Comp. No.	Property Name and Location	Year Built	Occ.	NRA (SF)	Number Units	Avg. SF/Unit
1	Five Star Storage 2511 N Travis St, Sherman, TX	2008	95.3%	38,740	275	141
2	Keyport Self-Storage 2524 N Frisco Rd, Sherman, TX	1984	95.0%	52,734	488	108
3	Mandy's Storage 4316 Texoma Parkway, Sherman, TX	2009	88.0%	29,812	275	108
4	Extra Space 2601 Hilltop Drive, Sherman, TX	2006	86.0%	30,100	280	108
5	U-Storage Storage 11279 Lamar St, Sherman, TX	2003	85.0%	22,800	200	114

Compiled by Colliers

Comparable Sales. The following table summarizes the comparable data used in the valuation of the Highway 75 Property and Lake Property.

SUMMARY OF COMPARABLE SELF-STORAGE SALES											
No.	Name	Transaction Type	Date	Year Built	NRA (SF)	No. Units	Actual Sale Price	Price Per SF	Occ.	NOI Per SF	OAR
1	River Oaks Storage 5700 River Oaks Blvd, River Oaks, TX	Sale	Oct-18	1985	61,644	524	\$7,070,000	\$114.69	93.3%	\$7.67	6.69%
2	Affordable Self-Storage 3115 N Powell Pkwy, Anna, TX	Sale	Aug-18	2004	51,555	408	\$4,625,000	\$89.71	83.0%	\$6.05	6.74%
3	SmartStop Self Storage 2280 N Custer Rd, McKinney, TX	Sale	May-18	2016	94,100	730	\$10,400,000	\$110.52	74.0%	\$6.89	6.23%
4	Storage Solutions of Frisco 6707 Eldorado Pkwy, Frisco, TX	Sale	Dec-17	2014	66,455	496	\$7,400,000	\$111.35	90.0%	\$6.72	6.03%
5	Amsdell Gateway Self Storage 4206 Alliance Gateway, Fort Worth, TX	Sale	Mar-17	2002	49,085	368	\$5,925,000	\$120.71	86.0%	\$7.14	5.92%

Compiled by Colliers

Texas Properties – Interstate Property and Wesley Property

Regional Analysis

According to Pitney Bowes, the Dallas-Fort Worth-Arlington metropolitan area had a 2018 total population of 7,526,029 and experienced an annual growth rate of 2.0%, which was higher than the Texas annual growth rate of 1.7%. The metropolitan area accounted for 26.2% of the total Texas population (28,749,311). Within the metropolitan area the population density was 796 people per square mile compared to the lower Texas population density of 108 people per square mile and the lower United States population density of 91 people per square mile.

POPULATION AND HOUSEHOLD PROJECTIONS			
	US	TX	CBSA
Population			
2010 Population	308,745,538	25,145,561	6,417,724
2018 Population	328,062,672	28,749,311	7,526,029
2023 Population	339,788,898	30,972,197	8,202,124
Annual Growth 2010 – 2018	0.8%	1.7%	2.0%
Annual Growth 2018 – 2023	0.7%	1.5%	1.7%
Households			
2018 Households	122,929,625	10,592,464	2,608,283
2023 Households	126,604,011	9,960,766	2,784,670
Annual Growth 2018 – 2023	0.6%	1.2%	1.3%
Housing Units (2018)			
Owner Occupied	65.11%	64.23%	62.06%
Renter Occupied	34.89%	35.77%	37.94%
Income			
2018 Median Household Income	\$58,828	\$59,000	\$65,954
2023 Median Household Income	\$70,600	\$71,628	\$79,775
Annual Growth 2018 - 2023	3.7%	4.0%	3.9%

Source: Pitney Bowes/Gadberry Group - GroundView®

Summary. Boasting a strong and diverse economy, the “Metroplex” is home to world renowned corporations and Fortune 500 companies serving as the backbone for the city’s economy and its continued growth. Overall, the Dallas-Fort Worth-Arlington region offers a vibrant atmosphere, supported by top universities, urban attractions, and a history of stability. Real estate in the “Metroplex” area market should ultimately enjoy relative strength in terms of value stability and appreciation for the foreseeable future.

Market Analysis

Competitive Properties. Comparable properties were surveyed in order to identify the current occupancy within the competitive market. The comparable data is summarized in the following table.

SUMMARY OF COMPARABLE SELF-STORAGE RENTALS						
Comp. No.	Property Name and Location	Year Built	Year		Number Units	Avg. SF/Unit
			Occ.	NRA (SF)		
1	Raincross Storage 2100 Traders Rd, Greenville, TX	2017	50.0%	97,850	700	140
2	Wesley Street Storage 8604 Wesley St, Greenville, TX	1985	90.0%	40,112	300	134
3	Casey’s Corner Self Storage 3505 Lamar St, Greenville, TX	1980	90.0%	12,000	118	102
4	AAA Industrial Storage 6015 Industrial Blvd, Greenville, TX	1985	92.0%	46,624	320	146

Compiled by Colliers

Comparable Sales. The following table summarizes the comparable data used in the valuation of the Interstate Property and Wesley Property.

SUMMARY OF COMPARABLE SELF-STORAGE SALES											
No.	Name	Transaction		Year Built	NRA (SF)	No. Units	Actual Sale		NOI Per		
		Type	Date				Price	SF	Occ.	SF	OAR
1	Keep Safe Storage 7812 S Cooper St, Arlington, TX	Sale	Dec-17	1998	62,545	517	\$5,425,000	\$86.74	95.0%	\$5.33	6.15%
2	American Storage of Rockwall 4100 E Interstate Hwy 30, Fate, TX	Sale	Dec-16	1999	48,250	298	\$4,275,000	\$88.60	94.0%	\$5.64	6.37%

3	Longhorn Self Storage 131 Longhorn Road, Saginaw, TX	Sale	Jul-16	1984	53,866	323	\$3,070,362	\$57.00	90.0%	\$4.01	7.04%
4	Steelcreek Storage 1909 I-30 W, Greenville, TX	Sale	Mar-16	1990	72,775	404	\$3,025,000	\$41.57	98.0%	\$3.40	8.19%
5	Cube Smart Self Storage 6501 S Interstate 35E, Corinth, TX	Sale	Feb-16	1999	50,000	342	\$3,700,000	\$74.00	87.0%	\$4.57	6.17%

Compiled by Colliers

Wisconsin Property

Regional Analysis

According to Pitney Bowes, the Milwaukee-Waukesha metropolitan area had a 2018 total population of 1,579,085 and experienced an annual growth rate of 0.2%, which was lower than the Wisconsin annual growth rate of 0.3%. The metropolitan area accounted for 27.2% of the total Wisconsin population (5,809,829). Within the metropolitan area the population density was 1,058 people per square mile compared to the lower Wisconsin population density of 104 people per square mile and the lower United States population density of 91 people per square mile.

POPULATION AND HOUSEHOLD PROJECTIONS			
	US	WI	CBSA
Population			
2010 Population	308,745,538	5,686,986	1,555,908
2018 Population	328,062,672	5,809,829	1,579,085
2023 Population	339,788,898	5,881,300	1,593,272
Annual Growth 2010 – 2018	0.8%	0.3%	0.2%
Annual Growth 2018 – 2023	0.7%	0.2%	0.2%
Households			
2018 Households	122,929,625	2,355,621	640,075
2023 Households	126,604,011	2,400,775	649,854
Annual Growth 2018 – 2023	0.6%	0.4%	0.3%
Housing Units (2018)			
Owner Occupied	80,041,309	1,600,666	391,768
Renter Occupied	42,888,316	754,955	248,307
Income			
2018 Median Household Income	\$58,828	\$57,869	\$59,515
2023 Median Household Income	\$70,600	\$68,666	\$71,604
Annual Growth 2018 - 2023	3.7%	3.5%	3.8%

Source: Pitney Bowes/Gadberry Group - GroundView®

Summary. The Milwaukee-Waukesha-West Allis MSA is expected to benefit from a growing population base and higher income and education levels. It is anticipated that the Milwaukee-Waukesha-West Allis MSA economy will continue to recover and employment growth will resume.

Market Analysis

Competitive Properties. Comparable properties were surveyed in order to identify the current occupancy within the competitive market. The comparable data is summarized in the following table.

SUMMARY OF COMPARABLE SELF-STORAGE RENTALS						
Comp. No.	Property Name and Location	Year Built	Occ.	NRA (SF)	Number Units	Avg. SF/Unit
1	Neighborhood Storage Solutions 2040 E Saint Francis Ave, Saint Francis, WI	2016	N/A	22,482	200	112
2	Storage Mart 4400 S 13 th St, Milwaukee, WI	2005	94.2%	76,040	570	133
3	Public Storage 900 W Layton Ave, Milwaukee, WI	1983	94.4%	53,650	443	121
4	Storage Master 307 W Layton Ave, Milwaukee, WI	2018	39.8%	82,000	1,200	68
5	EZ Storage 3645 W Loomis Rd, Greenfield, WI	1962	94.9%	48,500	236	206
6	Public Storage 5014 S 13 th St, Milwaukee, WI	1988	N/A	93,679	506	185

Compiled by Colliers

Comparable Sales. The following table summarizes the comparable data used in the valuation of the Wisconsin Property.

SUMMARY OF COMPARABLE SELF-STORAGE SALES											
No.	Name	Transaction		Year Built	NRA (SF)	No. Units	Actual Sale Price	Price Per SF	NOI Per		
		Type	Date						Occ.	SF	OAR
1	Birchwood Self Storage 5115 W Good Hope Rd, Milwaukee, WI	Sale	Aug-18	2002	93,940	487	\$6,000,000	\$63,87	77.0%	\$5.05	7.90%
2	Southport Self Storage 7100 77 th Ave, Kenosha, WI	Sale	Nov-17	1999	107,395	788	\$12,375,000	\$115.23	88.7%	\$7.92	6.87%
3	Hartland Self Storage 470 E Industrial Dr, Hartland, WI	Sale	Sep-17	2005	59,680	337	\$5,920,000	\$99.20	94.1%	\$7.04	7.09%
4	Self-Storage 232 S Curits Rd, Milwaukee, WI	Sale	Jul-17	2017	80,000	460	\$5,500,000	\$68.75	33.0%	N/A	N/A
5	CityLine BeCubed 22001 S 104 th Ave, Frankfort, IL	Sale	Dec-17	2004	50,630	293	\$4,970,000	\$98.16	98.3%	\$6.09	6.21%
6	Cube Smart Self Storage 1149 S Frontage Rd, Romeoville, IL	Sale	Mar-18	2003	51,350	422	\$3,750,000	\$73.03	91.9%	\$4.54	6.22%

Compiled by Colliers

ACQUISITION OF THE PROPERTIES

The Operating Trust acquired the Properties on March 29, 2019 from the Sellers, each of which is a Delaware limited liability company and an unaffiliated third party seller, for an aggregate purchase price of \$118,300,000.

The allocation of the purchase price to each Property and the Seller of each Property are set forth in the table below.

Property	Allocated Purchase Price	Seller
California Properties		
18690 Highway Property	\$6,430,000	WCP/DSSH Holdings 6, LLC
22075 Highway Property	\$6,359,000	WCP/DSSH Holdings 5, LLC
Autry Property	\$8,330,000	WCP/DSSH Holdings 1, LLC
Cathedral City Property	\$13,740,000	WCP/DSSH Holdings 3, LLC
Radio Property	\$7,788,000	WCP/DSSH Holdings 2 LLC
Thousand Palms Property	\$7,197,000	WCP/DSSH Holdings 4, LLC
Tennessee Properties		
4705 Winchester Property	\$1,429,000	WCP/DSSH Holdings 14, LLC
6390 Winchester Property	\$887,000	WCP/DSSH Holdings 13, LLC
American Property	\$1,094,000	WCP/DSSH Holdings 12, LLC
Austin Property	\$6,037,000	WCP/DSSH Holdings 15, LLC
Germantown Property	\$6,818,000	WCP/DSSH Holdings 17, LLC
Getwell Property	\$1,950,000	WCP/DSSH Holdings 18, LLC
Macon Property	\$7,450,000	WCP/DSSH Holdings 19, LLC
Moriarty Property	\$4,436,000	WCP/DSSH Holdings 11, LLC
Poplar Property	\$12,084,000	WCP/DSSH Holdings 16, LLC
Shelby Property	\$4,385,000	WCP/DSSH Holdings 20, LLC
Texas Properties		
Highway 75 Property	\$5,198,000	WCP/DSSH Holdings 8, LLC
Interstate Property	\$4,748,000	WCP/DSSH Holdings 9, LLC
Lake Property	\$5,392,000	WCP/DSSH Holdings 7, LLC
Wesley Property	\$3,196,000	WCP/DSSH Holdings 10, LLC
Wisconsin Property		
Wisconsin Property	\$3,352,000	WCP/DSSH Holdings 21, LLC
Total Purchase Price:	\$118,300,000	

The Operating Trust funded the acquisition of the Properties with a combination of cash provided as a capital contribution from Four State Storage, L.L.C., a Delaware limited liability company and an affiliate of IPC, as the initial depositor of the Operating Trust, and proceeds of the Loan in the original principal amount of \$71,000,000 from the Lender. The initial depositor of the Operating Trust assigned 100% of the interests in the Operating Trust to the Parent Trust concurrent with the acquisition of the Properties and the closing of the Loan.

FINANCING TERMS

The Loan is evidenced by the Loan Documents and is secured by the Security Instruments. Copies of all of the Loan Documents are available in the Digital Investor Kit.

EACH PROSPECTIVE INVESTOR SHOULD REVIEW THE LOAN DOCUMENTS, WHICH ARE AVAILABLE IN THE DIGITAL INVESTOR KIT, BEFORE INVESTING. THE FOLLOWING IS A SUMMARY OF SOME OF THE SIGNIFICANT PROVISIONS OF THE LOAN DOCUMENTS. THIS SUMMARY IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT THEREOF.

Basic Terms

The principal amount of the Loan is \$71,000,000. The Loan has a term of 10 years, with a maturity date of April 6, 2029, and bears interest at a fixed rate of 4.14% per annum.

Beginning with the payment date of April 6, 2019 and on each monthly payment date thereafter through and including April 6, 2024, the Operating Trust is required to make monthly, interest-only payments. Beginning with the payment date of May 6, 2024 and on each monthly payment date through the maturity date, the Operating Trust is required to make monthly payments of principal and interest, in a fixed amount equal to \$344,720.35 per month, with principal amortizing on a 30-year schedule. On the maturity date, the Operating Trust is required to pay to the Lender the entire principal amount of the Loan, along with any accrued but unpaid interest.

The Operating Trust will not have the right to prepay the Loan prior to the Lockout Date (April 6, 2021). After the Lockout Date, the Operating Trust has the right to prepay the Loan in whole or in part, provided that if any such prepayment occurs prior to January 6, 2029, the prepayment will be subject to a prepayment penalty equal to the “Yield Maintenance Premium.” The “Yield Maintenance Premium” is equal to the greater of: (1) 1.0% of the outstanding principal balance of the Loan to be prepaid; and (2) the present value, as of the prepayment date, of the remaining scheduled payments of principal and interest from the prepayment date through January 6, 2029, determined by discounting such payments at a discount rate (equal to the “Treasury Rate,” as defined in the Loan Agreement, plus 0.50%), less the amount of principal being prepaid.

Release of Individual Properties

After the Lockout Date, the Loan Documents allow the Operating Trust to release individual Properties from the Loan and to prepay the Loan in part on a Property-by-Property basis (based on allocated Loan amounts which have been assigned by the Lender), subject to the satisfaction of certain conditions, including: (1) payment of a release price equal to 120% of the allocated Loan amount for the Property being released; (2) the “Loan to Value Ratio,” the “Debt Yield” and the “Debt Service Coverage Ratio” (each as defined in the Loan Agreement) for the Loan after giving effect to such release are not less than the same for the Loan at closing; (3) the “Debt Service Coverage Ratio” for the Loan after giving effect to such release is not less than the ratio immediately prior to such release; (4) other conditions determined by the Lender; and (5) payment of the applicable prepayment penalty.

Covenants, Representations and Warranties

The Loan Documents contain customary covenants, representations and warranties. Specifically, the Loan Documents require the Operating Trust to obtain the Lender’s prior written approval before taking various actions, including without limitation, making certain modifications to the Properties and terminating or surrendering the Property Management Agreement, in each case except as otherwise set forth in the Loan Documents.

Further, the Loan Documents provide that the Operating Trust may not, without the Lender’s prior written consent and except as otherwise set forth in the Loan Documents: (1) sell, convey, assign, mortgage, grant, pledge, grant options with respect to, transfer or otherwise dispose of its interests in the Properties; (2) permit any owner, directly or indirectly, of an interest in the Properties, to transfer or dispose of such interest, whether by transfer of stock or other interest in a Restricted Party (as defined in the Loan Documents), or otherwise; (3) incur indebtedness (other than the indebtedness permitted pursuant to the terms of the Loan); (4) mortgage, hypothecate or otherwise encumber or grant a security interest in the Properties or any part thereof; (5) sell, assign, convey, transfer, mortgage, encumber, grant a security interest in, or otherwise transfer or dispose of any direct or indirect interest in any Restricted

Party, or permit any Restricted Party that owns an interest in another Restricted Party to do the same; or (6) file a declaration of condominium with respect any Property.

Cash Management Events

Upon the occurrence of a “Cash Management Trigger Event,” as defined below, the Lender will require the operating income generated by the Properties to be deposited directly into a separate account, which will be controlled by the Lender. The Loan Documents provide certain cure provisions for each Cash Management Trigger Event. Following a cure, any funds held in the separate account will be returned to the Operating Trust.

As used herein, “Cash Management Trigger Events” are defined as the occurrence of any of the following: (1) the occurrence and continuance of an “event of default” under the Loan Documents; and (2) the last day of any calendar quarter for which the “Debt Service Coverage Ratio” (as defined in the Loan Agreement) for the Properties is less than 1.20 to 1.00.

Insurance, Casualty and Condemnation

The Loan Documents require the Operating Trust to obtain and maintain certain levels of insurance for the Properties. Such insurance includes: (1) “all risk” property insurance, including basic and broad form causes of loss and certain terrorism coverage, containing both replacement cost and agreed amount endorsements or equivalent coverage; (2) commercial general liability insurance protecting the Operating Trust against liability for bodily injury or property damage occurring in or about any of the Properties, with a combined single limit of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; (3) contingent or protective liability insurance covering claims not covered under commercial general liability; (4) workers’ compensation and employer’s liability insurance; (5) umbrella liability insurance in an amount not less than \$50,000,000 per occurrence; (6) commercial auto liability coverage for all owned and non-owned vehicles including rented and leased vehicles; (7) boiler and machinery insurance; (8) loss of rent and/or business interruption insurance for certain perils for 100% of the projected gross income from the Properties (on an actual loss sustained basis) for a period continuing until the restoration of the Properties is completed; (9) builders risk insurance during all periods of construction; and (10) insurance against all other hazards as may be reasonably required by the Lender, including, without limitation, insurance against loss or damage by flood, hurricane, earthquake and windstorm.

In the event of any damage to or destruction of any Property or any part of the Properties, the Operating Trust must give prompt notice to the Lender of such damage or destruction and must promptly commence and prosecute the completion of the restoration of such Property as nearly as possible to the condition the Property was immediately before the damage or destruction. The Operating Trust is responsible for paying all costs of such restoration, even if not covered by insurance. If the net proceeds received by the Lender as a result of damage or destruction to a Property are less than 5.00% of the allocated loan amount for such Property, the net proceeds will be paid to the Operating Trust so long as there is no then-existing event of default under the Loan. If the net proceeds received by the Lender as a result of damage or destruction to any Property are equal to or greater than 5.00% of the allocated loan amount for such Property or the cost of completing the restoration is equal to or greater than 5.00% of the allocated loan amount for such Property, the Lender will make the net proceeds available for the restoration, subject to the conditions described below.

If the Operating Trust is to be reimbursed out of any insurance proceeds held by the Lender for repairs or restoration, the Lender will make such proceeds available to the Operating Trust so long as, for example: (1) there is no then-continuing event of default under the Loan; (2) the Operating Trust commences the restoration as soon as reasonably practicable (but in no event later than 30 days after the damage or destruction to the applicable Property; (3) the time required for such repair or restoration does not exceed the coverage period of the rental value insurance required under the Loan; (4) such damage or destruction to a Property does not result in the total loss of such Property; and (5) the net proceeds, together with any cash or cash equivalents deposited by the Operating Trust with the Lender, are sufficient, in the Lender’s reasonable discretion, to cover the cost of the restoration.

Lender Reserve Accounts

The Loan Agreement requires certain Lender Reserve Accounts to be maintained for the Properties.

First, the Loan Agreement provides for the Required Repair Account, which will be used for certain specified repairs to be made to the Properties, as set forth on Schedule IV to the Loan Agreement. The Operating Trust deposited \$1,232,581 in the Required Repair Account at closing.

Second, the Loan Agreement provides for the Replacement Reserve Account, to be used for replacements and repairs required to be made to the Properties during the calendar year. The Loan Agreement provides that the Operating Trust would not be required to make any monthly deposits to the Replacement Reserve Account if the Operating Trust deposited into the Replacement Reserve Account cash in an amount equal to \$142,892, which represents an amount equal to \$0.10 per square foot per annum. The Operating Trust deposited \$142,892 into the Replacement Reserve Account at closing.

Lastly, the Loan Agreement provides for a tax and insurance account, but no deposits are required so long as: (1) no event of default has occurred and is continuing; and (2) the "Debt Service Coverage Ratio" for the Properties is greater than or equal to 1.15x.

Events of Default

The following, among other things, will constitute an event of default under the Loan Agreement:

- (1) if (a) any monthly payment amount or the payment due on the maturity date is not paid when due under the Loan Documents or (b) any other portion of the debt is not paid when due and such non-payment continues for five days following receipt by the Operating Trust or written notice to the Operating Trust that the same is due and payable;
- (2) if any of the taxes are not paid prior to the date on which the same becomes delinquent; or if any other charges are not paid on or before the date when the same are due and payable;
- (3) if the insurance policies are not kept in full force and effect or if certificates of insurance are not delivered to Lender within five days of Lender's written request;
- (4) if the Operating Trust transfers or encumbers any portion of the Properties in violation of the provisions of the Loan Agreement or the Security Instruments;
- (5) if any representation or warranty made by the Operating Trust, the Operating Trust Signatory Trustee, the Master Tenant or IPC in any of the Loan Documents, or in any report, certificate, financial statement or other instrument, agreement or document furnished to the Lender was false or misleading in any material respect as of the date the representation or warranty was made;
- (6) if the Operating Trust, the Operating Trust Signatory Trustee, the Master Tenant, IPC or any other guarantor or indemnitor under any guaranty or indemnity, respectively, issued in connection with the Loan Agreement makes an assignment for the benefit of creditors;
- (7) if a receiver, liquidator or trustee is appointed for the Operating Trust, the Operating Trust Signatory Trustee, the Master Tenant, IPC or any other guarantor or indemnitor under any guarantee or indemnity, respectively, issued in connection with the Loan; or if the Operating Trust, the Operating Trust Signatory Trustee, the Master Tenant, IPC or such other guarantor or indemnitor is adjudicated a bankrupt or insolvent; or if any petition for bankruptcy, reorganization or arrangement pursuant to the Bankruptcy Code, or any similar federal or state law, is filed by or against, consented to, or acquiesced in by, the Operating Trust, the Operating Trust Signatory Trustee, the Master Tenant, IPC or such other guarantor or indemnitor; or if any proceeding for the dissolution or liquidation of the Operating Trust, the Operating Trust Signatory Trustee, the Master Tenant, IPC or such other guarantor or indemnitor is instituted; provided, however, if such appointment, adjudication, petition or proceeding was involuntary and not consented to by the Operating Trust, the Operating Trust Signatory Trustee, the Master Tenant, IPC or such other guarantor or indemnitor, upon the same not being discharged, stayed or dismissed within 60 days;
- (8) if the Operating Trust attempts to assign its rights under any of the Loan Documents or any interest in the Loan Documents in contravention of the Loan Documents;
- (9) if the Operating Trust violates or does not comply with certain of the representations related to leasing matters and the negative covenants within the Loan Agreement;

- (10) if a default by the Operating Trust or the Master Tenant under the Property Management Agreement has occurred and continues beyond any applicable cure period under the Property Management Agreement (or any replacement Property Management Agreement) if such default permits the Property Manager to terminate or cancel the Property Management Agreement (or any replacement Property Management Agreement) and the Property Manager is not replaced with a “qualified manager” pursuant to a replacement Property Management Agreement within 30 days after any such default;
- (11) if a default by the Operating Trust under the Asset Management Agreement has occurred and continues beyond any applicable cure period under the Asset Management Agreement (or any replacement Asset Management Agreement) if such default permits the Asset Manager to terminate or cancel the Asset Management Agreement (or any replacement Asset Management Agreement) and the Asset Manager is not replaced with a “qualified asset manager” pursuant to a replacement Asset Management Agreement within 30 days after any such default; or if the Asset Management Agreement is terminated or canceled for any reason or under any circumstances whatsoever, or if the Asset Management Agreement is in any manner modified, changed, supplemented, altered, or amended without the consent of the Lender;
- (12) if the Operating Trust, the Operating Trust Signatory Trustee or the Master Tenant violates or otherwise does not comply with any of the “single purpose entity” provisions of the Loan Agreement (unless such violation or failure to comply is immaterial, unintentional, inadvertent, nonrecurring and promptly cured, if capable of being cured, and, provided that Borrower promptly delivers to Lender, upon written request of the Lender, an updated or modified insolvency opinion, which opinion or modification shall be acceptable to the Lender in its reasonable discretion);
- (13) if any Property becomes subject to any mechanic’s, materialman’s or other lien other than a lien for local real estate taxes and assessments not then due and payable and the lien remains undischarged of record (by payment, bonding or otherwise) for a period of 45 days;
- (14) if any federal tax lien or state or local income tax lien is filed against the Operating Trust, the Operating Trust Signatory Trustee, IPC, the Master Tenant or any Property and same is not discharged of record within 30 days after same is filed;
- (15) if: (a) the Operating Trust fails to timely provide, or fails to cause the Master Tenant to timely provide, the Lender with the written ERISA certification and evidence referred to in the Loan Agreement; (b) the Operating Trust is a plan or a governmental plan or its assets constitute plan assets as defined by ERISA; or (c) the Operating Trust consummates a prohibited transaction or prohibited governmental transaction; and
- (16) if the Operating Trust fails to deliver to the Lender, within 10 business days after request by the Lender, the estoppel certificates required pursuant to the Loan Agreement.

Upon any uncured event of default under the Loan Agreement, the Lender will have the right, at its option, to exercise any of the rights and remedies available to it under the Loan Documents, at law or in equity, without notice or demand, including declaring the entire indebtedness immediately due and payable.

Nonrecourse Loan

The Loan is secured by the Assignments and the Security Instruments. The Operating Trust is responsible for repayment of the Loan. The Loan will be nonrecourse to the Investors. Accordingly, the Investors will have no personal liability in connection with the Loan. However, upon an uncured event of default under the Loan, the Lender will have the right to foreclose on the Properties. If this were to occur, Investors would be likely to lose part of their investment equivalent to the Properties foreclosed on and may lose their entire investment in the Parent Trust.

Restrictions on Transfer of Interests

The Loan Documents contain various restrictions on the transfer of Interests. The transfer of Interests is permitted, without the Lender’ consent, so long as, among other standard conditions: (1) following such transfer, no single transferee owns more than 49% of the direct or indirect interests in the Operating Trust; provided, that to the extent a transferee owns 20% or more (or 10% or more if the transfer occurs prior to the securitization of the Loan) of

the direct or indirect interests in the Operating Trust immediately following such transfer, the Operating Trust must deliver to the Lender, prior to such transfer, notice of such transfer and customary searches (as described in the Loan Agreement), as reasonably acceptable to the Lender; (2) each transferee is an “accredited investor;” (3) each transfer complies with all applicable legal requirements, including applicable securities laws and regulations; (4) no “Change of Control” (as defined in the Loan Documents) in the Operating Trust results from any such transfer; and (5) the Operating Trust continues to comply with the representation set forth in the Loan Agreement, stating that it is not an “investment company” or company “controlled” by an “investment company,” within the meaning of the Investment Company Act, among other things.

Securitization of the Loan

The Lender may, at any time, sell, transfer or assign the Note, the other Loan Documents and any or all servicing rights with respect thereto, or grant participations therein or issue mortgage pass-through certificates or other securities evidencing a beneficial interest in a rated or unrated public offering or private placement (each, as designated by the Lender, a “**Securitization Transaction**”). The Lender may forward to each purchaser, transferee, assignee, servicer, participant, investor in such Securitization Transaction or any rating agency rating such Securitization Transaction and each prospective party and the advisor of each such party, all documents and information that the Lender may acquire relating to the Loan, the Operating Trust and the Properties, whether furnished by the Operating Trust or otherwise, as the Lender determines necessary or desirable. The Operating Trust, in entering into the Loan Documents, has agreed to cooperate with the Lender and use reasonable efforts to facilitate the consummation of any Securitization Transaction.

Guaranty and Environmental Indemnity

IPC, as guarantor, has entered into a guaranty agreement for the benefit of the Lender (the “**Guaranty Agreement**”) in connection with the Loan. Under the Guaranty Agreement, IPC has guaranteed the full and prompt payment to the Lender for the obligations and liabilities of the Operating Trust which arise as a result of any of the following, among others:

- (1) fraud or intentional material misrepresentation by the Operating Trust, the Operating Trust Signatory Trustee, IPC or the Master Tenant in connection with the Loan;
- (2) the willful misconduct of the Operating Trust, the Operating Trust Signatory Trustee, IPC or the Master Tenant;
- (3) the material physical waste of any Property;
- (4) the removal or disposal of any portion of any Property after an event of default;
- (5) the misapplication, misappropriation or conversion by the Operating Trust, the Operating Trust Signatory Trustee, IPC or the Master Tenant of: (a) any insurance proceeds paid by reason of any loss, damage or destruction to the Properties which are not applied by the Operating Trust in accordance with the Loan Agreement; (b) any awards received in connection with a condemnation of all or a portion of the Properties which are not applied by the Operating Trust in accordance with the Loan Agreement; (c) any rents following an event of default; or (d) any rents paid more than one month in advance;
- (6) failure to pay, or failure to cause the Master Tenant to pay, taxes or other impositions, charges for labor or materials or other charges or judgments that can create liens on any portion of the Properties (other than resulting from the Lender’s failure to pay taxes from the tax and insurance escrow fund, provided that: (a) no other event of default then exists; and (b) sufficient funds are then on deposit therein and such funds are allocated for the payment of such taxes, and provided that the Operating Trust will no liability thereunder if the Properties did not generate sufficient net operating income to pay such taxes during the 12 month period prior to the date such taxes were due), provided, that, if: (i) such lien is fully bonded to the satisfaction of the Lender (which bond may not create any obligations on the part of the Operating Trust), and (ii) such lien is discharged of record, the Operating Trust will not have any liability to the Lender for such lien under the Loan Agreement;
- (7) failure to appoint a new property manager upon the request of the Lender as permitted under the Loan Agreement;

- (8) any security deposits, advance deposits or any other deposits collected with respect to the Properties which are not delivered to the Lender upon a foreclosure of the Properties or action in lieu thereof, except to the extent any such security deposits were applied in accordance with the terms and conditions of any of the leases prior to the occurrence of the event of default that gave rise to such foreclosure or action in lieu thereof;
- (9) any breach by the Operating Trust of certain representations in the Loan Agreement;
- (10) any determination that the interests in the Operating Trust or the Parent Trust are not eligible replacement property for a tax-deferred exchange of property under Section 1031 of the Code pursuant to Revenue Ruling 2004-86, including, without limitation, any resulting claims by individual members or holders of such Interests;
- (11) any violation of federal or state securities laws (including, but not limited to, the Investment Company Act) in connection with the sale, offering or solicitation of direct or indirect beneficial interests in the Operating Trust related to the Operating Trust or the Parent Trust being or having been a Delaware statutory trust;
- (12) any amendment, modification or termination of the Operating Trust Agreement without the Lender's written consent;
- (13) the filing by the Operating Trust, IPC, any direct or indirect beneficiary of the Operating Trust, any trustee of the Operating Trust, or any principal, officer, manager, director or affiliate of any of the foregoing of an action to partition the Properties or any part thereof, or to compel the sale thereof;
- (14) any failure by the Operating Trust to permit, or failure to cause the Master Tenant to permit, on-site inspections of the Properties (subject to the rights of tenants), or to provide financial information subject to any applicable cure period;
- (15) any failure by the Operating Trust to satisfy, or failure by the Operating Trust to cause the Master Tenant to satisfy, their insurance deductible in connection with a claim under any insurance policy required pursuant to the Loan Agreement;
- (16) commingling of the Operating Trust's funds in a custodial account maintained by the Property Manager on behalf of the Operating Trust and certain other affiliates of IPC;
- (17) any transferee of an interest in the Operating Trust not having proper authority for such transfer;
- (18) the Operating Trust, the Operating Trust Signatory Trustee or the Master Tenant breaching any representation or failing to comply with certain warranties or covenants set forth in the Loan Agreement; and
- (19) if IPC defaults under the terms and conditions of the subordination and standstill agreement.
- (20) any failure of the Operating Trust or Operating Trust Signatory Trustee to cause a Transfer Distribution if required to do so by the terms of the Operating Trust Agreement;
- (21) any claims of the beneficiaries of the Operating Trust regarding a Transfer Distribution;
- (22) any claims of the beneficiaries of the Operating Trust regarding a violation of Delaware law applicable to the Operating Trust's formation, status and existence as a Delaware statutory trust;
- (23) any default under, amendment, modification or termination for any reason (except for any termination approved by the Lender in writing) of the Master Lease by any party thereunder or the failure of the Operating Trust to (a) maintain the Master Lease in full force and effect, (b) comply with the terms of the Master Lease, (c) enforce the Master Tenant's compliance with the terms of the Master Lease, or (d) notify the Lender of an event of default under the Master Lease;
- (24) criminal acts of the Operating Trust, the Operating Trust Signatory Trustee, IPC, the Master Tenant or any affiliate of the Operating Trust, the Operating Trust Signatory Trustee, IPC or the Master Tenant, or any of their respective agents or representatives resulting in the seizure, forfeiture or loss of the Properties; or

- (25) any amendment, modification or termination of the Asset Management Agreement (or any replacement Asset Management Agreement) without the Lender's written consent

In addition, in connection with the Loan, the Operating Trust and IPC have entered into an Environmental Indemnity Agreement in favor of the Lender. Pursuant to this agreement, the Operating Trust and IPC have agreed to indemnify and hold the Lender and its officers, directors, shareholders, employees, agents, and their successors and assigns harmless from and against any losses incurred by those indemnified parties and directly or indirectly arising out of the presence of, or release of, hazardous substances on the Properties, or any violations of environmental law, among other related things.

ASSET MANAGEMENT

The Asset Manager and the Asset Management Agreement

Four State Storage Exchange, L.L.C., an affiliate of IPC, serves as the Asset Manager of the Operating Trust in accordance with the Asset Management Agreement and also serves as Signatory Trustee under the Trust Agreement of the Operating Trust.

The Operating Trust has entered into an Asset Management Agreement with the Asset Manager for the management of the day-to-day affairs of the Operating Trust, including, but not limited to: reviewing all performance and financial information related to the Properties conducting relations with, and supervising services performed by, lenders, consultants, accountants, brokers, third-party asset managers, attorneys, underwriters, appraisers, insurers, corporate fiduciaries, banks, builders and developers, sellers and buyers of assets, among others; providing loan payment services in connection with the Loan; preparing financial reports for the Lender; managing the Reserve Accounts; providing bookkeeping and accounting services and maintaining the Operating Trust's books and records; administering monthly distributions; communicating with Investors, brokers, dealers, financial advisors and custodians; and undertaking and performing all services or other activities necessary and proper to carry out the Operating Trust's investment objectives, including providing secretarial, clerical and administrative assistance for the Operating Trust.

The Asset Management Agreement has a 10-year term, and will thereafter automatically renew for successive one-year periods. The Asset Management Agreement may be terminated by either party, prior to the termination date or the expiration of any renewal term, for a default under the Asset Management Agreement, subject to customary cure periods.

The Operating Trust has agreed to pay the Asset Manager certain fees, as discussed in "*Compensation to IPC, its Affiliated Parties and the Property Manager – Asset Management Fees.*" The Asset Manager may decide, in its sole discretion, to be paid an amount less than the total amounts to which it is entitled under the Asset Management Agreement, and any excess amount that is not paid may, in the Asset Manager's sole discretion, be waived permanently or, as applicable, deferred or accrued, without interest, to be paid at a later point in time.

Asset Management Team

The sole member of the Asset Manager is IPC. IPC's officers and directors are set forth below.

<u>Name</u>	<u>Age*</u>	<u>Position and Office</u>
Mitchell A. Sabshon	66	Director and Chairman of the Board
Keith D. Lampi	38	Director and President and Chief Operating Officer
Rahul Sehgal	38	Director and Chief Investment Officer
Daniel L. Goodwin	75	Director
Catherine L. Lynch	60	Director
Roberta S. Matlin	74	Director
Robert D. Parks	75	Director
Robert M. O'Connor	58	Chief Accounting Officer and Treasurer
Kristin A. Orlando	41	Secretary
Joseph E. Binder	36	Executive Vice President
Nati N. Kiferbaum	30	Senior Vice President
Dione K. McConnell	48	Senior Vice President
Daniel W. Zatloukal	38	Senior Vice President
Venton J. Carlston	61	Director of Property Accounting/Vice President
Marianne K. Szalkowski	39	Controller/Vice President

*As of January 1, 2019

Mitchell A. Sabshon has served as a Director of IPC since September 2013, and as Chairman of the Board since January 2015. Mr. Sabshon is also currently the Chief Executive Officer and President of IREIC, positions he has held since August 2013 and January 2014, respectively. Mr. Sabshon also has served as a Director of IREIC and Inland Investment Advisors, Inc. since September 2013. Mr. Sabshon was appointed a Director of Inland Securities

Corporation in January 2014, a Director of Inland Institutional Capital Partners Corporation in February 2014, a Director and Chief Executive Officer of Inland Real Estate Income Trust, Inc. in September 2014 and April 2014, respectively, and a director of its business manager, IREIT Business Manager & Advisor, Inc., in October 2013. He has also served as a Director and the President and Chief Executive Officer of Inland Residential Properties Trust, Inc. and its business manager, Inland Residential Business Manager & Advisor, Inc., since December 2013. Prior to joining Inland in August 2013, Mr. Sabshon served as Executive Vice President and Chief Operating Officer of Cole Real Estate Investments. As Chief Operating Officer, Mr. Sabshon oversaw the company's finance, property management, asset management and leasing operations. Prior to joining Cole, Mr. Sabshon held several senior executive positions at leading financial services firms. He spent almost 10 years at Goldman, Sachs & Co. in various leadership positions including President and CEO of Goldman Sachs Commercial Mortgage Capital. He also served as a Senior Vice President in Lehman Brothers' real estate investment banking group. Prior to joining Lehman Brothers, Mr. Sabshon was an attorney in the corporate and real estate structured finance practice groups at Skadden, Arps, Slate, Meagher and Flom in New York.

Mr. Sabshon was the Chairman of the Board of the Investment Program Association for 2017. He is also a member of the Commercial Real Estate Finance Council, Real Estate Roundtable, The Chicago Council on Global Affairs, International Council of Shopping Centers ("ICSC"), Mortgage Bankers Association ("MBA") and Urban Land Institute ("ULI"). Mr. Sabshon is a member of the New York State Bar. He also holds a real estate broker license in New York. Mr. Sabshon received his undergraduate degree from George Washington University and his law degree from Hofstra University School of Law. Mr. Sabshon holds Series 7 and 63 licenses from FINRA.

Keith D. Lampi has served as Director and Chief Operating Officer of IPC since 2012, and was appointed as President effective January 2015. Throughout his tenure, Mr. Lampi has helped to shape IPC into a market leader in the private real estate securities industry. As President of IPC, Mr. Lampi is responsible for directing the company's strategic growth plans, while ensuring that Inland's core principles, including its investor-focused approach, are reflected throughout the organization. During his career, Mr. Lampi has been involved in over \$6 billion in real estate transactions across retail, office, industrial, student housing, self-storage and multifamily property types. Mr. Lampi has also served as a Manager of Inland Real Estate Services, LLC, Inland Residential Real Estate Services, LLC and Inland Venture Real Estate Services, LLC since May 2016.

Mr. Lampi was appointed to the Board of Directors of ADISA, the nation's largest alternative investment securities association, in 2014; he is currently serving a second two-year term which began in 2016. Mr. Lampi was the President of ADISA for 2018. In addition, he has previously held the positions of Secretary and Chairman of its Marketing and Membership Committee. He also serves as a Director of the ADISA Foundation, which assists with scholarships and special projects to grow the study and appreciation of the alternative and direct investment arena. Mr. Lampi was the recipient of the 2016 ADISA Distinguished Service Award, an award presented to individuals and companies that have provided exceptional service to ADISA, the alternative investments industry and the overall community. Mr. Lampi also was featured in the October 2013 edition of Real Estate FORUM Magazine – "Top 40 under 40."

Mr. Lampi received his bachelor degree in economics from the University of Illinois at Urbana-Champaign. He holds Series 7, 24, 63, 79 and 99 licenses with FINRA.

Rahul Sehgal has been a Director and the Chief Investment Officer of IPC since May 2012 and November 2012, respectively. Mr. Sehgal joined IPC in 2004 and has held various positions with IPC throughout his tenure with the firm. Mr. Sehgal currently oversees IPC's investment strategies, including acquisitions, dispositions, refinancing, tenant negotiations and portfolio review on behalf of ownership. In addition, Mr. Sehgal is responsible for the exploration of new asset classes and coordinating market research to collaborate with executive management in implementing the company's long term strategic plans. Mr. Sehgal received his bachelor degree in finance from the University of Illinois at Urbana-Champaign. He holds Series 7, 63 and 79 licenses with FINRA.

Daniel L. Goodwin serves as a Director of IPC. Mr. Goodwin is currently Chairman of the Board and Chief Executive Officer of The Inland Group, Inc., the parent company of IREIC, and Chairman of the Board of IREIC.

He is also chair of the National Association of Real Estate Investment Trusts ("NAREIT") Non-Traded REIT Council. Mr. Goodwin has also been Chairman of the Board of several bank holding companies and a commercial real estate mortgage company. Mr. Goodwin also served as a director of Inland Real Estate Corporation (n/k/a IRC Retail Centers LLC) from 2001 until its merger in March 2016, and served as its Chairman of the Board from 2004 to

April 2008. Mr. Goodwin has served as a director and the Chairman of the Board of Inland Real Estate Income Trust, Inc. since July 2012 and as a director and the Chairman of the Board of Inland Residential Properties Trust, Inc. since December 2013.

Mr. Goodwin has been in the real estate industry for many years, and has demonstrated a lifelong interest in education and housing related issues. He is the author of a nationally recognized real estate reference book for the management of residential properties, and also authored the milestone report for the DuPage County Affordable Housing Study. In addition, Mr. Goodwin has served for 10 years on the Board of the Illinois State Affordable Housing Trust Fund, and founded the non-profit New Directions Housing Corporation, which provides affordable housing in the Midwest.

Mr. Goodwin obtained his bachelor degree and master's degree from Illinois state universities. Following graduation, he taught for five years in the Chicago Public Schools. Since then, Mr. Goodwin's educational involvement includes serving as Vice-Chairman of the Board of Governors of Illinois State Colleges and Universities, Vice-Chairman of the Board of Trustees of Benedictine University, Vice-Chairman of the Board of Trustees of Springfield College, and Chairman of the Board of Trustees of Northeastern Illinois University.

Mr. Goodwin spent a great deal of his time in public service and has been honored with dozens of awards, among them, Corporate Partner Award for NAWBO (National Association of Women Business Owners), Affordable Housing Leader Award from Catholic Charities, Employer of the Year Award from The Ray Graham Association for People with Disabilities, Transitional Housing for the Homeless Award from PADS, Inc., and the YWCA Award for Commitment to the Advancement of Women in the Workplace. Recently, Mr. Goodwin was the recipient of the 2009 Ethics in Business Award from the Better Business Bureau. He is a member of the National Association of Realtors President's Circle, the National Association of Realtors Hall of Fame, the Illinois Association of Realtors Hall of Fame, and The Chicago Association of Realtors Hall of Fame.

Catherine L. Lynch serves as a Director of IPC. Ms. Lynch joined Inland in 1989 and has been a Director of The Inland Group since June 2012. She serves as the Treasurer and Secretary (since January 1995), the Chief Financial Officer (since January 2011) and a Director (since April 2011) of IREIC and as a Director (since July 2000) and Treasurer and Secretary (since June 1995) of Inland Securities Corporation. She has served as Chief Financial Officer of Inland Real Estate Income Trust, Inc., since April 2014, and as a Director of its business manager, IREIT Business Manager & Advisor, Inc. since August 2011. She also has served as Chief Financial Officer of Inland Residential Properties Trust, Inc. and as the Chief Financial Officer of its business manager, Inland Residential Business Manager & Advisor, Inc., since December 2013. Ms. Lynch also has served as a Director and Treasurer of Inland Investment Advisors, Inc. from June 1995 to December 2014, as a Director and Treasurer of Inland Institutional Capital Partners Corporation from May 2006 to December 2014, as Treasurer of Inland Capital Markets Group, Inc. since January 2008 and as a Director of IPC since May 2012. Ms. Lynch worked for KPMG Peat Marwick LLP from 1980 to 1989. Ms. Lynch received her bachelor degree in accounting from Illinois State University in Normal. Ms. Lynch is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants and the Illinois CPA Society. Ms. Lynch also is registered with FINRA as a financial operations principal.

Roberta S. Matlin serves as a Director of IPC. Ms. Matlin joined IREIC in November 1984 as director of investor administration and currently serves as a Director and Senior Vice President of IREIC. Ms. Matlin currently serves as a Senior Vice President of the Inland Real Estate Group, Inc. Ms. Matlin serves as the Chairman of The Inland Real Estate Group of Companies, Inc. Charitable Foundation since July 2014. Ms. Matlin also serves as the Vice President (since May 2006) and a Director (since August 2012) of Inland Institutional Capital Partners Corporation and a Director (since December 2007) of Pan American Bank. She also has served as a Director and President of Inland Investment Advisors, Inc. since June 1995 and Intervest Southern Real Estate Corporation since July 1995 and a Director and President (July 1995 to March 1997) of Inland Securities Corporation and Director and Vice President since April 1997. Ms. Matlin has served as the Vice President of Inland Real Estate Income Trust, Inc., and the Vice President of IREIT Business Manager & Advisor, Inc., since August 2011. She has served as Vice President of Inland Residential Business Manager & Advisor, Inc. since December 2013. She served as the Vice President of Inland Diversified Real Estate Trust, Inc. from June 2008 until it was acquired in July 2014, and served as the President (June 2008 to May 2009) and then as the Vice President of Inland Diversified Business Manager & Advisor, Inc. from May 2009 to December 2015. She served as Vice President of Administration of InvenTrust Properties Corp. (f/k/a Inland American Real Estate Trust, Inc.) from October 2004 until February 2014 and as President (October 2004 to January 2012). Ms. Matlin served as Vice President of Administration of Retail Properties

of America, Inc. from 2003 until 2007, Vice President of Administration of Inland Retail Real Estate Trust, Inc. from September 1998 until December 2004, Vice President of Administration of Inland Real Estate Corporation (n/k/a IRC Retail Centers LLC) from March 1995 until June 2000 and Trustee and Executive Vice President of Inland Mutual Fund Trust from October 2001 until May 2004. Ms. Matlin also has served as the President of Inland Opportunity Business Manager & Advisor, Inc. since April 2009.

Prior to joining Inland, Ms. Matlin worked for the Chicago Region of the Social Security Administration of the United States Department of Health and Human Services. Ms. Matlin received her bachelor degree from the University of Illinois at Urbana-Champaign. She holds Series 7, 22, 24, 39, 63, 65, 79 and 99 licenses from FINRA. Ms. Matlin is a member of NAREIT, the Investment Program Association (“**IPA**”), and ADISA.

Robert D. Parks serves as a Director of IPC. Mr. Parks has been a principal of the Inland real estate organization since May 1968 and is currently a Director of IREIC. Mr. Parks previously served as Chairman of the Board of IREIC, a position he held from November 1984 through December 2016. Mr. Parks has also served as a Director of Inland Investment Advisors, Inc. since June 1995. Mr. Parks served as a Director of Inland Securities Corporation from August 1984 until June 2009. He served as the Chairman of the Board and a Director of Inland Diversified Real Estate Trust, Inc., from its inception in June 2008 until it was acquired in July 2014, and InvenTrust Properties Corp. (f/k/a Inland American Real Estate Trust, Inc.) from its inception in October 2004 until February 2015. He served as the Chairman of the Board and a Director of Retail Properties of America, Inc., from its inception in March 2003 to October 2010. He served as a Director of IRC Retail Centers LLC (f/k/a Inland Real Estate Corporation) from 1994 to June 2008, and served as Chairman of the Board from May 1994 to May 2004 and President and Chief Executive Officer from 1994 to April 2008. He also served as a Director and Chairman of the Board of Inland Retail Real Estate Trust, Inc. from its inception in September 1998 to March 2006 and as Chief Executive Officer until December 2004.

Mr. Parks received his bachelor degree from Northeastern Illinois University, in Chicago, and his master’s degree from the University of Chicago, in Chicago, Illinois, and later taught in Chicago’s public schools. He is a member of NAREIT.

Robert M. O’Connor has served as Chief Accounting Officer and Treasurer of IPC since January 2015. Mr. O’Connor joined IPC in September 2013 and previously held the position of Senior Vice President of Accounting and Treasurer. Prior to joining IPC, Mr. O’Connor worked for over 10 years in various accounting management roles at publicly held real estate investment trusts General Growth Properties and Prime Group Realty Trust. He currently oversees IPC’s accounting operations, financial and investor reporting, and cash management functions. Mr. O’Connor is also a member of IPC’s CEO Council which is responsible for directing the company’s long term strategic plans. He received a bachelor degree in accounting from the University of Illinois at Chicago and a master’s degree in finance from Loyola University Chicago. Mr. O’Connor is a Certified Public Accountant, a Chartered Global Management Accountant and is a member of the American Institute of Certified Public Accountants.

Kristin A. Orlando is the Secretary of IPC. Ms. Orlando joined the law department of The Inland Real Estate Group, Inc. in October 2012, and is currently an Associate Counsel and Assistant Vice President. In her capacity as Associate Counsel, Ms. Orlando represents IPC on corporate, securities and regulatory matters. She also represents other entities within the Inland Real Estate Group of Companies that are in the business of real estate securities. Prior to joining Inland, Ms. Orlando had been employed by the law firm Shefsky & Froelich (now Taft Stettinius & Hollister LLP) in Chicago, Illinois, in the Corporate and Securities practice group, since 2004. She is admitted to practice law in the State of Illinois. Ms. Orlando received her bachelor degree from Northwestern University in Evanston, Illinois and her law degree from Chicago-Kent College of Law.

Joseph E. Binder currently serves as IPC’s Executive Vice President of Acquisition Structure and Finance. Mr. Binder joined IPC in April 2008 and previously held the positions of Senior Financial Analyst, Assistant Vice President and Senior Vice President. Mr. Binder oversees IPC’s acquisition and structuring process, including underwriting, financing and preparation of its private placement offerings. He is also one of five members on IPC’s CEO Council which is responsible for directing the company’s long term strategic plans. Mr. Binder received a bachelor degree in finance from the University of Wisconsin at Whitewater and began his career in 2004 working in commercial real estate brokerage, followed by work in the commercial mortgage-backed securities industry. Mr. Binder holds Series 7, 63 and 79 licenses with FINRA, and Illinois Real Estate Broker’s license. He is also a member of the ICSC, MBA, ULI and National Multifamily Housing Council.

Nati N. Kiferbaum joined Inland in January 2012 and currently serves as Senior Vice President of IPC. Prior to working for Inland, Mr. Kiferbaum was an analyst for Morgan Stanley Smith Barney in Chicago, Illinois. Mr. Kiferbaum joined Inland as a financial analyst for IPC and a year later assumed the role of senior financial analyst. Mr. Kiferbaum currently oversees the Capital Markets Group which is responsible for overseeing IPC's capital raising initiatives, developing the marketing strategy, and managing the due diligence process with Inland's selling group for each new offering. Additionally, Mr. Kiferbaum works closely with Inland Securities Corporation, its internal sales staff, and registered representatives by providing education on Inland's private placement products. He received his bachelor degree in finance from the University of Iowa. Mr. Kiferbaum holds Series 7, 63 and 79 licenses with FINRA and is a member of ADISA.

Dione K. McConnell is a Senior Vice President of IPC. Ms. McConnell joined IPC in December 2012 and oversees investment operations. Ms. McConnell is also a member of IPC's CEO Council. Prior to working with IPC, Ms. McConnell was Vice President of Investor Relations for Retail Properties of America, Inc., a publicly traded real estate investment trust (NYSE: RPAI), from 2007 to 2012. Ms. McConnell has worked with various other companies related to Inland for 24 years, serving in many capacities in its meeting facility and investment groups, including serving as Assistant Vice President of IREIC from 2000 until 2005 and as Vice President of Investor Relations of Inland Retail Real Estate Trust, Inc. from 2005 until it was acquired in 2007. She received her bachelor degree in marketing from Ball State University in Muncie, Indiana.

Daniel W. Zatloukal has served as Senior Vice President of IPC since 2014. Mr. Zatloukal also serves as the Executive Vice President for IREIC Asset Management, and reports directly to the Chief Executive Officer of IREIC. In his role as Executive Vice President for IREIC Asset Management, Mr. Zatloukal is responsible for overseeing the asset management function for IREIC. Mr. Zatloukal also served as the President of the Property Manager and Inland Venture Real Estate Services, LLC from May 2016 through June 2017.

Mr. Zatloukal rejoined IPC in February 2013 after previously working for IPC from 2004 through 2007 in the structuring and financing department. Prior to rejoining Inland, Mr. Zatloukal served as Vice President of Capital Markets at Jones Lang LaSalle in Atlanta from 2007 through 2013. Mr. Zatloukal received his bachelor degree in finance from the University of Illinois at Urbana-Champaign.

Venton J. Carlston currently serves as Director of Investor Reporting and Vice President of IPC. Prior to working with IPC, Mr. Carlston had been the Vice President and Controller of Inland Retail Real Estate Trust, Inc. Mr. Carlston joined IREIC in February 1986. In 1994, Mr. Carlston became Controller of Inland Securities Corporation and Assistant Controller of IREIC. He received his bachelor degree in accounting from Southern Illinois University. Mr. Carlston is a Certified Public Accountant.

Marianne K. Szalkowski is Controller and Vice President of IPC. Ms. Szalkowski joined IPC in 2003 and is currently involved in all aspects of IPC accounting including acquisitions, financing, property operations and preparation of year-end tax information. She received her bachelor degree in accounting and her master's degree in taxation from Northern Illinois University. Ms. Szalkowski is a Certified Public Accountant.

PROPERTY MANAGEMENT

The Property Manager and the Property Management Agreement

Devon manages the Properties pursuant to Property Management Agreement between the Master Tenant and Devon, a copy of which is available in the Digital Investor Kit.

Pursuant to the Property Management Agreement, the Property Manager is responsible for leasing and managing the Properties, which includes, among other things, maintaining and providing services to the Properties; negotiating contracts for services and utilities to the Properties; operating the Properties; providing certain inspections of the common areas and leased portions of the Properties; complying with, and ensuring compliance with, obligations under the Rental Agreements and the Commercial Leases; collecting rent and deposits; maintaining records for each Property; and investigating and making insurance claims.

The Property Management Agreement has a three-year term, ending on March 28, 2022, and will thereafter automatically renew for successive one-year periods. The Property Management Agreement may be terminated (1) by either party without cause upon 90 days' prior written notice; (2) by either party if a breach of the Property Management Agreement has not been cured within 10 days after receipt of notice from the non-breaching party, provided that in the event the default cannot be cured within the 10 day period, such period may be extended to 30 days; (3) by either party if the other party experiences a bankruptcy event, as described in the Property Management Agreement; (4) by the Property Manager if the Master Tenant fails to respond to a notice of shortfall to maintain the minimum balance in the operating account within 20 days after receipt of notice from the Property Manager; (5) with respect to a Property, by the Master Tenant in the event of a sale of such Property or the condemnation or destruction of all or substantially all of such Property; or (6) by the Master Tenant upon 30 days' prior written notice, in the event of a change of control in the management of the Property Manager. In the event the Master Tenant terminates the Property Management Agreement without cause or due to a change of control in the management of the Property Manager or the Property Manager terminates the Property Management Agreement due to a monetary default of the Master Tenant, the Property Manager will be entitled to a "Termination Fee," as described in the Property Management Agreement.

The Property Manager is entitled to certain fees and reimbursements, as discussed in "*Compensation to IPC, its Affiliated Parties and the Property Manager – Property Management Fees*" and "*Compensation to IPC, its Affiliated Parties and the Property Manager – Disposition Fees*."

Property Management Team

Devon Self Storage Holdings (US) LLC serves as the Property Manager in accordance with the Property Management Agreement.

Devon is an employee-owned, private real estate company founded in 1988. Devon has maintained a dedicated self-storage operating platform since 1993. Over that time the company has been involved in the acquisition, development, management, and disposition of just under \$1 billion of self-storage assets. Over the past 24 years, Devon has owned and/or managed 183 facilities in 24 states and 3 European countries (The Netherlands, France and Germany). Today, Devon is ranked as one of the top 15 self-storage operators in the U.S.

The biographies of Devon's senior management team are set forth below.

Kenneth E. Nitzberg. Mr. Nitzberg co-founded Devon in 1988 and, as Chairman and Chief Executive Officer, is responsible for overseeing Devon's overall operations. Mr. Nitzberg was responsible for formulating Devon's original business plan, raising the venture capital to fund the company's initial operations, assembling a staff of professionals and commencing Devon's operations. Prior to co-founding Devon, Mr. Nitzberg co-founded Equitec in 1973. Mr. Nitzberg served as Director from Equitec's inception and as President from 1977 until his departure. He was instrumental in growing the company to an organization with \$4.5 billion in assets under management, of which \$2 billion was in real estate, for 250,000 individual investors and 100 institutional clients. In 1983, Equitec made its initial public stock offering and, in 1984, was listed on the New York Stock Exchange. In 1987, a controlling interest in Equitec was sold, and Mr. Nitzberg left shortly thereafter. Mr. Nitzberg served as Chair of the national Self Storage Association, the national trade organization representing the self storage industry, during 2006. Mr. Nitzberg received

his bachelor degree in agricultural business management from the University of California at Davis in 1968. In 2015 Mr. Nitzberg was elected to the Self Storage Association Hall of Fame.

Gregory W. Mackay. Mr. Mackay is Devon's Senior Vice President-Acquisitions, responsible for the development of market penetration, critical mass acquisition in primary target markets and sourcing transactions through local brokers, developers and principals. Mr. Mackay originally joined Devon in 1993 as Senior Vice President-Operations to develop an infrastructure to assimilate future acquisitions and manage growth. In this capacity, Mr. Mackay was instrumental in providing analysis for Devon's target markets as well as creating marketing programs for each acquisition. From 1999-2002 Mr. MacKay was assigned to Devon's European headquarters in Amsterdam, Holland with responsibility for all self-storage operations in Holland, France and Germany. Prior to Devon, Mr. Mackay was Senior Vice President-National Marketing for Energy Resources Inc. from 1991 to 1993, providing energy savings audits to identify potential savings. Prior to Energy Resources Inc., Mr. Mackay was Senior Vice President-Operations for Equitec Properties Company from 1979 to 1991, responsible for overseeing brokerage and management. He holds a Certified Property Manager designation from the Institute of Real Estate Management. Mr. Mackay attended California State University at Fullerton from 1975 to 1977.

Jeffrey H. Humphrey. Mr. Humphrey joined Devon in February 1990 and, as Senior Vice President – Asset Management, is responsible for leading Devon's asset management efforts. In this role he conducts facility reviews and analysis, responds to investor questions, builds financial and expansion models, underwrites acquisitions, creates disposition sale packages, originates debt and conducts real estate tax reviews and assessment appeals. Prior to joining Devon, Mr. Humphrey was Director of Acquisition, Audit and Property Taxes for Equitec from 1985 until January 1990. At Equitec, Mr. Humphrey oversaw all property tax matters for 26 million sq. ft. of commercial real estate located in 28 states valued at \$2 billion. He was responsible for real estate tax appeals, obtaining \$12.5 million of tax refunds during his tenure. From 1981 to 1985, Mr. Humphrey was a senior marketing representative for Sacramento Satellite Systems, an early satellite TV signal provider. Mr. Humphrey graduated in 1981 from Saint Mary's College with a bachelor degree in accounting. Mr. Humphrey is a member of the American Society of Appraisers ("ASA") and holds the Senior Appraisal Designation of ASA. He also holds the Senior Appraisal Designation with the National Association of Real Estate Appraisers of CCRA (Certified Commercial Real Estate Appraiser). He is a member of the Institute of Property Taxation, the International Associates of Assessing Officers and has been published in numerous real estate publications.

Kimberly Siclari. Ms. Siclari joined Devon in June 2004 and, as Senior Vice President – Due Diligence and General Counsel, she is responsible for due diligence and legal aspects related to the acquisition, disposition and financing of assets. Ms. Siclari actively interfaces with senior partners, equity partners and lenders to ensure that all interested parties remain informed regarding legal and compliance issues relating to the respective self-storage assets. Prior to joining Devon, Ms. Siclari worked in the telecommunication industry from 2002 to 2004 and was responsible for negotiating and reviewing telecommunication and commercial lease documents for Cingular. During the previous 15 years, Ms. Siclari held several positions in the banking and financial services sectors. Ms. Siclari also has experience in mortgage banking with a background in commercial and residential lending in both retail and wholesale markets. As a licensed real estate broker, Ms. Siclari worked at Bomac Mortgage from 1996 to 2000, assisting consumers with locating suitable financing for residential and commercial properties. Ms. Siclari worked as a Loan Analyst with Countrywide Funding from 1992 to 1995, where she gained audit and compliance experience in packaging and selling loans on the secondary market. Ms. Siclari has been an active member of the California State Bar Association since October 2001 with an emphasis on Real Property Law. She is a member of the American Bar Association and the California State Self Storage Association. Ms. Siclari graduated from Chico State University with a bachelor degree in political science. She received her law degree from John F. Kennedy University.

Dayle Marier. Ms. Marier is Senior Vice President-Controller for Devon and is responsible for all accounting functions. Ms. Marier joined Devon in January 1995 as an accounting supervisor and has held a number of accounting and due diligence positions since that time. From June 2000 until June 2002, she was based in Devon's European headquarters office in Amsterdam as Vice President – Due Diligence, where she oversaw all accounting, administration and due diligence activities related to Devon's European operations. Prior to joining Devon, Ms. Marier was employed at Homestead Development from 1984 to 1990.

CONFLICTS OF INTEREST

Conflicts of Interest

IPC, the Asset Manager, the Property Manager, and their respective principals and affiliates will act as the manager, advisor, controlling party or sponsor of other Delaware statutory trusts, limited liability companies, partnerships and other entities from time to time. These other entities presently own properties similar to the Properties, which may compete with the Properties, and may acquire additional properties in the future that may also compete with the Properties. IPC, the Asset Manager, the Property Manager, and their respective principals and affiliates also have existing responsibilities and, in the future, may have additional responsibilities, to provide management and services to a number of other entities. The principal areas in which conflicts are anticipated to occur are as follows.

The efforts and time of IPC, the Asset Manager, the Property Manager and the Master Tenant will not be solely dedicated to the Trusts.

IPC, the Asset Manager, the Property Manager, the Master Tenant and their respective principals and affiliates may engage for their own account, or for the account of others, in other business ventures. The interest in such other activities will not necessarily be directed to or consistent with the Trusts.

The landlord-tenant relationship between the Operating Trust Signatory Trustee and the Master Tenant may lead to a conflict of interest.

The Master Tenant and the Operating Trust Signatory Trustee are both affiliates of IPC. This may lead to a conflict of interest between their roles under the Master Lease. For example, there would be a conflict of interest if the Master Tenant were in breach of the Master Lease because only the Operating Trust Signatory Trustee would have authority on behalf of the Operating Trust to enforce the Master Lease against the Master Tenant. In such a situation, the interests of the Operating Trust Signatory Trustee may not be aligned with the interests of the Investors.

Principals of IPC, the Asset Manager and the Master Tenant may have conflicts of interest in allocating management time, services and functions among the various entities with which they are engaged.

Principals of IPC, the Asset Manager, the Master Tenant and their affiliates may have obligations to other entities sponsored by or affiliated with IPC. Therefore, IPC, the Asset Manager, the Master Tenant and their affiliates may have conflicts of interest in allocating management time, services and functions among the various entities with which they are engaged and others that may be organized in the future. IPC, the Asset Manager, the Master Tenant and their executive officers will devote as much time as they, in their sole discretion, deem to be reasonably required for the proper management of IPC, the Asset Manager, the Master Tenant and the Properties. Such parties believe they have the capacity to discharge their responsibilities to the Trusts and the Properties, notwithstanding participation in other present and future investment programs and projects.

The Property Manager will be subject to additional conflicts of interest.

The Property Manager, a third party unrelated to IPC, will be subject to conflicts of interest among its activities, roles and duties for other entities and the activities, roles and duties it has assumed on behalf of the Operating Trust. Conflicts exist in allocating management time, services and functions between their current and future activities and the Operating Trust.

If the Property Manager or any of its affiliates were to acquire self-storage properties in the vicinity of a Property, then the Property Manager could direct Tenants away from renewing their Rental Agreements and toward leasing self-storage units at such other properties; provided, however, the Property Management Agreement requires the Property Manager to use generally-accepted, reasonable best efforts to keep the storage units and rentable parking spaces leased to Tenants and to procure new or replacement tenants as necessary. See “*Property Management*” for additional discussion.

See “*Property Management*” and “*Risk Factors – Risks Related to the Master Lease and the Management of the Properties – The Property Manager will be subject to additional conflicts of interest*” for additional discussion.

The Operating Trust does not have arm's-length agreements with the Asset Manager or the Master Tenant.

The agreements and arrangements with the Asset Manager and the Master Tenant were not negotiated at arm's-length. These agreements may contain terms and conditions that are not in the Operating Trust's best interest or would not be present if the Operating Trust had entered into arm's length agreements with third parties.

IPC, the Asset Manager and the Property Manager face conflicts of interest caused by their compensation arrangements with the Trusts.

IPC, the Asset Manager and the Property Manager will receive certain compensation for services rendered regardless of whether distributions are paid to Investors.

The arrangements with ISC were not negotiated at arm's length.

ISC is an affiliate of IREIC. The arrangements with ISC, including fees and expenses payable thereunder, were not negotiated at arm's length.

The Parent Trust, IPC and the Asset Manager share legal representation.

Counsel to the Parent Trust, IPC and the Asset Manager in connection with this Offering is the same, and it is anticipated that such representation will continue in the future. As a result, conflicts may arise in the future.

Resolution of Conflicts of Interest

IPC, the Asset Manager and the Master Tenant have not developed, and do not expect to develop, any formal process for resolving conflicts of interest. Although the foregoing conflicts could materially and adversely affect the Properties, the parties, in their sole judgment and discretion, will try to mitigate such potential adversity by the exercise of their business judgment in an attempt to fulfill their obligations. There can be no assurance that such an attempt will prevent adverse consequences resulting from the numerous conflicts of interest.

The Placement Agent

In August 2014, ISC submitted a Letter of Acceptance, Waiver and Consent (the "AWC") to FINRA, the self-regulatory organization that oversees broker dealers, for the purpose of proposing a settlement of certain alleged rule violations. Without admitting or denying the findings, ISC consented to an entry of findings of certain violations of FINRA Rules, including those related to its due diligence obligations in connection with its activities as placement agent to two private placement offerings. FINRA accepted the AWC on August 27, 2014. In connection with the AWC, ISC consented to a fine of \$40,000, and agreed to (1) retain an independent consultant to review its written supervisory procedures, and (2) revise its written supervisory procedures as recommended by the independent consultant. ISC has fully complied with the terms and conditions of the AWC.

ISC has been in the securities business for 30 years, and has not received any complaints regarding the two private placement programs and had never before been the subject of any FINRA disciplinary actions, proceedings or fines. ISC believes that the matter will not have a material adverse effect on it or its business. In addition, ISC is not aware of any negative impact, and does not expect the FINRA settlement to have any negative impact, on the investors in any programs for which ISC has served or is serving as dealer manager or placement agent.

PRIOR PERFORMANCE OF IPC AFFILIATES

The information presented in this section represents the historical experience of real estate programs sponsored by IPC. You should not assume that you will experience returns, if any, comparable to those experienced by investors in such prior real estate programs. You will not acquire any ownership interest in any of the entities to which the following information relates.

Introduction

In March 2001, IPC was formed to provide replacement properties for people wishing to complete a Section 1031 Exchange, as well as investors seeking a quality, multiple-owner real estate investment. As of December 31, 2018, IPC had sponsored 232 private placement programs. As of December 31, 2018, these private placement programs had offered more than \$4.55 billion in equity to over 12,500 investors. Purchasers who have participated in more than one prior real estate program sponsored by IPC have been counted as an investor for each program.

The 232 private placement programs include 624 properties, comprised of over 44.1 million square feet of gross leasable area, and including over 18,000 residential units, for an aggregate offering price of more than \$8.25 billion. Of these properties, 411 are retail properties and centers, 39 are office buildings, 46 are medical office/healthcare, 11 are industrial and distribution centers, 70 are multifamily properties, four are student housing properties, 42 are self-storage locations and one is a hospitality property. In the aggregate, 90% of the properties were existing construction and 10% were new construction (the year of completion is within one year of the year of the offering). As of December 31, 2018, 95 of the assets had been sold.

The United States economy has experienced a significant amount of volatility in recent years, and some of the IPC programs have experienced adverse business developments, including without limitation tenant bankruptcies, vacancies and rent reductions. In addition, as of December 31, 2018, 12 programs were encumbered by loans which are in “hyper-amortization,” meaning that the interest rate for that loan has increased and all of the cash flow from the property or properties securing the loan is being used to pay down the principal balance of the loan. As a result of these and other developments, certain of the IPC programs have not met the operational and distribution levels anticipated in the projections set forth in the private placement memoranda for those programs. The material adverse business developments experienced by the prior IPC programs are discussed in the notes following the tables below.

The tables set forth in this section are updated on a quarterly basis.

Program Dispositions

The following table presents all program dispositions, by property type, through December 31, 2018. The table reflects the date on which the property owned by the program was originally offered to investors and the date it was sold, as well as the acquisition and sales price. The table presents only those programs with a sale date of less than 10 years prior to December 31, 2018.

Investors should note that the following table does not include programs in which the subject property was in foreclosure. In all such situations, IPC has negotiated with the applicable lender and advanced funds to the investors to allow the investors to exchange their beneficial interests in the original program for a proportional beneficial interest in a new program, in an attempt to continue their Section 1031 exchanges and avoid potential capital gains and/or forgiveness of debt tax liabilities, referred to herein as an “**investment continuation**.” The investment continuation programs are explained in greater detail in the notes that follow the “Currently Operating Programs” table. In certain instances, as noted in the following table, an investment continuation option also was offered in connection with a sale. No assurances can be provided, however, to the effect that any individual investor’s transaction will qualify under Section 1031.

The following terms as used in the table below shall have the meanings set forth in this paragraph. “**Total Return**” is calculated by dividing the sum of amounts distributed to investors over the hold period of the investment plus the sale proceeds returned to the investors, by such investors’ capital invested in the program. The Total Return calculation is used for sold properties to reflect the overall profitability of the program. The average rate of return, or “**ARR**,” represents the average annual amount of cash flow generated over the life of an investment. The ARR is calculated as the sum of total cash flows distributed during the term of the investment plus any profit or loss on the offering price, divided by the investment period. The “**Offering Price**” represents the price paid by the program for the property or properties, plus all estimated costs and expenses related to the acquisition and financing, all estimated costs and expenses related to the offering and any initial contribution to the reserve account, if applicable.

Program Name*	Program Offering Date	Property Sale Date (See note (A))	Hold Period (Years)	Offering Price	Property Sales Price	Average Rate of Return (ARR)	Total Return	Notes
MULTIPLE OWNER PROPERTIES								
<i>Retail Properties</i>								
Huntington Square 1031, L.L.C.	08/30/2004	07/15/2011	6.68	\$39,200,000	\$40,200,000	6.99%	146.01%	
Pets Bowie DBT	05/31/2002	10/05/2011	9.42	\$3,900,000	\$5,100,000	11.26%	206.04%	
BBY Schaumburg 1031, L.L.C.	06/01/2004	03/08/2013	8.67	\$13,605,000	\$12,400,000	2.71%	123.52%	
Discount Retail Portfolio II DST	10/21/2011	09/17/2013	1.92	\$11,308,080	\$11,940,439	11.60%	121.27%	
Lubbock Private Placement DST	05/03/2010	11/14/2013	3.50	\$9,078,556	\$9,800,000	10.84%	137.04%	
College Station Retail DST	03/15/2012	11/14/2013	1.58	\$11,605,425	\$12,000,000	12.05%	119.08%	
Eden Prairie 1031 DST	08/01/2007	11/15/2013	6.25	\$20,338,000	\$18,567,888	4.27%	126.30%	
Pharmacy Portfolio DST	02/08/2010	02/21/2014	4.00	\$12,715,000	\$15,656,000	11.83%	147.33%	
1031 Chattanooga DBT	07/15/2002	04/22/2014	11.75	\$3,400,000	\$3,300,000	5.86%	168.37%	
Stoughton 1031, L.L.C.	10/01/2004	06/19/2014	9.67	\$19,950,000	\$20,000,000	6.10%	158.53%	
Fox Run Square 1031 Venture, L.L.C.	06/07/2008	08/22/2014	6.08	\$26,710,000	\$25,650,000	6.31%	138.36%	
Cross Creek 1031, L.L.C.	03/31/2004	08/27/2014	10.33	\$12,078,762	\$11,498,312	3.71%	138.03%	
Waukesha 1031 DST	10/01/2007	09/29/2014	7.00	\$20,290,000	\$18,275,353	5.01%	134.64%	
Grand Chute DST	02/02/2003	03/05/2015	11.50	\$12,048,350	\$12,200,000	8.07%	191.46%	
Hobart 1031, L.L.C.	07/17/2004	05/14/2015	10.75	\$6,600,000	\$6,093,000	4.18%	120.99%	See note (B).
Convenience Net Lease DST	11/18/2013	06/01/2015	1.50	\$31,625,243	\$35,329,302	18.25%	125.85%	
West St. Paul 1031 Venture DST	09/01/2007	06/30/2015	7.83	\$8,075,000	\$6,600,000	0.92%	107.10%	
Plainfield 1031, L.L.C.	01/23/2004	12/03/2015	11.83	\$24,400,000	\$21,000,000	3.28%	138.80%	
Broadway Commons DBT	10/25/2002	01/12/2016	13.25	\$17,250,000	\$14,500,000	4.36%	157.46%	
Chicagoland Grocery Venture II DST	10/29/2013	05/18/2016	2.58	\$21,862,604	\$25,000,000	22.88%	156.92%	
PNS Grocery DST	04/30/2012	07/29/2016	4.25	\$13,302,225	\$13,000,000	5.70%	124.20%	
Naperville Retail Center DST	07/31/2013	09/08/2016	3.08	\$26,462,500	\$30,150,000	15.92%	149.08%	
New York Grocery DST	02/06/2013	12/15/2016	3.83	\$24,076,811	\$20,000,000	-6.72%	77.04%	See note (C).
Craig Crossing 1031, L.L.C.	03/31/2006	01/24/2017	10.92	\$30,630,000	\$16,700,000	-6.25%	33.90%	See note (D)

Program Name*	Program Offering Date	Property Sale Date (See note (A))	Hold Period (Years)	Offering Price	Property Sales Price	Average Rate of Return (ARR)	Total Return	Notes
Cincinnati Eastgate 1031 LLC	09/16/2005	07/24/2017	11.83	\$6,110,000	\$2,500,000	-3.49%	59.85%	See note (D).
Chicagoland Fresh Market Venture DST	03/20/2013	11/28/2017	4.67	\$54,100,035	\$65,425,000	11.27%	152.57%	See note (E).
Modesto Retail Center DST	04/17/2014	05/01/2018	4.2	\$47,224,746	\$46,000,000	5.32%	122.18%	
Hillsboro 1031 DST	01/04/2010	05/04/2018	8.42	\$24,250,000	\$19,875,000	4.02%	133.81%	
Chicagoland Grocery Venture DST	04/11/2011	08/16/2018	7.25	\$23,430,000	\$25,500,000	9.53%	169.08%	
BJS Syracuse Exchange LLC	06/15/2004	09/14/2018	14.42	\$15,850,000	\$14,650,000	5.95%	185.80%	
Austell Springing LLC	03/11/2009	12/20/2018	9.75	\$8,100,800	\$10,750,000	2.10%	120.52%	
Office Properties								
Inland 220 Celebration DBT	09/09/2002	09/19/2012	10.08	\$33,800,000	\$31,100,000	7.26%	172.57%	
Oak Brook Kensington, DST	04/08/2005	04/24/2014	9.08	\$44,950,000	\$37,000,000	1.02%	109.22%	
Winston-Salem Office DST	01/20/2012	12/19/2014	2.92	\$39,855,304	\$43,250,000	7.04%	120.53%	
Macon Office DST	10/10/2003	07/20/2015	11.83	\$12,160,000	\$11,400,000	5.88%	169.12%	
Charlotte 1031 DST	05/01/2006	03/30/2016	9.92	\$58,750,000	\$37,959,165	-2.30%	76.61%	See note (D).
Plano 1031 Limited Partnership	06/20/2007	05/17/2016	8.92	\$28,550,000	\$11,200,000	-4.42%	60.99%	See note (D).
Carmel Office 1031, L.L.C.	07/29/2008	05/15/2017	8.75	\$33,240,000	\$28,600,000	4.15%	136.27%	
Inland Chicago Grace L.L.C.	06/01/2007	04/17/2018	10.75	\$14,885,000	\$13,500,000	3.78%	140.63%	
Industrial Properties								
Davenport 1031, L.L.C.	08/01/2003	05/31/2012	8.67	\$28,200,000	\$26,125,842	5.84%	150.16%	
Mason City 1031, L.L.C.	07/30/2004	01/10/2014	9.33	\$11,000,000	\$10,144,199	5.74%	153.58%	
Jefferson City 1031, L.L.C.	12/15/2004	06/30/2014	9.42	\$20,735,000	\$14,350,000	1.14%	110.55%	
Zionsville Ground Express DST	09/22/2014	09/06/2016	1.92	\$35,189,583	\$37,100,000	11.89%	122.79%	
Deer Park 1031 DST	03/28/2008	07/27/2017	9.33	\$10,575,000	\$6,000,000	-3.51%	67.82%	See note (D).
Janesville 1031 L.L.C.	05/15/2003	08/14/2017	14.25	\$20,500,000	\$15,900,000	4.97%	169.96%	
Multifamily Properties								
Naples Multifamily DST	09/06/2013	07/31/2015	1.92	\$18,043,793	\$20,250,000	24.08%	144.15%	
Denver MSA Multifamily DST	02/21/2014	12/01/2015	1.75	\$49,092,573	\$56,750,000	22.23%	138.90%	
Bradenton Multifamily DST	10/10/2012	05/31/2017	4.67	\$44,038,085	\$50,500,000	11.25%	152.49%	
Dallas MSA Multifamily DST	09/25/2013	08/29/2017	3.92	\$80,998,164	\$86,000,000	6.54%	125.61%	
Austin Lakeshore Multifamily DST	02/26/2015	02/22/2018	3.01	\$45,451,864	\$50,500,000	10.61%	132.70%	
Student Housing Properties								
Orlando Student Housing DST	09/04/2015	05/31/2018	2.67	\$78,240,475	\$81,721,250	10.63%	128.33%	
Medical Office Properties								
Medical Office Portfolio DST	08/21/2014	07/24/2018	3.75	\$35,652,079	\$45,775,000	11.23%	142.10%	
Other								
Opportunity Fund II, L.L.C.	01/31/2011	06/03/2014	3.25	\$7,528,819	\$8,115,416	6.91%	121.89%	

Program Name*	Program Offering Date	Property Sale Date (See note (A))	Hold Period (Years)	Offering Price	Property Sales Price	Average Rate of Return (ARR)	Total Return	Notes
CUSTOM (SOLE OWNER) PROPERTIES								
<i>Retail Properties</i>								
Mobile Entertainment 1031, L.L.C.	10/15/2004	11/14/2011	7.08	\$1,578,000	\$1,317,647	0.60%	104.26%	
Edmond 1031, L.L.C.	02/23/2005	09/19/2013	8.42	\$3,765,000	\$4,271,720	9.89%	183.21%	
Indianapolis Entertainment 1031, L.L.C.	10/15/2004	01/23/2014	9.33	\$2,190,000	\$2,137,500	16.45%	131.23%	
Forestville 1031, L.L.C.	01/12/2004	03/07/2014	9.92	\$3,900,000	\$3,025,000	4.28%	142.09%	
Madison 1031, L.L.C.	02/10/2006	05/01/2015	9.17	\$2,987,500	\$2,900,000	4.38%	139.77%	
Aurora 1031, L.L.C.	01/23/2004	01/05/2016	12.17	\$3,550,000	\$3,516,750	6.08%	155.07%	
Port Richey 1031, L.L.C.	06/04/2004	04/13/2016	11.92	\$5,975,000	\$2,200,000	-3.80%	55.06%	See note (F).
Burbank 1031, L.L.C.	04/09/2007	06/05/2017	9.83	\$11,345,000	\$9,350,000	2.13%	120.93%	

*Please note that the program name presented in this table is the name of the program as original offered to investors. Following the original offering date, certain programs may have changed form, through a conversion to a DST or a springing event to an LLC, resulting in a subsequent name change.

Notes to Program Disposition Table

- (A) **Post-December 31, 2018 Sales.** As noted above, this table presents only those programs with a sale date of less than 10 years prior to December 31, 2018. However, as of the date of this Memorandum, four additional properties have been sold, as follows: (1) Retreat at Shadow Creek Ranch Apartments, owned by Pearland Multifamily DST and located in Pearland, Texas, was sold on January 24, 2019 for a sale price equal to \$57,500,000; (2) Belleza at Cresta Bella Apartments, owned by San Antonio Multifamily DST and located in San Antonio, Texas, was sold on January 31, 2019 for a sale price equal to \$46,000,000; (3) an AT&T office building, owned by Charlotte Office Springing, L.L.C. and located in Charlotte, North Carolina, was sold on March 12, 2019 for a sale price equal to \$17,000,000; and (4) Ascent Uptown and Emerson Lofts, indirectly owned by Denver Multifamily Portfolio DST and located in Denver, Colorado, were sold on March 13, 2019 for a total sale price equal to \$21,850,000. Additional discussion regarding Pearland Multifamily DST, San Antonio Multifamily DST and Denver Multifamily Portfolio DST can be found in Table 1, and the notes thereto, set forth below. Charlotte Office Springing, L.L.C./Charlotte Office 1031 DST is not included in Table 1 because it was offered more than 10 years prior to December 31, 2018.
- (B) **Hobart 1031, L.L.C.** The ARR calculation has been adjusted to reflect a \$3,428,991 reduction in outstanding equity from financing proceeds made early in the program's existence.
- (C) **New York Grocery DST – Program Continuation Offered.** Because the Pathmark Grocery Store owned by New York Grocery DST was sold for a price substantially lower than the amount originally offered, the investors in New York Grocery DST were offered the option to continue their 1031 exchange program with IPC, which may provide them with an opportunity to defer tax consequences associated with the respective sale. Specifically, the investors in New York Grocery DST were offered the option of reinvesting their sale proceeds into Gulf Coast Industrial DST, which owns the Dow Chemical Warehouse Facilities located in Addis, LA (see the “Currently Operating Programs” table below). Neither the asset manager nor IPC received an asset management or acquisition fee in connection with transferring investors into Gulf Coast Industrial DST; additionally, no property management fees will be paid for this property. The investors in New York Grocery DST also were offered the option of reinvesting their sale proceeds into certain programs sponsored by IPC that (1) had a loan-to-offering price ratio greater than 50%, and (2) had at least \$1 million in equity available for investment as of the

date of sale of the Pathmark Grocery Store (such programs collectively, the “**Alternate Continuation Options**”). Investors were able to purchase interests in the Alternate Continuation Options at a price that was net of selling commissions, dealer fees, placement agent fees and acquisition fees.

- (D) Multiple Programs – Program Continuation Offered. Because each of the Craig Crossing Shopping Center in McKinney, TX, the HH Gregg Store in Cincinnati, OH, The Belk Corporate Headquarters in Charlotte, NC, the Plano Data Center in Plano, TX and the FlowServe Industrial Building in Deer Park, TX (for these purposes, collectively, the “**Sold Properties**”) was sold for a price substantially lower than the amount originally offered, the investors in each such program were offered the option to continue their 1031 exchange program with IPC, which may provide them with an opportunity to defer tax consequences associated with the respective sale as well as potentially rebuild equity through the self-amortizing debt structure associated with the new investment. Specifically, the investors in the Sold Properties were offered the option of reinvesting their sale proceeds into Gulf Coast Industrial DST, which owns the Dow Chemical Warehouse Facilities located in Addis, LA (see the “Currently Operating Programs” table below). Neither the asset manager nor IPC received an asset management or acquisition fee in connection with transferring investors into Gulf Coast Industrial DST; additionally, no property management fees will be paid for the property.
- (E) Chicagoland Fresh Market Venture DST. This program owned two Mariano’s Fresh Market stores, located in Palatine and Vernon Hills, IL. The Vernon Hills store was sold on August 17, 2016, and the Palatine store was sold on November 28, 2017.
- (F) Port Richey 1031, L.L.C. The property was sold on April 13, 2016 for \$2,200,000, just below the debt payoff amount of \$2,278,213.70. The sole owner of Port Richey Plaza was offered the option to continue their 1031 exchange program with IPC through a transfer into Gulf Coast Industrial DST, as described in note (B) above, but chose not to do so.

Currently Operating Programs

The following tables present IPC-sponsored programs, by property type, that, as of December 31, 2018, were operating and had completed their private placement offerings (or were offered as investment continuation programs). The tables reflect the date on which the property owned by the program was originally offered to investors, as well as the acquisition price. If the property is encumbered by a loan, the tables include the original loan-to-value stated in the private placement memorandum (“**LTV**”) for that program. The tables also reflect the total equity raised by the program.

The tables reflect the actual annualized cash-on-cash return for the year ended December 31, 2018, as compared to the cash-on-cash return projected for the calendar year ended December 31, 2018 (as set forth in the private placement memorandum for that program), as well as the average cash-on-cash return from inception through December 31, 2018. In the event that the private placement memorandum projections for any particular program have ended, as noted in the “Notes” column, the return set forth in the “Projected Cash-on-Cash Return 2017” column reflects the actual cash-on-cash return for the calendar year ended December 31, 2018.

The following tables present only those programs with an offering date of less than 10 years prior to December 31, 2018. The tables have been updated as of December 31, 2018.

The following terms as used in the tables below shall have the meanings set forth in this paragraph. A “**cash-on-cash return**” is calculated by dividing the amounts distributed to investors over the indicated period by such investors’ capital invested in the program, less any proceeds returned in a refinance. All cash-on-cash returns set forth herein represent distributions to investors solely from property operations and not from other sources, except as otherwise described in the notes. With respect to properties subject to a master lease, the cash-on-cash return takes into account additional rents, but not supplemental rents, consistent with the original projections for such program. Supplemental rents have been excluded from this calculation due to the fact that they are not paid until after the

end of the calendar year. The “Offering Price” represents the price paid by the program for the property or properties, plus all estimated costs and expenses related to the acquisition and financing, all estimated costs and expenses related to the offering and any initial contribution to the reserve account, if applicable.

Table 1 – Multiple Owner Programs

Each of the following programs is owned by more than one investor.

Program Name**	Program Offering Date	Total Equity Raised	Original LTV	Offering Price	Actual Annualized Cash-on-Cash Return 2018	PPM Projected Cash-on-Cash Return 2018	Avg. Cash-on-Cash Return from Inception through 12/31/2018	Notes
<i>Retail Properties</i>								
National Retail Portfolio Venture DST	01/10/2011	\$20,960,000	48.01%	\$40,313,200	6.55%	6.55%	6.43%	
Discount Retail Portfolio DST	02/28/2011	\$10,500,000	0.00%	\$10,500,000	7.05%	7.05%	7.06%	
National Net Lease Portfolio DST	06/20/2011	\$29,002,065	46.01%	\$53,718,065	4.94%	6.98%	5.82%	
Grocery & Pharmacy Portfolio DST	08/10/2011	\$23,425,285	47.67%	\$44,768,285	3.65%	7.21%	5.65%	See note (4).
Pharmacy Portfolio II DST	08/23/2011	\$14,636,594	59.65%	\$36,271,894	6.65%	6.65%	6.65%	
Discount Retail Portfolio III DST	12/27/2011	\$6,181,096	0.00%	\$6,181,096	6.60%	6.60%	6.60%	
Chicagoland Street Retail DST	02/29/2012	\$3,426,177	40.68%	\$5,776,177	4.00%	3.37% (2017 actual*)	4.86%	
CW Pharmacy I DST	04/16/2012	\$17,977,380	48.24%	\$34,734,380	6.10%	6.10%	6.07%	
National Net Lease Portfolio II DST	05/16/2012	\$30,351,220	42.46%	\$52,751,220	2.64%	6.00%	5.71%	See note (5).
CW Pharmacy II DST	06/29/2012	\$9,965,666	48.53%	\$19,360,666	6.22%	6.22%	6.15%	
Mt. Pleasant Retail Venture DST	08/22/2012	\$11,110,235	53.83%	\$24,061,153	6.42%	6.42%	6.36%	
Family Discount Portfolio DST	10/12/2012	\$5,557,102	0.00%	\$5,557,102	6.00%	6.00%	6.00%	
W Pharmacy I DST	10/15/2012	\$13,430,703	49.25%	\$26,465,703	6.23%	6.23%	6.23%	
Pharmacy Portfolio V DST	12/26/2012	\$7,066,649	67.59%	\$21,806,649	6.00%	6.00%	6.02%	
DC MSA Retail DST	01/09/2013	\$8,665,509	50.39%	\$17,465,509	7.00%	7.00%	6.61%	
Cranberry Retail Venture DST	01/31/2013	\$11,406,454	45.56%	\$20,951,454	6.00%	6.00%	6.02%	
National Net Lease Portfolio III DST	03/08/2013	\$12,283,677	0.00%	\$12,283,677	5.87%	5.87%	5.64%	
Discount Retail Venture I DST	04/08/2013	\$5,308,050	56.52%	\$12,208,050	17.64%	5.90%	5.81%	See notes (2) and (6).
Pharmacy Portfolio VI DST	05/13/2013	\$9,718,202	69.53%	\$31,891,411	4.00%	4.00%	4.00%	
Downers Grove Retail DST	06/26/2013	\$11,604,054	0.00%	\$11,604,054	5.50%	5.50%	5.54%	
Huntsville Retail Center DST	07/11/2013	\$13,883,448	49.23%	\$27,344,448	6.45%	6.45%	6.14%	
Discount Retail Venture II DST	08/26/2013	\$6,592,296	52.51%	\$13,882,296	6.00%	6.00%	6.02%	
National Net Lease Portfolio IV DST	12/04/2013	\$15,694,464	0.00%	\$15,694,464	6.00%	6.00%	6.00%	
West Hartford Grocery Center DST	01/15/2014	\$8,160,000	49.00%	\$16,000,000	5.25%	5.25%	5.26%	See note (7).
Pharmacy Sale Leaseback DST	01/23/2014	\$16,280,816	71.45%	\$57,021,864	4.00%	4.00%	4.01%	
Lake Geneva Retail DST	02/04/2014	\$19,929,666	0.00%	\$19,929,666	3.50%	5.00%	4.39%	
National Net Lease Portfolio V DST	03/28/2014	\$37,089,317	54.96%	\$82,051,937	5.09%	5.09%	5.02%	
Mountain View Retail DST	04/10/2014	\$13,359,693	0.00%	\$13,359,693	5.00%	5.00%	5.09%	
Keller TX Retail DST	04/30/2014	\$11,933,690	0.00%	\$11,933,690	5.00%	5.00%	5.04%	

Program Name**	Program Offering Date	Total Equity Raised	Original LTV	Offering Price	Actual Annualized Cash-on-Cash Return 2018	PPM Projected Cash-on-Cash Return 2018	Avg. Cash-on-Cash Return from Inception through 12/31/2018	Notes
Pharmacy Sale Leaseback II DST	06/3/2014	\$10,332,609	71.22%	\$35,900,870	4.00%	4.00%	4.01%	
National Net Lease Portfolio VI DST	07/14/2014	\$22,895,715	55.01%	\$50,887,424	5.75%	5.75%	5.77%	
Family Discount Portfolio II DST	09/30/2014	\$8,019,840	59.08%	\$19,556,733	5.76%	5.75%	5.78%	
Family Discount Portfolio III DST	09/30/2014	\$9,605,882	59.43%	\$23,675,899	5.76%	5.75%	5.77%	
Retail Portfolio DST	11/05/2014	\$14,380,928	52.83%	\$27,101,902	5.00%	5.00%	5.58%	
Pharmacy Portfolio VII DST	11/21/2014	\$14,818,729	74.60%	\$58,352,335	4.05%	4.05%	4.05%	
Rancho Cordova Retail Center, LLC	04/06/2015	\$16,654,163	47.44%	\$31,684,163	6.00%	6.86%	6.00%	
Bi-Coastal Home Improvement DST	06/24/2015	\$59,043,471	51.05%	\$120,622,221	5.46%	5.45%	5.34%	
Retail Portfolio II DST	08/25/2015	\$12,063,531	62.93%	\$32,538,531	5.40%	5.40%	5.72%	
Pharmacy Portfolio VIII DST	10/07/2015	\$12,835,947	72.04%	\$45,905,947	4.00%	4.00%	4.00%	
East Coast Wholesale DST	03/02/2016	\$32,741,394	54.19%	\$71,466,394	5.50%	5.50%	6.05%	
National Net Lease Portfolio VII DST	11/19/2015	\$89,357,629	40.38%	\$149,883,245	5.20%	5.10%	5.10%	
Chicagoland Supermarket Portfolio DST	02/02/2018	\$39,769,696	0.00%	\$39,769,696	4.27%	4.89%	4.27%	See note (8).
Office Properties								
Bristol 1031 DST	02/09/2009	\$8,302,000	40.68%	\$13,995,000	2.00%	3.00% (2017 actual*)	6.37%	Proj. ended 2013. See notes (3), (9).
Omaha Headquarters Venture DST	07/12/2010	\$12,390,000	42.08%	\$21,390,000	8.30%	8.30%	7.66%	
Miami Office DST	10/04/2010	\$8,221,228	0.00%	\$8,221,228	7.35%	7.35%	6.85%	See note (10).
University Venture DST	11/01/2010	\$10,697,831	0.00%	\$10,697,831	5.50%	8.41%	6.02%	See note (3).
Scarborough Medical DST	12/20/2010	\$7,334,245	45.59%	\$13,480,495	7.00%	7.00%	6.47%	See note (1).
Schaumburg Childcare DST	11/30/2012	\$1,817,651	52.39%	\$3,817,651	3.00%	0.75% (2017 actual*)	3.04%	See note (11).
Bristol Sports Center DST	12/23/2013	\$17,416,433	62.72%	\$46,716,433	5.25%	5.25%	5.25%	See note (12).
Industrial Properties								
New York Power DST	06/06/2011	\$11,850,000	0.00%	\$11,850,000	7.98%	7.98%	7.50%	
Multifamily Properties								
<i>(Note: The "PPM Projected Cash-on-Cash Return 2018" for the multifamily programs is consistent with the Additional Rent Cash-on-Cash Returns set forth in the Forecasted Statement of Cash Flows included with the Private Placement Memorandum for each of these programs.)</i>								
Chicagoland Multifamily DST	06/18/2012	\$7,754,945	43.72%	\$13,779,945	5.75%	5.75%	6.12%	
Lafayette Multifamily DST	10/22/2013	\$7,367,534	54.15%	\$16,067,534	6.01%	6.01%	6.01%	See note (13).
Pearland Multifamily DST	03/21/2014	\$27,788,081	50.72%	\$56,388,081	5.00%	5.00%	5.00%	
San Antonio Multifamily DST	05/19/2014	\$27,061,126	50.71%	\$53,365,096	3.00%	5.00%	4.10%	See note (14).
Louisville Multifamily DST	07/30/2014	\$22,350,000	55.26%	\$40,446,295	5.50%	5.50%	5.72%	
Indianapolis Multifamily DST	10/13/2014	\$25,981,840	60.28%	\$65,417,840	5.00%	5.00%	5.00%	
Jacksonville Multifamily DST	11/14/2014	\$24,174,330	47.07%	\$45,674,330	5.25%	5.25%	5.25%	
Colorado Multifamily Portfolio DST	12/02/2014	\$91,015,551	50.77%	\$184,873,551	5.00%	5.00%	5.28%	
Carmel Multifamily DST	01/21/2015	\$11,377,246	61.11%	\$29,252,246	5.00%	5.00%	5.05%	
San Antonio Multifamily II DST	05/19/2015	\$14,308,958	58.86%	\$34,783,958	5.00%	5.00%	5.00%	
Park Creek Steeple Multifamily DST	07/13/2015	\$48,566,140	60.36%	\$122,531,140	5.00%	5.00%	5.25%	

Program Name**	Program Offering Date	Total Equity Raised	Original LTV	Offering Price	Actual Annualized Cash-on-Cash Return 2018	PPM Projected Cash-on-Cash Return 2018	Avg. Cash-on-Cash Return from Inception through 12/31/2018	Notes
Denver Multifamily Portfolio DST	08/10/2015	\$9,198,099	55.08%	\$20,478,099	5.00%	5.00%	5.08%	
Colorado Multifamily Portfolio II DST	12/07/2015	\$30,665,631	48.06%	\$59,040,631	5.00%	5.00%	5.00%	
FL-NY Multifamily Portfolio DST	01/22/2016	\$61,151,443	57.53%	\$143,973,943	5.00%	5.00%	5.00%	
Ft. Collins Multifamily Portfolio DST	03/11/2016	\$39,012,526	57.88%	\$92,611,526	5.00%	5.00%	5.00%	
Ft. Collins Multifamily III DST	07/08/2016	\$21,715,585	57.98%	\$51,680,585	5.00%	5.00%	5.00%	
Milwaukee MSA Multifamily DST	05/27/2016	\$30,662,168	48.92%	\$60,032,168	5.00%	5.00%	5.00%	
National Multifamily Portfolio I DST	09/07/2016	\$120,096,882	50.94%	\$244,772,917	5.00%	5.00%	5.00%	
Brighton Multifamily DST	12/07/2016	\$24,099,126	60.80%	\$61,474,126	5.00%	5.00%	5.00%	
Dallas Multifamily DST	01/18/2017	\$22,631,637	60.80%	\$53,376,637	5.00%	5.00%	5.00%	
Riverdale Multifamily DST	04/10/2017	\$32,937,608	50.05%	\$65,937,608	5.15%	5.15%	5.15%	
Denver MSA Multifamily II DST	06/13/2017	\$53,962,913	49.31%	\$106,459,913	5.10%	5.10%	5.10%	
National Multifamily Portfolio II DST	08/21/2017	\$63,028,537	54.00%	\$137,008,537	5.00%	5.00%	5.00%	
Colorado Springs Multifamily DST	09/25/2017	\$28,974,578	55.41%	\$64,974,578	4.85%	4.85%	4.83%	
Colorado Multifamily Portfolio III DST	10/20/2017	\$91,625,622	50.83%	\$186,334,037	5.00%	5.00%	5.00%	
National Multifamily Portfolio III DST	11/16/2017	\$100,617,339	53.85%	\$218,042,339	5.00%	5.00%	5.00%	
Colorado Multifamily Portfolio IV DST	02/08/2018	\$115,374,057	51.80%	\$239,373,307	5.00%	5.00%	5.00%	
Florida Multifamily Portfolio DST	04/18/2018	\$36,472,643	52.30%	\$76,496,643	5.00%	5.00%	5.00%	
Student Housing Properties								
University Lofts, L.L.C.	07/02/2014	\$18,300,000	51.46%	\$37,700,000	5.00%	8.57%	6.06%	See note (15).
Charlotte Student Housing DST	10/21/2015	\$29,345,975	50.76%	\$59,595,975	2.00%	5.00%	3.26%	See note (16).
San Marcos Student Living DST	10/07/2015	\$24,321,998	50.79%	\$49,422,998	5.00%	5.00%	5.00%	
Medical Office Properties								
Chicagoland Medical Portfolio II DST	04/17/2015	\$19,716,000	0.00%	\$19,716,000	5.10%	5.10%	5.10%	
Healthcare Portfolio DST	07/28/2015	\$35,708,329	0.00%	\$35,708,329	5.58%	5.58%	5.48%	
Texas Healthcare Portfolio DST	04/28/2016	\$45,751,631	0.00%	\$45,751,631	5.48%	5.48%	5.39%	
Indianapolis Medical Office DST	09/19/2016	\$13,897,674	0.00%	\$13,897,674	5.15%	5.15%	5.15%	
Healthcare Portfolio II DST	02/06/2017	\$54,858,510	0.00%	\$54,858,510	5.00%	5.00%	5.02%	
Texas Healthcare Portfolio II DST	07/26/2017	\$55,020,466	0.00%	\$55,020,466	5.11%	5.11%	5.10%	See note (17).
Healthcare Portfolio III DST	09/07/2017	\$29,121,408	0.00%	\$29,121,408	5.12%	5.03%	5.15%	
Healthcare Portfolio IV DST	12/20/2017	\$39,990,338	0.00%	\$39,990,338	5.00%	5.00%	5.00%	
Arizona Healthcare DST	05/10/2018	\$26,152,407	0.00%	\$26,152,407	5.00%	5.00%	5.00%	
Self-Storage Properties								
Self-Storage Portfolio I DST	04/05/2016	\$49,364,432	52.01%	\$102,864,432	5.00%	5.00%	5.00%	
Self-Storage Portfolio II DST	11/01/2016	\$21,827,931	47.01%	\$40,359,982	5.00%	5.00%	5.00%	
Self-Storage Portfolio III DST	03/01/2017	\$20,001,613	43.14%	\$35,176,613	5.00%	5.00%	5.00%	
Self-Storage Portfolio IV DST	03/15/2017	\$26,755,741	54.07%	\$58,255,741	5.50%	5.50%	5.50%	
Self-Storage Portfolio V DST	08/04/2017	\$16,488,801	52.50%	\$34,710,801	5.25%	5.25%	5.25%	

Program Name**	Program Offering Date	Total Equity Raised	Original LTV	Offering Price	Actual Annualized Cash-on-Cash Return 2018	PPM Projected Cash-on-Cash Return 2018	Avg. Cash-on-Cash Return from Inception through 12/31/2018	Notes
“Zero Cash Flow” Programs								
<i>(Note: These properties are highly leveraged and, by design, will produce no cash flow to maximize the amortization. Principal is amortized over the term of each loan. An investment in a “zero cash flow” program may be appropriate for investors who are selling a property and looking for suitable replacement property to effectuate a Section 1031 exchange, particularly where an investor’s previous property was encumbered by high levels of debt.)</i>								
Pharmacy Portfolio III DST	07/27/2011	\$5,005,502	85.80%	\$35,240,789	0.00%	0.00%	0.00%	
Pharmacy Portfolio IV DST	11/21/2011	\$5,220,068	84.82%	\$34,385,204	0.00%	0.00%	0.00%	
Zero Coupon Pharmacy DST	09/10/2012	\$4,383,411	84.53%	\$28,330,724	0.00%	0.00%	0.00%	
High LTV Replacement DST	03/28/2013	\$1,251,375	88.51%	\$10,887,009	0.00%	0.00%	0.00%	See note (18).
Zero Coupon Pharmacy II DST	06/17/2013	\$5,094,328	84.07%	\$31,979,321	0.00%	0.00%	0.00%	
Zero Coupon Pharmacy III DST	09/13/2013	\$4,871,587	84.23%	\$26,017,681	0.00%	0.00%	0.00%	
Zero Coupon Pharmacy IV DST	02/18/2014	\$9,921,950	84.50%	\$64,019,982	0.00%	0.00%	0.00%	
Zero Coupon Pharmacy V DST	02/18/2014	\$7,857,589	84.50%	\$50,693,127	0.00%	0.00%	0.00%	
California Freight Express DST	08/11/2015	N/A	87.72%	\$21,931,431	0.00%	0.00%	0.00%	See note (19).
Gulf Coast Industrial DST	02/05/2016	N/A	88.16%	\$98,089,282	0.00%	0.00%	0.00%	See note (20).

* The projections stated in the private placement memorandum for this program ended prior to 2018, as noted in the “Notes” column. Accordingly, the return set forth in the “Projected Cash-on-Cash Return 2018” column reflect the actual cash-on-cash return for the calendar year ended December 31, 2017.

**Please note that the program name presented in this table is the name of the program as original offered to investors. Following the original offering date, certain programs may have changed form, through a conversion to a DST or a springing event to an LLC, resulting in a subsequent name change.

Table 2 – Custom (Sole Owner) Programs

Each of the following properties is owned by a sole owner. Each sole owner is required to have demonstrated expertise in owning and operating properties similar in location, size and operation to the particular property in the custom (sole owner) program. In addition, these sole owners may exercise more control over their properties than an individual investor and may take actions according to their risk tolerance and based on their experience which may be inconsistent with the original business plan detailed in the private placement memorandum for that program and the recommendation of the asset manager for that program.

Program Name*	Program Offering Date	Total Equity Raised	Loan-to-Value	Offering Price	Actual Annualized Cash-on-Cash Return 2018	Projected Cash-on-Cash Return 2018	Avg. Cash-on-Cash Return from Inception through 12/31/2018	Notes
<i>Retail Properties</i>								
Custom Pharmacy Leaseback, L.L.C.	03/25/2014	\$51,430,482	18.84%	\$63,365,730	4.00%	4.00%	17.85%	See note (21).
<i>Multifamily Properties</i>								
Cary Custom 1031, L.L.C.	02/19/2016	\$13,883,602	50.01%	\$27,771,102	4.50%	4.50%	4.50%	
<i>Medical Office Properties</i>								
Custom Tomball Medical, L.L.C.	02/22/2017	\$20,828,769	0.00%	\$20,828,769	5.11%	5.17%	5.17%	
Custom Tuscaloosa Medical, L.L.C.	02/22/2017	\$8,949,793	40.13%	\$14,949,793	5.06%	4.79%	4.79%	
Custom Lakewood Multifamily L.L.C.	10/03/2018	\$23,638,093	55.96%	\$51,598,134	4.50%	4.50%	4.50%	

*Please note that the program name presented in this table is the name of the program as original offered to investors. Following the original offering date, certain programs may have changed form, through a conversion to a DST or a springing event to an LLC, resulting in a subsequent name change.

Notes to Currently Operating Program Tables

- (1) General Note re: DST Conversion. Pursuant to the terms of the trust agreement, this property owner, originally organized as a Delaware statutory trust, converted to a “springing” limited liability company to allow the property owner to take actions it would not otherwise be able to accomplish as a DST.
- (2) General Note re: Loan. These properties are encumbered by loans which are currently in hyper-amortization. During hyper-amortization, which continues through the maturity date or until repayment or refinancing occurs, the interest rate increases by 2.00% and all remaining cash flow is used to pay down the principal balance of the existing loan leaving no cash flow available for distribution to investors.
- (3) General Note re: Cash-On-Cash Return. The annualized cash-on-cash return was adjusted in order to allocate additional funds to the property reserve account.
- (4) Grocery & Pharmacy Portfolio DST. On April 9, 2015, Walgreens announced that it planned to close approximately 200 stores throughout the United States over the next three years. The Walgreens stores located in Corbin, Kentucky and Beckley, West Virginia were closed for business as part of the announced closings, but the tenants are obligated to continue paying rent, common area maintenance, insurance and taxes for these locations until their early termination dates in 2033 (Beckley, West Virginia location) and 2034 (Corbin, Kentucky location). In September 2015, the lender notified the asset manager that, due to the closing of the two Walgreens stores, it initiated a cash flow sweep and established a suspense account for the two closed Walgreens locations. Also, as a result of the two store closings, the asset manager reduced the asset and management fees payable for the portfolio. The asset manager also adjusted the annual cash-on-cash return to investors to 3.65%. The tenant at the Corbin location subsequently subleased the premises to a Dollar Tree store.
- (5) National Net Lease Portfolio II DST. In the second quarter of 2017, Romano’s Macaroni Grill ceased operations and surrendered possession of its leased premises in Dublin, Ohio. The tenant was placed in default for failure to pay rent and the asset manager has pursued legal action. The asset manager has recently been informed that the tenant has filed for Chapter 11 Bankruptcy and as such will no longer negotiate an early lease termination. The tenant of the Sonic restaurant located in Homestead, Florida was also placed in default for failure to pay rent under its lease, and the asset manager has engaged outside counsel to proceed with an action for eviction and damages. The Family Dollar store in Lake City, Georgia ceased operations in the second quarter of 2017 but has continued to pay rent and reimbursements as required by its lease. Pursuant to the loan documents, the lender required the borrower to deposit a monthly amount with the lender equal to the contractual rent in connection with the Family Dollar and Macaroni Grill vacancies. As a result of the lease defaults and vacancies, the cash on cash distribution was adjusted from 6.0% to 2.64% in the first quarter of 2018. The asset manager is currently working with a prospective tenant on leasing the former Romano’s Macaroni Grill. In the fourth quarter of 2018, the Family Dollar Store in Lake City, Georgia reopened as a Dollar General. Under to the loan documents, this constitutes a cure for the borrower required deposits for the Lake City, Georgia property.
- (6) Discount Retail Portfolio Venture I DST. Dollar Tree acquired Family Dollar on July 6, 2015. As a result of the acquisition, Dollar Tree’s credit rating was downgraded to below “investment grade.” Pursuant to the loan documents, the downgrade triggered a sweep of the portfolio cash flow, which commenced on January 1, 2016. The funds were held in an account controlled by the lender as collateral for the loan. As a result, investors ceased receiving distributions during the fourth quarter of 2015. On March 2, 2018 Dollar Tree was upgraded to “investment grade.” Under the loan documents, Dollar Tree’s credit rating was required to remain at “investment grade” for six months. During the fourth quarter of 2018 the sweep ceased, and the funds held by the lender were distributed back to investors, and distributions recommenced as outlined in the private placement memorandum.
- (7) West Hartford Grocery Center DST. In the third quarter of 2018, Farmington Bank was acquired in a merger by People’s Bank. People’s Bank has expressed its intention to cease operations in a 3,200 square foot outlet building owned by this program at the end of January 2019. The new entity will continue to be obligated by the terms of the current lease for this building, including the payment of rent and all applicable charges and maintenance requirements until the lease expires on May 31, 2026.

- (8) Chicagoland Supermarket Portfolio DST. At the commencement of the offering in January 2018, this investment program offered its beneficial interests to investors on an all-cash basis, without any mortgage loans in place for the three supermarket properties. Pursuant to a structure summarized in the offering documents for this program, long-term financing in the aggregate amount of \$28,093,440 was put in place on the three properties on April 27, 2018. The proceeds of such debt were then distributed to all then-current investors in the program as a return of equity. The private placement memorandum for the program projected a cash-on-cash return equal to 5.00% (on an annualized basis) prior to the financings, and projected a cash-on-cash return equal to 4.00% (on an annualized basis) after the financings. The 4.38% return reflected in the table above reflects the weighted average return, taking into account the months prior to and following the financings.
- (9) Bristol 1031 DST. On April 6, 2018, Nine West Holdings, Inc. (which includes the tenant at the property) filed Chapter 11 Bankruptcy in an effort to reorganize; subsequently the tenant notified the asset manager that it would not be extending the lease past its expiration date of July 31, 2018. However, the tenant remained in possession of the premises until it vacated on August 31, 2018. Additionally, the loan on the property matured simultaneously with the lease expiration. The asset manager has agreed upon terms with the lender to temporarily extend the loan as it works with its internal leasing team and third-party brokers to procure a replacement tenant or buyer for the property.
- (10) Miami Office DST. In the fourth quarter of 2018, the tenant (Check-Alt) was placed in default for failure to pay rent under the terms of its lease, and the asset manager is exploring potential legal action if the default is not cured. Prior to and during the default period, the tenant expressed a willingness to discuss a renewal of the lease that is currently scheduled to expire on December 31, 2019.
- (11) Schaumburg Childcare DST. The original tenant at the property ceased making its rental obligations rent in October 2014, and was evicted in February 2015. As a result of these actions, investors stopped receiving distributions in February 2015. A new tenant, Kidco, Ltd., d/b/a Kids & Company, signed a lease in November 2015, with a commencement date of April 1, 2016 and one year of free rent. The asset manager has completed a loan modification with the lender to extend the loan term for an additional five years and to reset the interest rate to 4.50% per annum, which has allowed the asset manager to resume distributions to investors in the fourth quarter of 2017.
- (12) Bristol Sports Center DST. This property contained two active Underground Storage Tanks (“USTs”). As of 2018, the USTs had been in place for 30 years. As such, an application was submitted to the Connecticut Department of Energy and Environmental Protection (the “CTDEP”) to extend the certification of the USTs for an additional 10 years. In response to the application, the CTDEP indicated that the USTs did not qualify for re-certification, and the asset manager was informed the USTs would need to be removed by November 1, 2018. AES Remedial Contracting, LLC (“AES”) was hired to remove the USTs. During the removal process, AES noticed impacted soil and water in the pit of one of the USTs. This discovery was registered with CTDEP on August 7, 2018. It appears the leaking was not recent, nor caused by AES during the removal process. AES has been subsequently engaged to complete the remediation of the impacted area. Additionally, a Licensed Environmental Professional (“LEP”) has been engaged to provide direction on the clean-up and complete forensic testing on the soil. At this time, no further remediation is required.
- (13) Lafayette Multifamily DST. Pursuant to the loan agreement for the loan encumbering this property, amortization commenced on October 1, 2018. Although an increase in debt service was projected in the original financial forecast, the annual rent growth was less than projected due to local market conditions. As a result, investors were notified on October 11, 2018 that the cash distributions will be adjusted to 4.00% beginning with the February 8, 2019 distribution (representing January 2019 operations).
- (14) San Antonio Multifamily DST. As a result of higher than anticipated vacancies and greater than anticipated expenses, the asset manager informed investors that the annual cash-on-cash return to investors would be adjusted from 5.00% to 4.50% beginning with the April 2016 distribution. Although occupancy subsequently improved, rent growth did not increase as anticipated. The asset manager has planned to implement multiple capital projects in 2017 with the goal of driving additional rent growth. Therefore, to cover the cost of the additional capital projects, beginning with the April 2017 distribution, the annual cash-on-cash return was further adjusted from 4.50% to 3.00%. In conjunction with the adjustment to investor cash flow, the asset

manager waived asset management fees in 2016, 2017 and 2018. A Purchase and Sale Agreement was signed on December 20, 2018, at which time the buyer simultaneously waived its right to terminate such agreement in connection with its due diligence inspection of the property. The property was sold on January 31, 2019. Because the property sale closed after December 31, 2018, it is not included in the “Program Dispositions” table above; however please see Note (A) to that table.

- (15) University Lofts, L.L.C. Due to reduced net operating income at the Property (mainly as a result of lower occupancy), the asset manager adjusted the annual cash-on-cash return to investors to 6.32% beginning with the January 2016 distribution. Due to recent market development and activity, the asset manager is taking proactive steps to further improve the property amenities in order to enhance its position within the highly competitive marketplace. As a result, the asset manager further adjusted the annual cash-on-cash return to investors to 5.00% beginning with the April 2017 distribution. During 2018, the asset manager completed a refinance with a new loan from Parkway Bank & Trust Company. The non-recourse, interest-only loan matures April 26, 2021, and bears interests at a fixed rate of 4.35% per annum through April 26, 2019, as adjusted to 4.40% per annum through April 26, 2020, and as adjusted further to 4.55% through April 26, 2021.
- (16) Charlotte Student Housing DST. In February 2016, the asset manager engaged a property inspection consultant to inspect the property and prepare a report indicating items needing repair under contractors’ warranties. The consultant issued a report which noted, among other items, some cracks in brickwork on one of the apartment buildings and evidence of a leaking pipe under an overhang on the south side of the property’s clubhouse. In March 2016, the asset manager engaged a construction consultant to review the warranty repair work being done at the property. The construction consultant subsequently engaged additional experts to investigate and monitor the property. On the advice of the construction consultant in May 2016, one apartment building and the clubhouse were closed and certain tenants were relocated. The majority of repairs at the property had been completed by June 30, 2018. The asset manager also has addressed high humidity levels, moisture and HVAC issues throughout the property. Collectively, the issues described in this footnote may have a material impact on the property. The asset manager has adjusted the annual cash-on-cash return to investors to 2.00%, beginning with the April 2017 distribution. See also footnote (2) under “*Litigation and Legal Proceedings*” below.
- (17) Texas Healthcare Portfolio II DST. The Sponsor offered the program known as Texas Healthcare Portfolio II DST (“**TX Healthcare II**”) to investors beginning July 26, 2017. At the time of the offering, Texas Healthcare Portfolio II DST owned a portfolio comprised of the following three medical office facilities: (1) The Kleiman | Evangelista Eye Center, located in Arlington, Texas; (2) the USPS Surgical Institute, located in Houston, Texas and 100% leased to USPS Surgical Institute, LLC, a Texas limited liability company (the “**Houston ASC Property**”); and (3) The Houston Hospital for Specialized Surgery, located in Houston, Texas and 100% leased to US Pain & Spine Hospital, LP, a Texas limited partnership (the “**Houston Hospital Property**”). US Pain & Spine Institute, LLC, a Texas limited liability company, provided a guaranty of the lease obligations for both the Houston ASC Property and the Houston Hospital Property. Recently, the TX Healthcare II asset manager became aware of the following events:
- a. The tenant at the Houston Hospital Property has not paid rent for July through September 2018, and has ceased operating the inpatient and surgery services on the second floor of the Houston Hospital Property. In August and September 2018, the property manager sent default letters to the tenant and the guarantor for various reasons, including failure to pay rent. The asset manager drew upon the tenant’s security deposit for the tenant’s rental obligations, but the security deposit funds were depleted after the rent payment for December 2018. As of the date of this Memorandum, the asset manager is evaluating a sublease which had been executed by the tenant subsequent to ceasing operations of the inpatient and surgery services.
 - b. In addition, the tenant at the Houston ASC Property has not paid rent for August or September 2018, and has ceased operating at the Houston ASC Property. In August and September 2018, the property manager sent default letters to the tenant and the guarantor for failure to pay rent. The asset manager has drawn upon the tenant’s security deposit for the tenant’s rental obligations, but the security deposit funds were depleted after the rent payment for September 2018.

The TX Healthcare II asset manager has engaged outside legal counsel to assist with the matters summarized above, and was exploring every avenue to enforce the terms and conditions of the leases and for the asset manager to avail itself of all available legal and equitable remedies. For 2019, the annual cash-on-cash return was adjusted from 5.11% to 3.16%.

See also footnote (3) under “*Litigation and Legal Proceedings*” below.

- (18) High LTV Replacement DST. This portfolio was acquired by High LTV Replacement DST for purposes of allowing investors in previously sponsored IPC programs to continue their 1031 exchange programs by exchanging their interests for the beneficial interests in High LTV Replacement DST. The sole owner of a Borders Books in Carmel, IN continued his 1031 program in High LTV Replacement DST in February 2012. Due to the bankruptcy of Borders Books, the Borders property no longer received rental income necessary to fund debt service payments and operating expenses. After thorough market research, analysis, and dialogue with the leasing broker, the asset manager concluded the long term prospects for the Borders property had little upside given the downward pressure on retail rents the market experienced coming out of the market downturn. As a result, the lender took back the property in a deed-in-lieu transaction. With the intent to help the sole-owner avoid the foreclosure process, the asset manager received lender approval for IPC to take over ownership prior to the deed-in-lieu transaction. Subsequent to the foreclosure, IPC advanced approximately \$590,539 to the sole owner to cover the equity portion of the High LTV Replacement DST investment. The advance has a term of approximately 9 years (from the date of the advance) and bears interest at a fixed rate of approximately 1.01%. Interest will accrue annually and is to be repaid along with the principal balance upon a sale of the Walgreens Portfolio. In addition, certain co-owners of a CompUSA in Lombard, IL continued their 1031 program in High LTV Replacement DST in April 2013. The CompUSA property was foreclosed upon by the lender after CompUSA went out of business. Such co-owners had originally exchanged from CompUSA into a multi-tenanted retail property known as Robertson’s Creek in Flower Mound, TX; however, due to lack of tenant performance at the Robertson’s Creek property, certain co-owners elected to exchange out of the Robertson’s Creek property and into High LTV Replacement DST. IPC advanced approximately \$412,440 in the aggregate to such co-owners to cover the equity portion of the High LTV Replacement DST investment. The IPC advance will mature approximately nine years from the date of the advance, and will bear interest at a fixed rate equal to approximately 1.09% per annum. Interest will accrue annually and will be required to be repaid along with the principal balance upon a sale of the Walgreens Portfolio. Through the advances described above, investors were able to complete a tax-deferred exchange into the High LTV Replacement DST which provided them with an opportunity to defer tax consequences associated with the forgiveness of debt as well as potentially rebuild equity through the self-amortizing debt structure associated with High LTV Replacement DST. Neither the asset manager nor IPC received an asset management or acquisition fee in connection with High LTV Replacement DST.
- (19) California Freight Express DST. This property was acquired by California Freight Express DST for purposes of allowing the co-owners of a Wells Fargo Building, located in Fort Wayne, Indiana, to continue their 1031 exchange programs by exchanging their interests in the Wells Fargo Building for beneficial interests in California Freight Express DST in November 2015. Due to continued softness in the Fort Wayne office market, downward pressure on rents and the increasing vacancy rate at the Wells Fargo property, the net operating income was insufficient to fund debt service payments and operating expenses. After thorough market research, analysis, and dialogue with the leasing broker, the asset manager concluded the long term prospects for the Wells Fargo property had little upside with significant downside risk. As a result of the insufficient operating income, the lender initiated foreclosure proceedings on March 18, 2015. With the intent to help investors avoid the foreclosure process, the asset manager received lender approval for IPC to take over ownership of each co-owner LLC prior to foreclosure. Subsequent to the foreclosure, IPC advanced approximately \$2,817,986, in the aggregate, to the co-owners to cover the equity portion of the Federal Express property. Through the advance, investors were able to complete a tax-deferred exchange into the Federal Express property which provided investors an opportunity to defer tax consequences associated with the forgiveness of debt as well as potentially rebuild equity through the self-amortizing debt structure associated with California Freight Express DST. Neither the asset manager nor IPC received an asset management or acquisition fee in connection with transferring investors into California Freight Express DST. The advances have terms of approximately 26.5 years and bear interest at a fixed annual rate equal to approximately 2.82% per annum. Interest will accrue annually and will be required to be repaid along with the principal balance upon a sale of the Federal Express property.

- (20) Gulf Coast Industrial DST. This property was originally acquired by Gulf Coast Industrial DST for the purpose of allowing investors in previously sponsored IPC programs to continue their 1031 exchange programs by exchanging their interests for the beneficial interests in Gulf Coast Industrial DST. As of June 30, 2018, IPC had advanced approximately \$2,313,335 to investors, in the aggregate, to cover the equity portion of the Dow Property, as necessary. At the time of origination, the respective advances each had a term of approximately 26.5 years with an annual interest rate fixed at 2.62%. Interest will accrue annually and will be required to be repaid along with the principal balance upon a sale of the Dow property. These investors have been afforded an option to complete a tax-deferred exchange into Gulf Coast Industrial DST which may provide them with an opportunity to defer tax consequences associated with each sale as well as potentially rebuild equity through the self-amortizing debt structure associated with Gulf Coast Industrial DST. Neither the asset manager nor IPC received an asset management or acquisition fee in connection with transferring investors into Gulf Coast Industrial DST; additionally, no property management fees will be paid for the Dow property.

Investors in the Global Logistics Office Building, located Dublin, OH (the “Dublin Property”), were offered the option to continue their 1031 exchange program with IPC through a transfer into Gulf Coast Industrial DST. On November 18, 2016, following a default on the loan encumbering the Dublin Property (the “Dublin Loan”) and the expiration of the property lease, the lender for the Dublin Loan filed a foreclosure complaint on the Dublin Property and the foreclosure sale was subsequently completed on December 14, 2016. Investors had transferred out of the Dublin Property pursuant to the loan documents prior to the foreclosure.

Investors in the University of Phoenix Building, located in Merrillville, IN (the “Merrillville Property”), were offered the option to continue their 1031 exchange program with IPC through a transfer into Gulf Coast Industrial DST. Because the loan encumbering the Merrillville Property was in default, investors had transferred out of the Merrillville Property pursuant to the loan documents prior to a foreclosure of the Merrillville Property.

Investors in certain sold properties also were offered the option to continue their 1031 exchange program. Please see note (C) to the Program Dispositions table.

- (21) Custom Pharmacy Leaseback, L.L.C. The sole investor invested \$51,430,482 in this program in April 2014. Later in 2014, following such original investment, the property owner borrowed an additional \$33,400,000 secured by the properties, which resulted in funds being distributed to the investor and a reduction in the amount of equity invested. This distribution is included in the calculation of Average Cash-on-Cash Return from Inception through December 31, 2016.

Litigation and Legal Proceedings

To the Parent Trust’s knowledge, there are no legal actions pending or threatened against the Trusts.

With respect to previous IPC-sponsored programs with offering date of less than 10 years prior to December 31, 2018, IPC and its affiliates are involved in the following legal proceedings:

- (1) Bradenton Multifamily DST. On January 15, 2016, Bradenton Multifamily DST, an investment program sponsored by IPC, filed a complaint in the Circuit Court of the Ninth Judicial Circuit in and for Orange County, Florida. The complaint named WPC II, Inc. (d/b/a Winterpark Construction Company), Gemaire Distributors, LLC, Nordyne, LLC (n/k/a Nortek Global HVAC, LLC) and Nortek, Inc. as defendants. Bradenton Multifamily DST has alleged various breaches of warranties and negligence, as related to at least 160 defective HVAC units at the Lost Creek property. The parties reached a final settlement agreement on November 30, 2018 and the case has been dismissed with prejudice.
- (2) Charlotte Student Housing DST. On March 16, 2018, Charlotte Student Housing DST and Charlotte Student Housing LeaseCo, L.L.C., as master tenant (together, the “**Charlotte Plaintiffs**”), filed a complaint in the General Court of Justice, Superior Court Division, in the County of Mecklenburg, North Carolina. The complaint names Choate Construction Company, Dino M. Pappas, Geoscience Group, Miller Architecture, The Sanctuary at Charlotte, LLC, Tony F. Miller and Vrettos Pappas Consulting Engineers, P.A. as defendants. The complaint enumerates various construction, design and workmanship defaults throughout the Arcadia Student Living property. The Charlotte Plaintiffs have alleged the following claims: breach of

warranty; professional negligence; fraud; violation of North Carolina Unfair and Deceptive Trade Practices Act; civil conspiracy; and punitive damages. The case is ongoing.

- (3) Texas Healthcare Portfolio II DST Portfolio. In 2017, IPC sponsored Texas Healthcare II, as described above, a portfolio comprised of the following three medical office facilities: (1) The Kleiman | Evangelista Eye Center, located in Arlington, Texas; (2) the USPS Surgical Institute, located in Houston, Texas and 100% leased to USPS Surgical Institute, LLC, a Texas limited liability company; and (3) The Houston Hospital for Specialized Surgery, located in Houston, Texas and 100% leased to US Pain & Spine Hospital, LP, a Texas limited partnership. On November 19, 2018, Texas Healthcare Portfolio II LeaseCo, L.L.C., as master tenant for the portfolio, filed a suit in the District Court of Harris County, Texas, against USPS Surgical Institute, LLC and US Pain & Spine Institute, LLC for breach of lease and breach of guaranty related to the Houston ASC Property. The case is currently pending before the District Court.

FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain federal income tax consequences to the Investors that prospective Investors should consider. A complete discussion of the federal tax consequences of acquiring Interests is beyond the scope of this summary. Prospective Investors should be aware that the income tax consequences of an acquisition of an Interest are uncertain and complex and that such consequences may not be the same for all taxpayers. Neither the Parent Trust nor any of the Parent Trust's affiliates are providing any assurances or legal opinions to the effect that the acquisition of Interests by any prospective Investor will meet the requirements under Section 1031. The following summary is based on the Code, regulations enacted under the Code (the "**Regulations**"), court decisions and published IRS rulings that are in effect on the date of this Memorandum. Future legislative or administrative changes or court decisions may significantly change the conclusions expressed below, and these changes or decisions may have a retroactive effect.

Classification for Purposes of Section 1031

The Trust Agreements have been structured with the intent that an Investor will be treated as acquiring an undivided interest in real estate, as opposed to a security or interest in a partnership, joint venture, association or trust for federal income tax purposes. An Investor who is acquiring an Interest pursuant to a Section 1031 Exchange must be aware that the Interest must be treated as an interest in real property and not as an interest in a partnership, joint venture, association or trust in order for an Investor to be eligible to use the Interest as part of a Section 1031 Exchange. However, no ruling will be requested from the IRS that the Interests will be treated as undivided interests in real estate as opposed to an interest in a partnership, joint venture, association or trust for federal income tax purposes. In the absence of a ruling, there can be no assurance that the IRS will treat the Interests as interests in real estate for federal income tax purposes. Consequently, an Investor acquiring an Interest as part of a Section 1031 Exchange should, and is required to represent in the Investor Questionnaire & Purchase Agreement, that such an Investor has consulted his, her or its own tax advisor about the tax consequences of any Section 1031 Exchange and its potential risks.

An Interest must constitute an interest in real estate to qualify for exchange treatment under Section 1031. The determination of whether an Interest will be treated for federal income tax purposes as ownership in real estate and not as a security or an interest in a partnership, joint venture, association or trust is dependent upon all of the surrounding facts and circumstances. On July 20, 2004, the IRS issued Revenue Ruling 2004-86, 2004-2 C.B. 191, which held that, assuming the other requirements of Section 1031 are satisfied, a taxpayer's exchange of real property for an Interest in the DST satisfies the requirements of Section 1031. The IRS based its holding on the following conclusions: (1) the DST is treated as an entity separate from its owners (and not as a co-ownership or agency arrangement), (2) the DST is an "investment" trust and not a "business entity" for federal income tax purposes, (3) the DST is a "grantor trust" for federal income tax purposes, with the holders of interests in the DST treated as the grantors of the DST, and (4) the holders of interests in the DST are treated as directly owning interests in real property held by the DST. Because Revenue Ruling 2004-86 contains numerous factual assumptions regarding the DST, not all of which apply to the Trust, there can be no guarantee that the Interests will satisfy the requirements of Section 1031. Nevertheless, the Trust Agreements have been drafted such that they are consistent with the material factual assumptions regarding the DST, and Special Tax Counsel to the Parent Trust has rendered a Tax Opinion that the acquisition of Interests by an Investor **should** be treated as a direct acquisition of the Properties for purposes of Section 1031. Such opinion will rely upon the accuracy and completeness of certain documents, facts, representations and assumptions that may not be applicable to a particular prospective Investor. In addition, qualification of the transaction under Section 1031 requires meeting numerous statutory, regulatory and other conditions and also involves issues based on facts and situations that are not and cannot be known to Special Tax Counsel. Therefore, each prospective Investor's tax situation with respect to an exchange will be different and a prospective Investor must consult with his, her or its own tax advisor regarding his, her or its ability to effectuate an acquisition of replacement property under Section 1031. The Tax Opinion addresses only one aspect in qualifying under Section 1031, whether an acquisition of an Interest can be treated as a direct acquisition of the Properties for purposes of Section 1031.

Other issues relevant to qualification under Section 1031 that are not addressed include, but are not limited to:

- whether a prospective Investor has properly identified the replacement property within the 45-day time period;

- whether the Relinquished Property qualified as being held for investment purposes or in a trade or business;
- whether a prospective Investor will fall within the deferred exchange safe harbor rules by properly using a “qualified intermediary” and a “qualified exchange escrow”;
- whether a prospective Investor acquiring the Interests and attempting to do a reverse exchange meets all the qualifications spelled out in Revenue Procedure 2000-37, 2000-2 C.B. 308 (September 18, 2000);
- whether some portion of the Properties is “personal property” not “real property”; and
- whether any amounts paid by, or deemed paid by, the prospective Investors with respect to certain costs and expenses of the Offering, financing costs and funding of the Reserve Accounts will be deemed to constitute other consideration received in the exchange.

Therefore, a prospective Investor must consult his, her or its own tax advisor regarding an acquisition of an Interest and the qualification of his, her or its transaction under Section 1031. A prospective Investor may not rely on the Parent Trust’s Special Tax Counsel or on the Parent Trust, its affiliates or its agents, including its accountants, for any tax advice regarding the treatment of his, her or its transaction under Section 1031. For the same reason, except as provided in the Tax Opinion (subject to the limitations described therein), a prospective Investor may not rely on any statement made in this Memorandum regarding the qualification of his, her or its purchase of an Interest under Section 1031. No representation or warranty of any kind is made with respect to the IRS’s acceptance of the qualification of a proposed Section 1031 Exchange.

Property Identification for Section 1031 Exchanges

Section 1031 generally permits taxpayers to identify up to three replacement properties (the “**three-property rule**”), without regard to the fair market value of those properties. In addition, taxpayers may identify any number of properties so long as their aggregate fair market value at the end of the identification period does not exceed 200% of the value of the relinquished property on the date it was transferred (the “**200% rule**”). If the three-property rule and 200% rule are violated, an Investor will still be treated as properly identifying any replacement property identified before the end of the identification period and received before the end of the exchange period if the fair market value of the replacement property received is at least 95% of the aggregate fair market value of all identified replacement property. The property identification rules of Section 1031 are complex, and Investors must consult with their own qualified intermediaries and tax advisors concerning their satisfaction of the property identification requirements of Section 1031.

Receipt of Boot

If, in a Section 1031 transaction, money is received or deemed received in addition to the like-kind property (referred to as “**boot**”), then gain on the Relinquished Property is recognized up to the amount of boot. Although there is no direct authority on point, prospective Investors should be aware that the IRS may take the position that certain costs paid or deemed paid from money received from the sale of the Relinquished Property are boot and, therefore, income to the Investors. For example, the IRS may conclude that some amounts paid into the Reserve Account and amounts paid in connection with the Offering of Interests constitute boot received by the Investors and not a reinvestment in real estate. Special Tax Counsel to the Parent Trust is not opining as to whether any such amounts paid by or deemed paid by the Parent Trust or the Investors will be considered an acquisition of real estate or boot to the Investors. See “*Estimated Use of Proceeds*” and “*Plan of Distribution*.”

Excess Business Losses May Not Be Currently Deductible.

Under the recent Tax Cuts and Jobs Act of 2017, excess business losses of a taxpayer other than a corporation are not allowed for the taxable year. Such losses are carried forward and treated as part of the taxpayer’s net operating loss carryforward in subsequent taxable years. An excess business loss for the taxable year is the excess of aggregate deductions of the taxpayer attributable to trades or businesses of the taxpayer over the sum of aggregate gross income or gain of the taxpayer plus a threshold amount. The threshold amount for 2018 was \$250,000 (or twice the applicable threshold amount in the case of a joint return). The threshold amount is indexed for inflation. In the case of a

partnership or S corporation, the provision applies at the partner or shareholder level. The provision applies after the application of the passive loss rules.

Limit on Business Interest Deductions.

Under the recent Tax Cuts and Jobs Act of 2017, Code Section 163(j) limits annual deductions for “business interest” expense paid or accrued during the taxable year to the sum of business interest income plus 30% of “adjusted taxable income” (plus certain motor vehicle floor plan financing interest of the taxpayer). Business interest in excess of the allowed current deduction may be carried forward and treated as business interest paid or accrued in the succeeding taxable year, subject to certain restrictions that are applicable to partnerships. Certain small businesses (in general, where the average annual gross receipts of the taxpayer for the three year period ending with the prior taxable year do not exceed \$25 million) are exempt from the foregoing rule. While the limitation generally applies at the taxpayer level, in the case of a partnership or an S corporation, the rule is applied at the partnership or S corporation level. In the case of a group of affiliated corporations that file a consolidated return, the limitation applies at the consolidated tax return filing level.

Business interest means any interest paid or accrued on indebtedness properly allocable to a trade or business, provided that investment interest (within the meaning of Code Section 163(d)) does not constitute business interest. Business interest includes disallowed business interest expense carryforwards from prior taxable years (including interest expense for which the deduction was disallowed under Code Section 163(j) as in effect prior to the amendments enacted pursuant to the Tax Cuts and Jobs Act of 2017 (“**Prior Code Section 163(j)**”) for the taxpayer’s last taxable year that began before January 1, 2018 and was carried forward pursuant to Prior Code Section 163(j)). For this purpose, a trade or business does not include the trade or business of performing services as an employee or any electing real property trade or business (or any electing farming business or certain regulated utility businesses). A real property trade or business is any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing or brokerage trade or business. A real property trade or business also includes certain trades or businesses that are conducted in connection with the designing, building, managing, operating, or maintaining of certain core infrastructure projects that meet the requirements of the recently issued Rev. Proc. 2018-59.

The adjusted taxable income of a taxpayer means taxable income computed without regard to any item not properly allocable to a trade or business, any business interest income or expense, any net operating loss deduction, for taxable years beginning prior to 2022 any depreciation amortization or depletion deduction, and certain other items.

An election by a real property trade or business is to be made at such time and in such manner as the IRS prescribes and, once made, is irrevocable. An electing real property trade or business is required to use the alternative depreciation system for any nonresidential real property (which would then be depreciable by the straight line method over 40 years) or residential rental property (which would then be depreciable by the straight line method over 30 years), or for certain improvements to an interior portion of a building which is nonresidential real property.

New Deduction for Qualified Business Income.

The Tax Cuts and Jobs Act of 2017 adds new Code Section 199A that generally provides that a noncorporate taxpayer can deduct 20% of the “qualified business income” that he, she, or it receives during the taxable year. “Qualified business income” is the net amount of qualified items of income, gain, deduction, and loss with respect to any qualified trade or business of the taxpayer. For taxpayers whose taxable income exceeds the threshold amount of \$157,500 (\$315,000 in the case of a joint return) the deductible amount for a qualified trade or business is the lesser of: (1) 20% of the taxpayer’s qualified business income, or (2) the greater of (a) 50% of the W-2 wages relating to the qualified trade or business or (b) the sum of (i) 25% of the W-2 wages relating to the qualified trade or business and (ii) 2.5% of the “unadjusted basis immediately after acquisition of qualified property.”

There is substantial uncertainty as to whether a taxpayer’s ownership of real estate that is subject to a triple-net lease can qualify as a “trade or business” for purposes of Code Section 199A. The Department of Treasury recently issued Proposed Regulations that provide some guidance with respect to Code Section 199A. The Proposed Regulations state that “trade or business” has the same meaning as in Code Section 162. Under Code Section 162, the determination as to whether an activity rises to the level of a “trade or business” is based on the facts and circumstances. The current rules with respect to Code Section 162 require a taxpayer to be an active participant in his, her, or its real estate rental activities for the activities to constitute a “trade or business.” The Properties are subject

to the Master Lease, which may be a triple-net lease, and Investors are expected to be passive investors in the Properties. Thus, there is substantial uncertainty as to whether the income that Investors receive from the Parent Trust can qualify as “qualified business income” from a qualified trade or business.

Moreover, the Proposed Regulations also state that a taxpayer’s “unadjusted basis” in replacement property that he, she, or it receives in a like-kind exchange under Code Section 1031 is his, her, or its basis in its Relinquished Property. Thus, an Investor who purchases his, her, or its Interest through a like-kind exchange under Code Section 1031 may have an “unadjusted basis” in his, her, or its Interest equal to the basis he, she, or it had in his, her, or its Relinquished Property. If so, an Investor who has a low basis in his, her, or its Relinquished Property will have a low “unadjusted basis” in his, her, or its Interest, and his, her, or its Code Section 199A deduction amount may be less than the deduction amount of an Investor who purchased his, her, or its Interest through means other than a Section 1031 Exchange.

The Proposed Regulations described above are not final, and there continues to be substantial uncertainty with respect to the application of Code Section 199A. Additionally, the application of Code Section 199A will differ based on each Investor’s facts and circumstances. Therefore, each prospective Investor should consult with his, her, or its personal tax advisor to determine whether Code Section 199A applies to the income that the Investor receives from the Parent Trust.

Tax Deficiency, Penalties and Interest

If an IRS audit disqualifies an Investor’s proposed Section 1031 Exchange, the Investor will be taxed on his, her or its gain on the sale of the Relinquished Property, and the IRS will assess interest and could assess penalties and interest on the tax deficiencies associated with any failed Section 1031 Exchange. The Code provides for penalties relating to the accuracy of a tax return equal to 20% of the portion of the underpayment to which the penalty applies. The penalty applies to any portion of any understatement which is attributable to: (1) negligence; (2) any substantial understatement of income tax; or (3) any substantial valuation overstatement. Additional interest may be imposed on underpayments relating to tax shelters. As indicated above, Special Tax Counsel to the Parent Trust will issue an opinion that an acquisition of an Interest **should** be treated as a direct acquisition of the Properties for purposes of Section 1031. However, such opinion will not address whether an Investor’s specific transaction qualifies as a Section 1031 Exchange or whether any amounts paid by or deemed paid by the Parent Trust or the Investors with respect to certain expenses of the Offering or financing will be deemed to constitute an acquisition of real estate. While Special Tax Counsel to the Parent Trust believes that its opinion is supported by substantial authority and that an Investor should not be subject to the accuracy-related penalties described above with respect to whether the purchase of an Interest qualifies as a direct acquisition of real estate, such opinion is not binding on the IRS and does not provide a guarantee against an adverse tax result.

Taxable Income

It is expected that an Investor’s Interests will generate annual taxable income in excess of the cash distributable to such Investor. Although such taxable income can be offset by depreciation deductions, the amounts of such depreciation deductions may be limited since the tax basis of such property received in a Section 1031 Exchange is generally the same as the tax basis of the property exchanged. Therefore, if an Investor has a low tax basis in the Relinquished Property exchanged in a proposed Section 1031 transaction, such Investor will have a low tax basis in his, her or its Interests, and his, her or its depreciation deductions will be less than a purchase not structured as a Section 1031 Exchange.

Net Income and Loss of Each Investor

Each Investor will be required to determine his, her or its own net income or loss from the Properties for income tax purposes. Certain expenses of the Properties, such as depreciation, will be different for different Investors. The Signatory Trustees will keep records and provide information about expenses and income for each Investor. An Investor, however, will be required to keep separate records and to separately report his, her or its own net income or loss from the Properties for income tax purposes. The application of certain rules, including the passive activity loss rules and the at-risk rules, may cause the tax treatment of certain expenses of the Properties, such as depreciation, to be different for each Investor.

In addition to other income tax imposed by the Code, the Code imposes a 3.8% Medicare Contribution Tax on the “net investment income” of certain U.S. individuals and on the undistributed “net investment income” of certain estates and trusts. Among other items, “net investment income” generally includes rent and net gain from the disposition of investment property, less certain deductions.

Tax Impact of Sale of a Property

If a Property is sold or otherwise disposed of in a taxable transaction, the Investors will likely recognize taxable income. An Investor will have taxable income to the extent that the amount realized by such Investor exceeds his, her or its tax basis in his, her or its Interests. In addition, as noted above in “*Net Income and Loss of Each Investor*,” the 3.8% Medicare Contribution Tax is likely to apply to any net gain realized on a taxable disposition of a Property.

State and Local Laws

Prospective Investors may be affected in different ways by state and local tax laws that are not discussed in this Memorandum, such as income taxes, franchise taxes, privilege and use taxes, and other taxes and fees. Therefore, each prospective Investor should consult with his, her or its personal tax advisor regarding the state and local tax consequences resulting to such Investor from a potential purchase of an Interest.

State and local tax regimes may not provide for tax-deferred like-kind exchanges, or may provide for them but with different requirements than apply for Federal income tax purposes. By way of illustration but not limitation, the State of California (where the California Properties are located) has historically taken the position that any capital gains deferred under Code Section 1031 with respect to California property remain California-source income ultimately subject to taxation in California when the deferred gain is ultimately recognized. In order to track compliance with this rule, for years beginning on and after January 1, 2014, the State of California has imposed a reporting rule which requires any person who engages in a Section 1031 Exchange of non-California property for California property to file an annual information return until the deferred gain is ultimately recognized.

In addition, ownership of an Interest may result in an obligation to pay state or local tax in the State of California, and Investors may be subject to California state tax withholding at a rate of 7% (or such other rate as may be required by law) of their cash distributions from the Trust attributable to the California Properties. Any such withholdings would be paid to the California taxing authorities by the Operating Trust, and would be creditable against an Investor’s income tax obligations in California with respect to their share of the Trusts’ income attributable to the California Properties. State and local taxing jurisdictions may also impose applicable transfer taxes upon a disposition of a Property. Investors must consult with their own tax advisors concerning the applicability and impact of state and local tax laws.

THE OFFERING

Who May Invest

The offer and sale of the Interests is being made in reliance on an exemption from the registration requirements of the Securities Act, and the Interests have not been, and will not be, registered under the Securities Act. Accordingly, distribution of this Memorandum has been strictly limited to persons who meet the requirements and make the representations set forth in the Investor Questionnaire & Purchase Agreement, the form of which is attached hereto as Exhibit A. The Parent Trust reserves the right, in its sole discretion, to declare any person ineligible to purchase the Interests and to reject any offer to purchase the Interests. In addition, the Parent Trust reserves the right to cancel any sale at any time prior to the receipt of funds for purchase, if that sale, in the opinion of the Parent Trust and its counsel, may violate any federal, state or foreign securities laws or regulations or is otherwise objectionable for any reason. The Interests may not be transferred or resold except as permitted under the Parent Trust Agreement, the Securities Act and any applicable state or other securities laws, pursuant to registration or an exemption therefrom. Prospective Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time.

Investor Suitability Requirements

Investment in the Interests involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity and who can afford to lose their entire investment. This investment will be sold only to persons who subscribe for at least a \$100,000 investment if completing a Section 1031 Exchange or \$25,000 for a cash investment without a Section 1031 Exchange subject to the indebtedness in the Properties and who meet the requirements set forth below. The Parent Trust may permit persons to make a smaller investment.

The Parent Trust will only accept a subscription from an “accredited investor,” as defined in Regulation D under the Securities Act. The Parent Trust will not accept subscriptions from, or made on behalf of, tax-exempt entities, including but not limited to qualified employee pension and profit sharing trusts, individual retirement accounts, Simple 401(k) plans, annuities and charitable remainder trusts. In addition to certain institutional investors, a person who meets one of the following tests will qualify as an accredited investor:

- Natural person that has an individual net worth, or joint net worth with his or her spouse, of more than \$1,000,000, provided that for purposes of calculating such net worth: (1) the investor’s primary residence will not be included as an asset; (2) indebtedness that is secured by the investor’s primary residence, up to the estimated fair market value of the primary residence at the time of the closing of the investor’s acquisition of an Interest, will not be included as a liability, *provided, however*, that if the amount of such indebtedness outstanding at the time of the closing of the investor’s acquisition of an Interest exceeds the amount of indebtedness outstanding 60 days before such time, other than as a result of the acquisition of the primary residence (such as, for example, if the investor takes out a home equity loan that is not used to acquire a primary residence during such 60-day time frame), the amount of such new indebtedness will be included as a liability; and (3) indebtedness that is secured by the investor’s primary residence in excess of the estimated fair market value of the primary residence will be included as a liability;
- Natural person that has an 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; or
- If not a natural person, one of the following:
 - Corporation, Massachusetts or similar business trust or partnership, not formed for the specific purpose of acquiring Interests, with total assets in excess of \$5,000,000;
 - 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 Interests;

- Broker-dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended;
- 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);
- Small business investment company licensed by the Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958, as amended;
- “Private business development company” (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended);
- Bank as defined in Section 3(a)(2) of the Securities Act, 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, or any insurance company as defined in Section 2(13) of the Securities Act;
- One of the Parent Trust’s or IPC’s executive officers; or
- Entity in which all of the equity owners are accredited investors as defined in *Investor Suitability Requirements* above.

In addition, each Investor and each subsequent transferee must represent that the Interests are not being purchased by or on behalf of any tax-exempt entity, including but not limited to any qualified employee pension or profit sharing trust, any individual retirement account, Simple 401(k) plan, annuity or charitable remainder trust.

In addition, each Investor must represent in writing that:

The Investor understands that the tax consequences of an investment in the Interests, especially the qualification of the transaction under Section 1031 and the related rules, are complex and vary with the facts and circumstances particular to the Investor. Therefore, the Investor represents and warrants that he, she or it: (1) has consulted with his, her or its own independent tax advisor regarding the investment in the Interests and the qualification of the transaction under Section 1031; (2) except to the extent of the tax opinion rendered by Special Tax Counsel, is not relying on the Parent Trust, any of its affiliates or agents, including its counsel and accountants, for any tax advice regarding the qualification of the transaction under Section 1031 or any other matter; and (3) is not relying on any statements made in this Memorandum regarding the qualification of his, her or its purchase of the Interests under Section 1031.

How to Purchase the Interests

A prospective Investor who would like to purchase the Interests must carefully read this Memorandum. To purchase the Interests, a prospective Investor must:

1. Complete and sign an Investor Questionnaire & Purchase Agreement, and, **on the last page, sign the acknowledgment of the representations and warranties contained therein.** Deliver the Investor Questionnaire & Purchase Agreement to your investment representative.
2. Your investment representative will forward the documents to his, her or its broker/dealer. The broker/dealer will then forward the documents to **Inland Private Capital Corporation, 2901 Butterfield Road, Oak Brook, Illinois 60523, Attention: Investments**, or via e-mail to investments@inlandprivatecapital.com.
3. Follow the instructions below:
 - a) If your investment is part of a Section 1031 Exchange – The Parent Trust and the qualified intermediary (the holder of the exchange proceeds from your Relinquished Property) will coordinate the payment for the purchase of the Interests. Upon receiving the Investor Questionnaire & Purchase Agreement, and the necessary escrow instructions from the Parent Trust, the qualified intermediary will either wire the funds from the qualified escrow account to the Parent Trust or deliver to IPC, in person or by mail, a certified check **made payable to Self-Storage Portfolio VII DST**.

b) If your investment is a direct investment – Payment for the purchase of Interests may be made by either wiring the funds directly to the Parent Trust (the preferred method), or by delivering to IPC, in person or by mail, a check **made payable to Self-Storage Portfolio VII DST**. If you choose to wire the funds directly, please contact IPC Investor Services, at Inland Private Capital Corporation (888-671-1031) for the necessary escrow instructions.

Closing of the purchase will take place at 2901 Butterfield Road, Oak Brook, Illinois 60523 and the executed documents will be forwarded to the Investor.

SUMMARY OF THE INVESTOR QUESTIONNAIRE & PURCHASE AGREEMENT

General

Each Investor will be required to execute an Investor Questionnaire & Purchase Agreement in the form attached hereto as Exhibit A. Prospective Investors should review the entire Investor Questionnaire & Purchase Agreement with their own independent legal counsel before submitting an offer to purchase an Interest. The execution of the Investor Questionnaire & Purchase Agreement and tender of the requisite amount of money will constitute an irrevocable offer to purchase the Interest, except as set forth under “*Termination of the Investor Questionnaire & Purchase Agreement*.” The Parent Trust reserves the right to reject any offer, in which case the Parent Trust will promptly return the tendered funds to the escrow held by the qualified intermediary in the case of a Section 1031 Exchange or to a prospective Investor if it is a cash investment. The following is merely a summary of some of the significant provisions of the Investor Questionnaire & Purchase Agreement and is qualified in its entirety by reference thereto.

Each prospective Investor will be required to acknowledge and represent in the Investor Questionnaire & Purchase Agreement that he, she or it is acquiring the Interest for investment purposes and not with a view for resale or distribution. Further, each prospective Investor must acknowledge and represent that he, she or it is aware of the risks inherent in an investment such as the Interest, including, without limitation, the risks set forth in this Memorandum.

Submission of Offer to Purchase

A summary of the procedures for the offer and purchase of an Interest is set forth in the section captioned “*The Offering – How to Purchase the Interests*” of this Memorandum. Investors should read that section in its entirety.

Closing

At the closing of a purchase, the Investor will receive an Interest in the Parent Trust. The Investor will deliver at closing to the Parent Trust: (1) the Investor Questionnaire & Purchase Agreement; (2) an executed signature page for the Parent Trust Agreement; and (3) any other documents as may reasonably be requested by the Parent Trust. The initial closings of purchases will take place at such time that the Parent Trust is contractually able to begin accepting investments in the Interests under the terms of the Investor Questionnaire & Purchase Agreement.

No Tax Advice

Other than the tax opinion issued by the Parent Trust’s Special Tax Counsel and attached hereto as Exhibit C, the Investors will acquire their Interests without any representations from the Parent Trust regarding the tax implications of the transaction. Each Investor should consult his, her or its own independent attorneys and other tax advisors regarding the tax implications of the Investor’s acquisition of the Interests, including whether such acquisition will qualify as part of a proposed Section 1031 Exchange, if one is contemplated. See “*Federal Income Tax Consequences*.”

Termination of the Investor Questionnaire & Purchase Agreement

In general, a purchase of Interests is irrevocable and may not be canceled, terminated or revoked.

If an offer to purchase is rejected in whole or in part, or if the Parent Trust terminates the Offering for any reason, the Parent Trust will promptly return the applicable portion of the purchase price, and the prospective Investor will have no right to acquire an Interest in the Parent Trust and will have no claims against the Parent Trust for damages, expenses, lost profits or otherwise.

Indemnity

The Investor Questionnaire & Purchase Agreement contains an indemnity provision whereby each Investor will be required to indemnify, defend and hold harmless the Parent Trust, the Parent Signatory Trustee and certain other parties from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys’ fees and costs) that they may incur by reason of the Investor’s failure to fulfill all of the terms and conditions of the Investor Questionnaire & Purchase Agreement or untruth or inaccuracy of any of the representations, warranties, covenants or agreements contained therein.

PLAN OF DISTRIBUTION

The Offering is for \$66,230,446, which comprises 100% of the Interests in the Parent Trust. If any Interests in the Parent Trust cannot be sold, the Parent Trust Depositor or its affiliate will own the remaining Interests. For purposes of this Memorandum, various fees have been calculated based on the Maximum Offering Amount.

All proceeds from a potential Investor will be promptly returned if the offer to purchase is not accepted by the Parent Trust. The Parent Trust reserves the right to refuse to sell the Interests to any person, in its sole discretion, and may terminate the Offering at any time.

The offer and sale of the Interests are made in reliance upon exemptions from the Securities Act and state securities laws. Accordingly, distribution of this Memorandum has been strictly limited to persons satisfying the suitability requirements described in the section entitled “*The Offering – Who May Invest*” herein. 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.

Fees

The Parent Trust will pay ISC Selling Commissions of up to 5.0% of the gross cash proceeds of the Offering, and ISC will reallow (pay) the full amount of the Selling Commissions to broker/dealers who are members of FINRA. The Parent Trust will pay ISC a Dealer Fee, in an amount equal to 1.25% of the gross cash proceeds of the Offering, for coordinating the marketing of the Interests with any participating broker/dealers as well as for non-itemized, non-invoiced due diligence efforts. ISC will reallow (pay) the full amount of the Dealer Fee to broker/dealers who are members of FINRA. In addition, the Parent Trust will pay ISC a Placement Agent Fee, equal to 1.65% of the gross cash proceeds of the Offering, and will reimburse the Sponsor, its affiliates and certain third parties for O&O expenses in an amount equal to 0.94% of the gross cash proceeds of the Offering. The Selling Commissions, the Dealer Fee, the Placement Agent Fee, the O&O Expenses, as well as other costs of the Offering, will be paid by the Parent Trust out of the gross Offering proceeds. Because of the nature of a Section 1031 Exchange and applicable IRS requirements, it is difficult, if not impossible, to charge Investors for any shortfall in costs and expenses related to the Offering. If the actual costs and expenses exceed the estimates, IPC will pay those costs. Conversely, if the estimates exceed the actual costs and expenses, IPC will retain the difference as additional compensation.

Fee Waivers, Special Sales

Each Investor may agree with his, her or its respective investment representatives or broker/dealer to reduce or eliminate any Selling Commissions or Dealer Fee payable with respect to his, her or its purchase of the Interests. In this case, the Parent Trust will not pay any Selling Commissions and/or Dealer Fee to ISC in respect of the Interests for which the broker/dealer or investment representative has agreed to waive the fees, which will have the effect of increasing the amount of Interests purchased by the particular Investor. The proceeds to the Parent Trust will not be affected by any waiver of Selling Commissions and/or Dealer Fees.

In addition, on a case-by-case basis, the Placement Agent and/or the Sponsor may, in its sole discretion, decide to reduce or waive certain fees or reimbursements to which they are entitled in connection with a particular sale of Interests. Specifically, the Placement Agent may decide, in its sole discretion, to reduce or waive the Placement Agent Fee payable with respect to a particular purchase of the Interests, and the Sponsor may decide, in its sole discretion, to reduce or waive the O&O Expenses reimbursable with respect to a particular purchase of the Interests and/or to reduce or waive the acquisition fee payable with respect to a particular purchase of the Interests. Any such waiver or reduction will have the effect of increasing the amount of Interests purchased by the particular Investor. The proceeds to the Parent Trust will not be affected by any waiver of these fees or reimbursements.

Moreover, in certain circumstances, in addition to the waivers and reductions described in the preceding paragraph, the Parent Trust may elect to further discount the price at which it sells the Interests. In any such circumstance, the proceeds to the Parent Trust will not be affected because any difference between the discounted purchase price and the stated purchase price will be borne by the Sponsor and not the Parent Trust.

Further, in no event will any Selling Commissions or other fees be paid in connection with any “Special Sale” or with the sale of Interests directly by the Parent Trust. “Special Sales” are defined under the Placement Agent Agreement between the Parent Trust and the Placement Agent to include sales to officers, directors and employees of

The Inland Group, Inc., IREIC, the Placement Agent or any of their direct or indirect wholly-owned subsidiaries, as well as the family members (including spouses, parents, grandparents, children and siblings) of these persons, and officers, directors or employees of any investment program, including any REIT previously sponsored by IREIC. The elimination of such fees in connection with a “Special Sale” will have the effect of increasing the amount of Interests purchased by the particular Investor. The net offering proceeds received by the Parent Trust will not be affected by these “Special Sales.”

In the event an Investor independently uses the services of a registered investment advisor and not a broker/dealer in connection with the purchase of Interests, no Selling Commissions or Dealer Fee will be payable to the investment advisor with respect to his, her or its purchase of those Interests, which will have the effect of increasing the amount of Interests purchased by the particular Investor. The payment of any fees or similar compensation to such investment advisor will be the sole responsibility of the Investor, and the Parent Trust will have no liability for that compensation. The proceeds to the Parent Trust will not be affected by this waiver of Selling Commissions and the Dealer Fee.

Broker/Dealer Disqualifying Events

The Interests will be offered and sold pursuant to an exemption from the registration requirements of the Securities Act, in accordance with Rule 506(b) of Regulation D, and in compliance with any applicable state securities laws. Effective September 23, 2013, the SEC adopted amendments to Rule 506 requiring certain disclosures to customers in connection with Regulation D private placement offerings, which includes this Offering. Specifically, the amendments require that the Parent Trust notify you if the broker/dealers selling Interests in this Offering have experienced certain specified “disqualifying events,” including certain criminal convictions, certain court injunctions and restraining orders, final orders of certain state and federal regulators and certain SEC disciplinary orders and SEC cease-and-desist orders, among other events.

Certain of the broker/dealers that may sell Interests in this Offering have previously informed IPC and ISC, as the placement agent for this Offering, that they have been subject to certain of the “disqualifying events” under Rule 506, as set forth below. The Parent Trust is required to provide this same information to you.

Berthel, Fisher & Company Financial Services, Inc. (“BFC”). BFC may sell Interests in this Offering. On June 4, 2013, BFC entered into a Consent Order with the State of South Dakota Division of Securities. The Order concerned alleged violations of South Dakota 47-31B-412(d)(13) regarding BFC’s obligation to determine the suitability of the sale of certain alternative investments to some investors in South Dakota. BFC agreed to pay 12 investors a total of \$69,000 in settlement of any claims they may have relating to the alleged violations.

Capital Financial Services, Inc. (“Capital Financial”). Capital Financial may sell Interests in this Offering. On December 16, 2011, the SEC issued an Order pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), ordering Capital Financial to cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act of 1933, as amended, Section 10(b) of the Exchange Act and Rule 108-5 thereunder.

The SEC Division of Enforcement (the “**Division**”) alleged that from at least September 2006 through January 2009, Capital Financial marketed, recommended to investors, and sold preferred stock and limited partnership interests in a series of 14 private placements pursuant to Rule 506 of Regulation D. The private placement offerings were subsequently determined to be part of a Ponzi scheme. The Division specifically alleged that Capital Financial, through its registered principal, failed to conduct due diligence on these offerings sufficient to establish reasonable basis suitability before recommending the securities to its customers, and noted that Capital Financial was typically paid a sales commission plus a due diligence fee on the amount of subscription proceeds from these offerings.

The Order resulted from an offer of settlement by Capital Financial which the SEC found acceptable. As part of the settlement, Capital Financial undertook to, at its own expense, retain the services of a qualified Independent Consultant to conduct a comprehensive review of Capital Financial’s due diligence policies, practices, and procedures; to determine the adequacy of such due

diligence policies and practices; and to prepare a written report recommending how Capital Financial should modify or supplement its due diligence policies and practices.

Concorde Investment Services, LLC (“Concorde”) – Registered Reps. Concorde may sell Interests in this Offering. Concorde has determined that one of its registered representatives is subject to final orders of certain state securities commissions as follows:

On December 13, 2012, Thomas Fanning, a registered representative currently associated with Concorde (“**Fanning**”), entered into an Acceptance, Waiver & Consent (the “**Fanning AWC**”) in connection with allegations that Fanning borrowed funds from a client, contrary to his former broker/dealer firm’s written procedures that prohibited registered persons from borrowing money from a client. As a result of the Fanning AWC, Fanning was required to pay a \$5,000 penalty and was suspended from association with any FINRA member from January 22, 2013 to March 21, 2013.

Feltl & Company, Inc. (“Feltl”). Feltl may sell Interests in this Offering. On December 16, 2011, the SEC issued an Order pursuant to Sections 15(b)(4) of the Exchange Act, Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), and Section 9(b) of the Investment Company Act of 1940, as amended (the “**Investment Company Act**”).

According to the Order, the SEC found that from February 2008 through March 2011, Feltl, a dually-registered broker-dealer and investment adviser, failed to adopt and implement comprehensive written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and its rules for its growing advisory business, as required by Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. This failure resulted in Feltl engaging in hundreds of principal transactions with its advisory clients’ accounts without making the proper disclosures and obtaining consent in violation of Section 206(3) of the Advisers Act. It also resulted in Feltl charging undisclosed fees to its clients participating in Feltl’s wrap fee program by charging both wrap fees and commissions in violation of Section 206(2) of the Advisers Act. In addition, the Order stated that Feltl neglected to adopt a Code of Ethics and collect the required securities disclosure reports from its staff, as required under Section 204A of the Advisers Act and Rule 204A-1 thereunder. Feltl’s compliance breakdown was caused by its failure to invest necessary resources in the firm’s advisory business as it changed and grew in relation to its brokerage business.

As a result of the conduct, the SEC found that Feltl willfully violated: (1) Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder; (2) Section 206(3) of the Advisers Act; (3) Section 206(2) of the Advisers Act; and (4) Section 204A of the Advisers Act and Rule 204A-1.

Feltl undertook to retain an independent compliance consultant to conduct, during the first quarter of 2012 and the first quarter of 2013, comprehensive reviews of Feltl’s supervisory, compliance, and other policies and procedures reasonably designed to detect and prevent breaches of fiduciary duty and federal securities law violations by Feltl and its employees, and to adopt the recommendations contained in the consultant’s reports. Feltl has advised the Parent Trust it has adopted all such recommendations.

The SEC imposed the following sanctions on Feltl: (1) Feltl was ordered to cease and desist from committing or causing any violations and any future violations of Sections 204A, 206(2), 206(3), and 206(4) of the Advisers Act and Rules 204A-1 and 206(4)-7 promulgated thereunder; (2) Feltl was sanctioned; (3) Feltl was ordered to pay disgorgement of \$142,527 and prejudgment interest of \$10,645; and (4) Feltl was ordered to pay a civil money penalty in the amount of \$50,000. Feltl has advised the Parent Trust that it has complied with all of these sanctions.

Newbridge Securities Corporation (“Newbridge”). Newbridge may sell Interests in this Offering. On February 1, 2013, Newbridge entered into a consent order with the New Jersey Bureau of Securities related to alleged violations regarding the obligation to properly disclose transaction handling fees charged by Newbridge to its investors. Newbridge agreed to grant a 10% discount on

all fees and/or commission charges to New Jersey residents for 6 months following the date of this consent order, as well as pay a civil penalty of \$15,000 to New Jersey.

On August 23, 2010, Newbridge entered into an Acceptance, Waiver & Consent with FINRA (the “Newbridge AWC”). The Newbridge AWC set forth allegations that Newbridge violated Section 5 of the Securities Act of 1933, as amended, Section 10(B) of the Exchange Act, and Rule 10B-5 under the Exchange Act, as well as certain NASD rules. Generally, FINRA alleged that Newbridge facilitated the manipulative trading of the stock of a company created as the result of a reverse merger, and that accounts at Newbridge were used by a group of control persons and promoters to execute pre-arranged in-house agency cross and wash transactions that were intended to generate volume and support or increase the price of the stock. The allegations continued that Newbridge permitted control persons of unregistered pink-sheet securities to sell unregistered shares of securities through firm accounts and the sales were not made in compliance with any applicable exemption from registration. FINRA alleged that Newbridge: failed to adequately supervise the registered representatives who participated in the sales of unregistered securities; failed to take adequate measures to ensure that the registered representatives assigned to the accounts did not engage in the sale of unregistered securities; failed to take steps to ensure that the registered representatives ascertained whether the securities being sold were registered, how and from whom the customers had obtained their shares, whether and when the shares were paid for and whether the transactions were subject to any exemption from registration; and failed to adequately supervise the registered representatives who participated in the manipulative trading of a stock. FINRA alleged that Newbridge did not have adequate systems or controls in place to implement its policies, and the Newbridge failed to make certain required disclosures to FINRA. FINRA found that by facilitating manipulative trades, Newbridge willfully violated Section 10(B) of the Exchange Act and Rule 10B-5. Newbridge consented to the following sanctions: (1) censure; (2) a fine of \$600,000; (3) required training for its chief executive officer; (4) a one-year prohibition from trading in penny stocks; and (5) a requirement to engage an independent consultant to review certain of its systems. The fine was paid in full on November 4, 2013.

SagePoint Financial, Inc. (“SagePoint”). SagePoint may sell Interests in this Offering. On March 8, 2010, the Alabama Securities Commission (the “ASC”) and the Securities and Charities Division of the Mississippi Secretary of State (the “MSOS”) issued an order against American General Securities Incorporated (“AGSI”). The ASC and MSOS alleged certain violations of the Alabama Securities Act and the Mississippi Securities Act. Specifically, the ASC and MSOS alleged that AGSI, directly or indirectly through its registered representative, omitted material facts in connection with the sale of securities to induce prospective customers to liquidate securities in order to purchase variable annuity products that the ASC and the MSOS contended were unsuitable for customers’ financial objectives, that AGSI, through its registered representative, sold securities that the ASC and MSOS found to be unsuitable for AGSI’s customers and that AGSI failed to enforce its supervisory procedures, among other things. AGSI was ordered to pay administrative assessments and costs totaling \$215,000 to the ASC and MSOS. In addition, AGSI was ordered to offer to pay a partial reimbursement to certain Alabama and Mississippi customers. SagePoint Financial, Inc. was not involved in this matter, but disclosure is being provided given that SagePoint Financial, Inc. acquired AGSI in October 2008. CONDUCT OCCURRED PRIOR TO SAGEPOINT’S ACQUISITION OF AGSI.

Alabama Number C0-2010-0015; Mississippi Number S-05-0354 (January 21, 2010). A copy of the order is available at:

<http://www.sos.ms.gov/ConsentAgreementsFinalOrders/AGSIOrderS-05-0354.pdf>

VFG Securities, Inc. (“VFG”). VFG may sell Interests in this Offering. On May 29, 2013, VFG and VFG Advisors, Inc. entered into a Consent Order with the State of Colorado Division of Securities. The Order concerned allegations that VFG had employed an unlicensed sales representative. VFG was required to return to its customers certain commissions it had received. In addition, VFG agreed to withdraw its securities license in the State of Colorado for a period of 36 months.

ADDITIONAL INFORMATION

Books and Records

During the term of the Asset Management Agreement, the Asset Manager will keep proper and complete records and books of account for the Properties. These books and records will be kept at the Asset Manager's principal place of business at 2901 Butterfield Road, Oak Brook, Illinois 60523 and will be available to the Investors during reasonable business hours.

Tax Information

The Asset Manager or the Parent Signatory Trustee will provide to the Investors, in time for each Investor to file his, her or its tax returns, all tax information concerning the Parent Trust that is necessary for preparing the Investor's income tax returns for that year.

Additional Information

The Parent Trust will answer inquiries concerning the Interests and other matters relating to the Offering. Also, the Parent Trust will afford prospective Investors the opportunity to obtain any additional information (to the extent the Parent Trust possesses such information or can acquire such information without unreasonable effort or expense) that is necessary to verify the information in this Memorandum.

EXHIBIT A

FORM OF INVESTOR QUESTIONNAIRE & PURCHASE AGREEMENT

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SELF-STORAGE PORTFOLIO VII DST

Investor Questionnaire & Purchase Agreement

Dear Investor:

We would like to take this opportunity to thank you for your interest in SELF-STORAGE PORTFOLIO VII DST. In order to complete the closing of this transaction, please provide the following information regarding your desired investment:

Name of Investor: _____

[Please note that if this is a Section 1031 or Section 1033 tax-deferred exchange, the replacement property must be held in exactly the same name as the relinquished property. List the name(s) exactly as they appeared on the title of the relinquished property.]

Type of Investment:

- Section 1031 tax-deferred exchange. (If selected, please complete Section V).
- Section 1033 tax-deferred exchange. (If selected, please complete Section V).
- Cash investment.

Amount of Equity Investment: \$ _____

Funds to Close: Please indicate how you will be purchasing your interest.

- I have enclosed a **check made payable to SELF-STORAGE PORTFOLIO VII DST. Please note that checks made payable to Inland Private Capital Corporation will not be accepted.**
- Funds will be wired by me or my qualified intermediary (the holder of the exchange proceeds from my relinquished property).

In addition, in order to complete the closing of your investment, the following information is required:

- Investor Questionnaire** (attached): please complete, sign and date.
- Purchase Agreement** (attached): please complete, sign and date.
- Entity Documentation** (i.e., trust certificate and trust agreement, as amended; corporate bylaws; partnership agreement; operating agreement; resolution, as applicable). [Please note that the documentation submitted **must include documents evidencing signing authority** and should include any and all amendments.]

Fillable PDFs are available upon request at investments@inlandprivatecapital.com. Please complete and return all documentation to: Inland Private Capital Corporation, Attention: Investments, 2901 Butterfield Road, Oak Brook, Illinois 60523, or via e-mail to investments@inlandprivatecapital.com.

For questions or assistance, please contact (888) 671-1031 or investments@inlandprivatecapital.com.

INVESTMENT APPROVAL – SELF-STORAGE PORTFOLIO VII DST
FOR BROKER-DEALER OR RIA PRINCIPAL USE

I.	Name of Investor(s):	<hr/>	
II.	Investment Amount:	\$	<hr/>
III.	Name of Advisor or Representative:	<hr/>	
IV.	Name of Broker Dealer or Firm:	<hr/>	
V.	Advisor/Rep. Address:	<hr/>	
	City, State, Zip:	<hr/>	
VI.	Advisor/Rep Email:	Phone:	<hr/>
VII.	Firm Principal Email:	Phone:	<hr/>

IMPORTANT DISCLOSURE – PLEASE READ AND ACKNOWLEDGE BY SIGNING BELOW

The investment provided for herein is approved pursuant to the terms and conditions of the executed Soliciting Dealer Agreement or Registered Investment Advisor Agreement for the Offering. Each of the undersigned parties hereby represents and warrants that he or she will comply with the applicable requirements of the Securities Act of 1933, as amended, and the published rules and regulations of the Securities and Exchange Commission thereunder, and applicable blue sky or other state securities laws, as well as the rules and regulations of FINRA or any other applicable regulatory authority. Each of the undersigned parties further represents and warrants that he or she is not subject to any of the “Bad Actor” disqualifications described in Rule 506(d) under the Securities Act of 1933, as amended, except for such event: (1) contemplated by Rule 506(d)(2) of the Securities Act of 1933, as amended, and (2) a reasonably detailed written description of which has been furnished to the placement agent of the offering.

VII.	Firm Principal:	Printed Name: <hr/>	
		Signature: <hr/>	Date: <hr/>
VIII.	Advisor/Representative:	Printed Name: <hr/>	
		Signature: <hr/>	Date: <hr/>

Please email Broker Dealer Principal or RIA Principal Approvals to investments@inlandprivatecapital.com.

SELF-STORAGE PORTFOLIO VII DST

Instructions to Investor Questionnaire & Purchase Agreement

Please read carefully the Private Placement Memorandum for the beneficial ownership interests (“**Interests**”) in **SELF-STORAGE PORTFOLIO VII DST**, a Delaware statutory trust, (the “**Seller**”), dated April 12, 2019 (as amended and supplemented from time to time, the “**Private Placement Memorandum**”), and all exhibits thereto, before deciding to purchase the Interests.

This private offering of Interests is limited to a purchaser who certifies that he, she or it is an “accredited investor,” as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended, and meets all of the qualifications set forth in the Private Placement Memorandum. If you meet these qualifications and desire to purchase an Interest, then please follow the instructions below to complete your purchase.

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

INSTRUCTIONS TO INVESTORS FOR PURCHASING INTERESTS:

1. This Investor Questionnaire & Purchase Agreement is comprised of two parts – the Investor Questionnaire and the Purchase Agreement, each of which is accompanied by specific instructions. You must complete, sign and date both parts of the Investor Questionnaire & Purchase Agreement according to the instructions provided. Deliver the completed and signed Investor Questionnaire & Purchase Agreement to your financial advisor.
2. Your financial advisor will forward the documents to his/her Broker Dealer or Registered Investment Advisor. The Broker Dealer or Registered Investment Advisor will then forward the documents to **Inland Private Capital Corporation, 2901 Butterfield Road, Oak Brook, Illinois 60523, Attention: Investments**, or via e-mail to investments@inlandprivatecapital.com.
3. If your investment is part of an Internal Revenue Code section 1031 (“Section 1031”) tax-deferred exchange: The Seller and the qualified intermediary (the holder of the exchange proceeds from your relinquished property) will coordinate the payment for the purchase of the Interests. Upon receiving the Purchase Agreement, and the necessary escrow instructions from the Seller, the qualified intermediary will either wire the funds from the qualified escrow account to the Seller or deliver to Inland Private Capital Corporation, in person or by mail, a check made payable to **SELF-STORAGE PORTFOLIO VII DST**.
4. If your investment is a direct investment: Payment for the purchase of Interests may be made by either wiring the funds directly to the Seller (the preferred method), or by delivering to Inland Private Capital Corporation, in person or by mail, a check made payable to **SELF-STORAGE PORTFOLIO VII DST**. If you choose to wire the funds directly, please contact Investor Services at Inland Private Capital Corporation (888.671.1031) for the necessary escrow instructions.

Please note that investments will not be accepted from, or on behalf of tax-exempt entities, including but not limited to qualified employee pension and profit sharing trusts, individual retirement accounts, Simple 401(k) plans, annuities and charitable remainder trusts.

INVESTOR QUESTIONNAIRE

SECTION I – OWNERSHIP AND INVESTMENT INFORMATION

A. IF THE INVESTOR IS AN INDIVIDUAL, PLEASE COMPLETE THE FOLLOWING:

Name of Investor: _____

Name of Joint Investor (if applicable): _____

Type of ownership: Individual Ownership Joint Tenants Tenants in Common Community Property

Each investor must initial the statement or statements below that truthfully describe him or her:

_____ I am a natural person whose individual net worth or joint net worth with that person's spouse, exceeds \$1,000,000 at the time of purchasing the Interests; *provided*, that for purposes of calculating such net worth: (1) my primary residence shall not be included as an asset; (2) indebtedness that is secured by my primary residence, up to the estimated fair market value of the primary residence at the time of the closing of my acquisition of the Interests, shall not be included as a liability; *provided, however*, that if the amount of such indebtedness outstanding at the time of the closing of my acquisition of the Interests exceeds the amount of indebtedness outstanding 60 days before such time, other than as a result of the acquisition of the primary residence (such as, for example, if I take out a home equity loan that is not used to acquire a primary residence during such 60-day time frame), the amount of such new indebtedness shall be included as a liability; and (3) indebtedness that is secured by my primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability.

_____ I am a natural person who had an individual income in excess of \$200,000 in each of the two most recent preceding full calendar years or joint income with my spouse in excess of \$300,000 in each of those years, and I have (individually or with my spouse) a reasonable expectation of reaching the same income level in the current year.

After completing this page, you may proceed to page 7.

[Remainder of the Page Intentionally Left Blank]

B. IF THE INVESTOR IS A TRUST, PLEASE COMPLETE THE FOLLOWING:

Name of Trust: _____

Trust Taxpayer Identification Number: _____

Names of Trustees: _____ 1. _____

_____ 2. _____

_____ 3. _____

_____ 4. _____

Please complete a Trust Certificate (Appendix A) and submit a copy of the Trust Agreement and any amendments.

Please note: If an investor is purchasing Interests through a trust that is a taxpaying entity, then all trustees must complete and execute the Investor Questionnaire on behalf of the trust and all questions concerning income, assets, and accreditation will pertain to the trust. If, on the other hand, the trust is not the taxpaying entity with respect to this investment (e.g., a grantor trust), then the person paying the tax on the trust’s income (the “taxpayer”) must complete and execute the Investor Questionnaire and all questions concerning income, and assets will pertain to the taxpayer.

Please select the appropriate type of trust below and initial accordingly.

Revocable Trusts: Please initial the statement or statements below that truthfully describe the purchaser:

- _____ Purchaser is a revocable trust: (1) not formed for the specific purpose of acquiring the securities offered; (2) with total assets in excess of \$5,000,000; and (3) with the power and authority to execute and comply with the terms of the Purchase Agreement.
- _____ Purchaser is a revocable trust in which the trustee, or co-trustee, is a bank, insurance company, registered investment company, business development company, or small investment company.
- _____ Purchaser is a trust in which each grantor is either:
 - (a) a natural person whose individual net worth or joint net worth with that person’s spouse, exceeds \$1,000,000 at the time of purchasing the Interests; *provided*, that for purposes of calculating such net worth: (1) the person’s primary residence shall not be included as an asset; (2) indebtedness that is secured by the person’s primary residence, up to the estimated fair market value of the primary residence at the time of the closing of the person’s acquisition of the Interests, shall not be included as a liability; *provided, however*, that if the amount of such indebtedness outstanding at the time of the closing of the person’s acquisition of the Interests exceeds the amount of indebtedness outstanding 60 days before such time, other than as a result of the acquisition of the primary residence (such as, for example, if the person takes out a home equity loan that is not used to acquire a primary residence during such 60-day time frame), the amount of such new indebtedness shall be included as a liability; and (3) indebtedness that is secured by the person’s primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability; OR
 - (b) a natural person who had individual income in excess of \$200,000 in each of the two most recent preceding full calendar years or joint income with their spouse in excess of \$300,000 in each of those years, and who has (individually or with their spouse) a reasonable expectation of reaching the same income level in the current year.

Irrevocable Trusts: Please initial the statement below that truthfully describes the purchaser:

- _____ Purchaser is an irrevocable trust: (1) not formed for the specific purpose of acquiring the securities offered; (2) with total assets in excess of \$5,000,000; and (3) with the power and authority to execute and comply with the terms of the Purchase Agreement.
- _____ Purchaser is a trust in which the trustee, or co-trustee, of the trust is a bank, insurance company, registered investment company, business development company, or small investment company.

After completing this page, you may proceed to page 7.

C. IF THE INVESTOR IS AN ENTITY (CORPORATION, PARTNERSHIP, LLC, ETC.), PLEASE COMPLETE THE FOLLOWING:

Name of Entity: _____

Entity Address: _____

City / State / Zip: _____

Entity Taxpayer Identification Number: _____

Names of Equity Owners/Signatories:	Ownership Percentage (must total 100%):
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

Type of ownership: Corporation Partnership Limited Liability Company Other: _____

Corporation - If purchasing as a **corporation**, the investor must submit the following: (1) a copy of the corporation's bylaws, with any and all amendments; (2) a completed Incumbency Certificate (Appendix B); and (3) a completed Corporate Resolution or Officer's Certificate (Appendix C or Appendix D).

Partnerships - If purchasing as a **partnership**, the investor must submit the following: (1) a copy of the Partnership Agreement, with any and all amendments; and (2) a completed Partnership Resolution (Appendix E).

Limited Liability Company - If purchasing as a **limited liability company**, the investor must submit the following: (1) a copy of the Operating Agreement, with any and all amendments; and (2) a completed LLC Resolution (Appendix F).

Please initial the statement or statements below that truthfully describe the purchaser:

_____ Purchaser is a corporation, a business, a partnership or a limited liability company: (1) not formed for the specific purpose of acquiring the securities offered; (2) with total assets in excess of \$5,000,000; and (3) with the power and authority to execute and comply with the terms of this Investor Questionnaire and Purchase Agreement.

_____ Purchaser is any of the following: (1) a bank or savings and loan association or other institution acting in its individual or fiduciary capacity; (2) a broker or dealer; (3) an insurance company; (4) an investment company or a business development company under the Investment Company Act of 1940; (5) a private business development company under the Investment Advisers Act of 1940; or (6) a Small Business Investment Company licensed by the U.S. Small Business Administration.

_____ Purchaser is an entity in which all the equity owners are either:

- (a) natural persons whose individual net worth or joint net worth with that person's spouse, exceeds \$1,000,000 at the time of purchasing the Interests; *provided*, that for purposes of calculating such net worth: (1) the person's primary residence shall not be included as an asset; (2) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the closing of the person's acquisition of the Interests, shall not be included as a liability; *provided, however*, that if the amount of such indebtedness outstanding at the time of the closing of the person's acquisition of the Interests exceeds the amount of indebtedness outstanding 60 days before such time, other than as a result of the acquisition of the primary residence (such as, for example, if the person takes out a home equity loan that is not used to acquire a primary residence during such 60-day time frame), the amount of such new indebtedness shall be included as a liability; and (3) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability; OR
- (b) natural persons who had individual income in excess of \$200,000 in each of the two most recent preceding full calendar years or joint income with their spouse in excess of \$300,000 in each of those years, and who have (individually or with their spouse) a reasonable expectation of reaching the same income level in the current year.

SECTION II – INVESTOR INFORMATION

INVESTOR #1 (SPOUSE #1, TRUSTEE #1, EQUITY OWNER #1, ETC.)

Salutation: ___ Mr. ___ Ms. ___ Mrs.

Name: _____

Date of Birth: _____

Social Security No.: _____

Home Address: _____

City / State / Zip: _____

Mailing Address: _____

City / State / Zip: _____

Phone No.: _____

E-mail Address: _____

Country of Residence: _____

INVESTOR #2 (SPOUSE #2, TRUSTEE #2, EQUITY OWNER #2, ETC.)

Salutation: ___ Mr. ___ Ms. ___ Mrs.

Name: _____

Date of Birth: _____

Social Sec. No.: _____

Home Address: _____

City / State / Zip: _____

Phone No.: _____

E-mail Address: _____

Country of Residence: _____

Please provide additional pages as necessary to complete this Section II for all equity owners.

SECTION III – INVESTOR DISTRIBUTION OPTIONS

Please direct distributions: (Select one.)

- VIA MAIL TO: MAILING ADDRESS OF RECORD
- VIA MAIL TO BANK OR BROKERAGE ACCOUNT: (Complete #1, #2, #3 and #5 in below box.)
- VIA ELECTRONIC DEPOSIT (ACH) TO: (Complete #1 through #5 and attach a voided check.)

1.	Name of Bank, Brokerage Firm or Individual
2.	Mailing Address
3.	City, State, Zip Code
4.	Bank ABA Number
5.	Account Number
<input type="checkbox"/> Checking <input type="checkbox"/> Savings	

Electronic Deposit (ACH) Authorization - I (we) authorize the Seller’s manager and signatory trustee (the “Manager”), to deposit distributions from my (our) interest in the Seller to my (our) account indicated above at the depository financial institution (hereinafter, the “Depository”) indicated above. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law. I (we) further authorize the Manager to debit my (our) account noted below in the event that the Manager erroneously deposits additional funds to which I (we) am (are) not entitled, provided that such debit shall not exceed the original amount of the erroneous deposit. In the event that I (we) withdraw funds erroneously deposited into my (our) account before the Manager reverses such deposit, I (we) agree that the Manager has the right to retain any future distributions to which I (we) am (are) entitled until the erroneously deposited amounts are recovered by the Manager. This authorization is to remain in full force and effect until the Manager has received written notification from me (or either of us) of its termination in such time and in such manner as to afford the Manager and the Depository a reasonable opportunity to act on it, or until the Manager has sent me written notice of termination of this authorization.

The signature(s) of all investors of record are required.

Signature of Investor

Signature of Co-Investor (if applicable)

SECTION IV – SUBSTITUTE W-9

TO BE COMPLETED BY INDIVIDUAL/ENTITY FOR WHICH INFORMATION WILL BE REPORTED TO THE IRS.

THE UNDERSIGNED CERTIFIES, under penalties of perjury that: (1) the taxpayer identification number shown below is true, correct and complete; (2) I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or distributions, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding; (3) I am a U.S. person (including Resident Alien); and (4) I am exempt from Foreign Account Tax Compliance Act (“FATCA”) reporting.

Taxpayer Identification No.: _____

Signature of Investor: _____ Date: _____

SECTION V – SECTION 1031/1033 INVESTORS ONLY

I (we) hereby provide the following information pertaining to my (our) Qualified Intermediary for this acquisition. I (we) request and authorize my (our) Qualified intermediary to furnish the Seller any information requested regarding my (our) Section 1031 exchange.

The following Qualified Intermediary is authorized and instructed to fund all equity due to close the transaction prior to the scheduled closing date:

Company Name: _____
Exchange Coordinator: _____
Address: _____
City / State / Zip Code: _____
Telephone No.: _____
Facsimile No.: _____
E-mail Address: _____

Is escrow closed (please check one): _____ Yes _____ No

Closing date of relinquished property: _____

I (we) instruct my (our) Qualified Intermediary to wire (check only one box):

All funds held by the Qualified Intermediary in the qualified escrow account, which is \$_____, excluding any accumulated interest and expenses that cause the amount to be less than a whole dollar (rounding up or down), with the understanding that these costs will be treated as boot.

Only \$_____ held by the Qualified Intermediary in the qualified escrow account.

**SIGNATURE PAGE TO INVESTOR QUESTIONNAIRE –
ALL AUTHORIZED PERSONS MUST SIGN.**

I (we) acknowledge and agree to all of the representations and warranties contained in this Investor Questionnaire.

Executed this ____ day of _____, 20____
(Date must be completed.)

If a natural person:

Signature: _____

Name: _____

(If Joint Ownership: to be signed by joint owner.)

Signature: _____

Name: _____

If not a natural person:

Name of Trust/Entity: _____

Signature: _____

Name: _____

Signature: _____

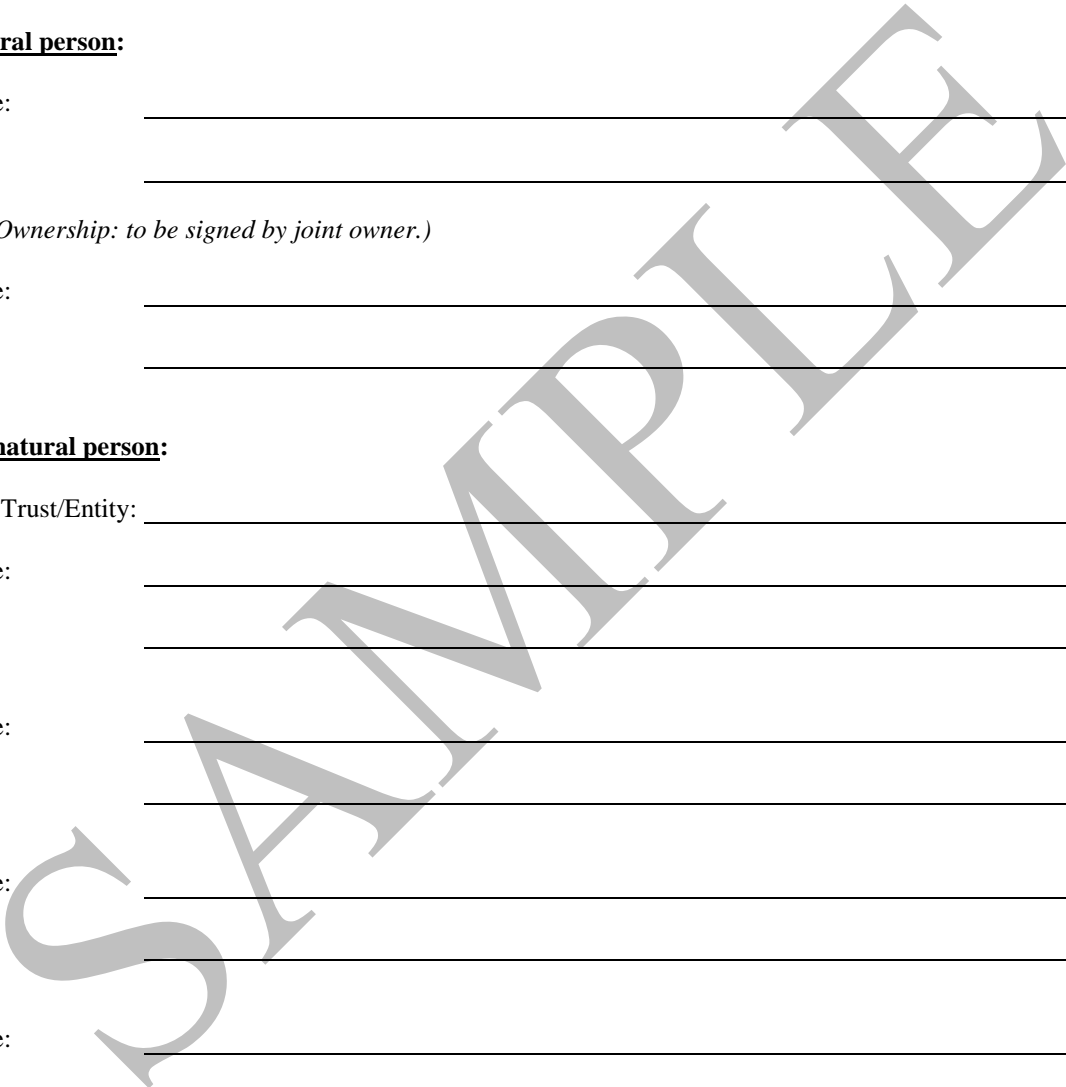
Name: _____

Signature: _____

Name: _____

Signature: _____

Name: _____



ALL AUTHORIZED PERSONS MUST SIGN THIS PAGE.

**SIGNATURE PAGE TO THE TRUST AGREEMENT OF SELF-STORAGE
PORTFOLIO VII 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 **SELF-STORAGE PORTFOLIO VII DST**, dated March 7, 2019 (the “**Trust Agreement**”), as may be further amended or supplemented from time to time, and hereby covenants and agrees to be bound by the Trust Agreement.

ON BEHALF OF OR BY INDIVIDUAL INVESTOR(S):

Signature Investor #1

Signature Investor #2

Please Print Name

Please Print Name

Signature Investor #3

Signature Investor #4

Please Print Name

Please Print Name

ON BEHALF OF OR BY OTHER ENTITY (trust, corporation, partnership, limited liability company):

NAME OF TRUST/ENTITY: _____

Signature of Trustee/Equity Owner

Signature of Trustee/Equity Owner

Please Print Name / Title

Please Print Name / Title

Signature of Trustee/Equity Owner

Signature of Trustee/Equity Owner

Please Print Name / Title

Please Print Name / Title

APPENDIX A – TRUST CERTIFICATE

Note: To be completed only by those investors investing through a trust.

1. The title of the Trust to which this Certificate applies is: _____

2. The date of the Trust Agreement is: _____
3. The date of the last amendment to the Trust Agreement (if any) is: _____
4. The grantor(s) or testator(s) of the Trust is/are: _____
5. The Seller has the authority to accept orders and other instructions relative to the Trust account from designated trustees, who are:

Trustee Name (please print)	Date of Birth	Trustee Name (please print)	Date of Birth
Trustee Name (please print)	Date of Birth	Trustee Name (please print)	Date of Birth

6. **Please select one of the following three options:**

- The trustee(s) listed above may act independently as provided in the Trust Agreement, and the execution by any one trustee can bind the Trust.
- The trustees listed above may act as a majority as provided in the Trust Agreement.
- The trustee(s) listed above must act unanimously as provided in the Trust Agreement, and the execution or authorization of all of the trustees is required to bind the Trust.

7. The undersigned, constituting all of the trustee(s) of the Trust, hereby certify as follows:
 - a) A true and correct copy of the Trust Agreement is attached hereto and that, as of the date hereof, the Trust Agreement has not been amended (except as to any attached amendments) or revoked and is still in full force and effect.
 - b) As the trustee(s) of the Trust, we have determined that the investment in, and purchase of Interests in **SELF-STORAGE PORTFOLIO VII DST** is authorized by the terms of the Trust Agreement and is of benefit to the Trust, and we have determined to make such investment on behalf of the Trust.
 - c) We, the trustees, jointly and severally, indemnify **SELF-STORAGE PORTFOLIO VII DST** and hold **SELF-STORAGE PORTFOLIO VII DST** harmless from and against any liability relating to effecting any orders, transactions, instructions or directions given by any individuals listed in this Certificate.

All trustees must sign and date below.

Trustee Signature	Date	Trustee Signature	Date
Trustee Signature	Date	Trustee Signature	Date

APPENDIX B – INCUMBENCY CERTIFICATE

Note: To be completed only by those investors investing through a corporation.

Name of Corporation

State of Incorporation

The undersigned hereby certifies that the following persons are the duly elected directors and officers, respectively, of _____, a/an _____ corporation.

_____ Director _____ Director

_____ Director _____ Director

_____ Director _____ Director

_____ President _____ Vice President

_____ Treasurer _____ Secretary

Dated effective _____, 20____

_____, a/an

_____ corporation

By: _____

Name: _____

Secretary

APPENDIX C – CORPORATE RESOLUTION

Note: To be completed only by those investors investing through a corporation.
Additional Note: Appendix D may be provided as an alternative to this Appendix C.

The undersigned, being all the members of the Board of Directors (the “Board of Directors”) of _____, a/an _____ corporation (the “Corporation”), hereby adopt the following preambles and resolutions:

WHEREAS, the Corporation desires to purchase an interest in **SELF-STORAGE PORTFOLIO VII DST** (the “Investment”);

WHEREAS, the Corporation is authorized to execute and deliver all documents relating to the Investment; and

WHEREAS, the Board of Directors believes it to be in the best interest of the Corporation to make the Investment and execute any documents related thereto.

NOW THEREFORE, BE IT RESOLVED, that the Investment is hereby approved, confirmed and ratified by the Board of Directors in all respects;

FURTHER RESOLVED, that _____, an officer of the Corporation (“Officer”), is hereby authorized and directed to execute, deliver and perform those agreements and documents related to the Investment, in the name and on behalf of the Corporation, with such changes therein and additions thereto as the Officer may deem necessary, appropriate or advisable to effect the transactions contemplated by the foregoing resolution;

FURTHER RESOLVED, that the Officer is hereby authorized and directed to execute, deliver and perform all further instruments and documentation and to take all other actions, in the name and on behalf of the Corporation, as it may deem convenient or proper to carry out the Investment; and

FURTHER RESOLVED, that any action heretofore taken and all documentation heretofore delivered by the Corporation or the Officer in furtherance of the Investment and foregoing resolutions are hereby ratified and confirmed in all respects.

Dated effective _____, 20____

Director (signature)

Director (signature)

Director (signature)

Director (signature)

Director (signature)

Director (signature)

Being all of the Directors of the Corporation

APPENDIX D – OFFICER’S CERTIFICATE

**Note: To be completed only by those investors investing through a corporation.
Additional Note: Appendix C may be provided as an alternative to this Appendix D.**

The undersigned, _____, hereby certifies that:

1. _____ is the _____ of _____, a/an _____ corporation (“Corporation”), and has personal knowledge of the matters set forth herein.
2. This Certificate is executed to evidence the approval and consent of the Corporation to purchase an interest in **SELF-STORAGE PORTFOLIO VII DST** (the “Investment”).
3. The undersigned acknowledges that the Corporation is authorized to execute and deliver all documents relating to the Investment.
4. Pursuant to the organizational documents of the Corporation, the specific consent or approval of the Board of Directors of the Corporation is not necessary for the consummation of the Investment.
5. The undersigned acting alone has the authority, pursuant to the organizational documents of the Corporation, to execute all documents related to the Investment.
6. This Certificate may be relied upon by **SELF-STORAGE PORTFOLIO VII DST** and its affiliates.

Dated effective _____, 20____

By: _____

Name: _____

Title: _____

APPENDIX E – PARTNERSHIP RESOLUTION

Note: To be completed only by those investors investing through a partnership.

The undersigned, being all the partners (the “Partners”) of _____, a/an _____ partnership (the “Partnership”), hereby adopt the following preambles and resolutions:

WHEREAS, the Partnership desires to purchase an interest in **SELF-STORAGE PORTFOLIO VII DST** (the “Investment”);

WHEREAS, the Partnership is authorized to execute and deliver all documents relating to the Investment; and

WHEREAS, the Partners believe it to be in the best interest of the Partnership to make the Investment and execute any documents related thereto.

NOW THEREFORE, BE IT RESOLVED, that the Investment is hereby approved, confirmed and ratified by the Partners in all respects;

FURTHER RESOLVED, that _____, an agent of the Partnership (“Authorized Person”), is hereby authorized and directed to execute, deliver and perform those agreements and documents related to the Investment, in the name and on behalf of the Partnership, with such changes therein and additions thereto as the Authorized Person may deem necessary, appropriate or advisable to effect the transactions contemplated by the foregoing resolution;

FURTHER RESOLVED, that the Authorized Person is hereby authorized and directed to execute, deliver and perform all further instruments and documentation and to take all other actions, in the name and on behalf of the Partnership, as it may deem convenient or proper to carry out the Investment; and

FURTHER RESOLVED, that any action heretofore taken and all documentation heretofore delivered by the Partnership or the Authorized Person in furtherance of the Investment and foregoing resolutions are hereby ratified and confirmed in all respects.

Dated effective _____, 20____

Partner (signature)

Partner (signature)

Partner (signature)

Partner (signature)

Partner (signature)

Partner (signature)

Being all of the Partners of the Partnership

APPENDIX F – LIMITED LIABILITY COMPANY RESOLUTION

Note: To be completed only by those investors investing through a limited liability company.

The undersigned, being all the members (the “Members”) of _____, a/an _____ limited liability company (the “LLC”), hereby adopt the following preambles and resolutions:

WHEREAS, the LLC desires to purchase an interest in **SELF-STORAGE PORTFOLIO VII DST** (the “Investment”);

WHEREAS, that the LLC is authorized to execute and deliver all documents relating to the Investment; and

WHEREAS, the Members believe it to be in the best interest of the LLC to make the Investment and execute any documents related thereto.

NOW THEREFORE, BE IT RESOLVED, that the Investment is hereby approved, confirmed and ratified by the Members in all respects;

FURTHER RESOLVED, that _____, an agent of the LLC (“Authorized Person”), is hereby authorized and directed to execute, deliver and perform those agreements and documents related to the Investment, in the name and on behalf of the LLC, with such changes therein and additions thereto as the Authorized Person may deem necessary, appropriate or advisable to effect the transactions contemplated by the foregoing resolution;

FURTHER RESOLVED, that the Authorized Person is hereby authorized and directed to execute, deliver and perform all further instruments and documentation and to take all other actions, in the name and on behalf of the LLC, as it may deem convenient or proper to carry out the Investment; and

FURTHER RESOLVED, that any action heretofore taken and all documentation heretofore delivered by the LLC or the Authorized Person in furtherance of the Investment and foregoing resolutions are hereby ratified and confirmed in all respects.

Dated effective _____, 20_____

Member (signature)

Member (signature)

Member (signature)

Member (signature)

Member (signature)

Member (signature)

Being all of the Members of the LLC

PURCHASE AGREEMENT

PURCHASE AGREEMENT OF SELF-STORAGE PORTFOLIO VII DST

Up to \$66,230,446 of Interests

THIS PURCHASE AGREEMENT (the “Purchase Agreement”) is made by and between SELF-STORAGE PORTFOLIO VII DST, a Delaware statutory trust (the “Seller”) and the undersigned, with reference to the facts set forth below.

RECITALS

A. The Seller owns 100% of the beneficial interests in Four State Storage DST, a Delaware statutory trust (the “Operating Trust”).

B. The Operating Trust owns the land and improvements located at the addresses set forth in the table below, each as more particularly described on Exhibit A attached hereto.

18690 Highway 18 Apple Valley, California 92307	67650 East Ramon Road Cathedral City, California 92234	7777 Moriarty Road Cordova, Tennessee 38018
22075 Highway 18 Apple Valley, California 92307	3686 South Germantown Road Memphis, Tennessee 38125	2700 Poplar Avenue Memphis, Tennessee 38112
4705 Winchester Road Memphis, Tennessee 38118	3577 New Getwell Road Memphis, Tennessee 38118	500 West Radio Road Palm Springs, California 92262
6390 Winchester Road Memphis, Tennessee 38115	1700 North US Highway 75 Sherman, Texas 75090	6140 East Shelby Drive Memphis, Tennessee 38141
5141 American Way Memphis, Tennessee 38115	6017 Interstate 30 Greenville, Texas 75402	72500 Varner Road Thousand Palms, California 92276
3040 Austin Peay Highway Memphis, Tennessee 38128	1720 Loy Lake Road Sherman, Texas 75090	8123 Wesley Street Greenville, Texas 75402
1400 South Gene Autry Trail Palm Springs, California 92264	9275 Macon Road Memphis, Tennessee 38016	2922 South 5 th Court Milwaukee, Wisconsin 53207

C. The Seller is offering (the “Offering”) to sell to certain qualified, accredited investors pursuant to that certain private placement memorandum, dated April 12, 2019 (as amended and supplemented from time to time, the “Private Placement Memorandum”), beneficial ownership interests in the Seller (the “Interests”).

D. The Seller desires to sell and the undersigned desires to buy the Interests on the terms and conditions set forth in the Private Placement Memorandum. This sale will be made pursuant to the Private Placement Memorandum.

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. Purchase of Interests. The undersigned, intending to be legally bound, hereby irrevocably offers to purchase \$_____ worth of Interests in the Seller, and agrees to pay \$662,304.46 per 1% Interest (or fraction thereof) acquired from the Seller. The Interests are being purchased pursuant to the terms and conditions of the Private

Placement Memorandum, receipt of which is hereby acknowledged. Terms not defined herein shall have the same meanings as in the Private Placement Memorandum.

2. Amount and Method of Payment. Payment for the Interests purchased hereunder is to be made by either wiring the funds from the qualified escrow account or by delivering to Inland Private Capital Corporation, in person or by mail, a **check made payable to “SELF-STORAGE PORTFOLIO VII DST”** for the aggregate purchase price of the Interests. The minimum amount of Interests that a prospective Investor completing an Internal Revenue Code section 1031 (“**Section 1031**”) tax-deferred exchange will be required to purchase is \$100,000, unless the Seller waives such requirement. The minimum amount of Interests that a prospective Investor making a cash investment without a Section 1031 tax-deferred exchange will be required to purchase is \$25,000, unless the Seller waives such requirement. If the purchase of an Interest is part of a Section 1031 tax-deferred exchange, payment shall be coordinated through the undersigned’s qualified intermediary who holds the undersigned’s exchange proceeds from the relinquished property.

3. Acceptance and Closing of Purchase. The undersigned understands and agrees that the Seller, in its sole discretion, reserves the right to accept or reject this or any other offer to purchase for the Interests in whole or in part. If this offer to purchase is rejected in whole or in part, or if the Seller terminates the Offering for any reason, the Seller will promptly return the applicable portion of the purchase price. This Purchase Agreement shall thereafter have no force or effect with respect to the rejected portion of the purchase of Interests.

4. Representations and Warranties of the Seller. The Seller hereby acknowledges, represents and warrants that:

- (a) Status. The Seller is a validly formed and existing statutory trust under the laws of the State of Delaware.
- (b) Issuance. When issued, authenticated and delivered by the Seller and paid for by the undersigned pursuant to the provisions of this Purchase Agreement and of the Seller’s Trust Agreement, as amended or restated from time to time (the “**Trust Agreement**”), the undersigned’s Interests will be duly and validly issued and outstanding and entitled to the benefits provided by the Trust Agreement, except as such enforceability may be limited by the effect of (i) bankruptcy, insolvency, reorganization, receivership, moratorium or other similar laws affecting the enforcement of the rights of creditors generally, and (ii) general principles of equity, whether enforcement is sought in a proceeding in equity or at law.

5. Representations and Warranties of the Undersigned. The undersigned hereby acknowledges, represents and warrants that:

(a) The Interests offered by the Private Placement Memorandum have not been registered under the Securities Act of 1933, as amended (the “**Securities Act**”), or under the laws of any state, and are being offered and sold in reliance on exemptions from the provisions of the Securities Act and applicable state law. The Interests have not been approved or disapproved by the Securities and Exchange Commission, any state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon, or endorsed the merits of, the offering or the accuracy or adequacy of the Private Placement Memorandum. The undersigned hereby further acknowledges, represents and warrants that:

(i) the undersigned has received the Private Placement Memorandum, has carefully reviewed it and understands the information contained therein and information otherwise provided in writing by the Seller relating to this investment;

(ii) the undersigned acknowledges that all documents, records and books pertaining to this investment (including, without limitation, the Private Placement Memorandum) have been made available for inspection to the undersigned or the undersigned’s agents or advisors;

(iii) the undersigned, either directly or through advisors, has had a reasonable opportunity to ask questions of and receive information and answers from a person or persons acting on behalf of the Seller concerning the Offering and, as the undersigned may deem necessary, to verify the information contained in the Private Placement Memorandum, and all questions have been answered and all such information has been

provided to the full satisfaction of the undersigned;

(iv) no oral or written representations have been made or oral or written information furnished to the undersigned or his or her advisor(s) in connection with the Offering that were in any way inconsistent with the information stated in the Private Placement Memorandum;

(v) the undersigned is not purchasing the Interests as a result of or subsequent to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, or presented at any seminar or meeting;

(vi) the undersigned meets one of the following tests and therefore qualifies as an “accredited investor”:

(A) the undersigned is a natural person who has individual income in excess of \$200,000 in each of the two most recent years, or joint income with that person’s spouse in excess of \$300,000 in each of these years, and has a reasonable expectation of reaching the same income level in the current year; or

(B) the undersigned is a natural person whose individual net worth or joint net worth with that person’s spouse, exceeds \$1,000,000 at the time of purchasing the Interests; *provided*, that for purposes of calculating such net worth: (1) the undersigned’s primary residence shall not be included as an asset; (2) indebtedness that is secured by the undersigned’s primary residence, up to the estimated fair market value of the primary residence at the time of the closing of the undersigned’s acquisition of an Interest, shall not be included as a liability; *provided, however*, that if the amount of such indebtedness outstanding at the time of the closing of the undersigned’s acquisition of an Interest exceeds the amount of indebtedness outstanding 60 days before such time, other than as a result of the acquisition of the primary residence (such as, for example, if the undersigned takes out a home equity loan that is not used to acquire a primary residence during such 60-day time frame), the amount of such new indebtedness shall be included as a liability; and (3) indebtedness that is secured by the undersigned’s primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability; or

(C) the undersigned is a corporation, business or other irrevocable trust, partnership or limited liability company with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Interests;

(D) the undersigned is a trust, with total assets over \$5,000,000, not formed for the specific purpose of acquiring Interests, whose purchase is directed by a “sophisticated person,” as described in Rule 506(b)(2)(ii) of Regulation D under the Securities Act;

(E) the undersigned is: (1) a broker-dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended; (2) an insurance company; (3) an investment company registered under the Investment Company Act of 1940, as amended, or a business development company (as defined in Section 2(a)(48) of the Investment Company Act of 1940, as amended); (4) a small business investment company licensed by the Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958, as amended; (5) a private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended); or (6) a bank as defined in Section 3(a)(2) of the Securities Act, 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, or any insurance company as defined in Section 2(13) of the Securities Act; or

(F) the undersigned is an entity in which all of the equity owners are accredited investors as defined above in subparagraph (A) or (B).

(vii) the undersigned is not purchasing the Interests on behalf of any tax-exempt entity, including but not limited to any qualified employee pension or profit sharing trust, any individual retirement account, Simple 401k plan, annuity or charitable remainder trust;

(viii) the undersigned’s overall commitment to investments that are not readily marketable is not

disproportionate to the undersigned's net worth and the undersigned's investment in the Interests will not cause the overall commitment to become disproportionate to the undersigned's net worth;

(ix) the undersigned has reached the age of majority, has adequate net worth and means of providing for the undersigned's current needs and personal contingencies, is able to bear the substantial economic risks of an investment in the Interests for an indefinite period of time, has no need for liquidity in such investment and, at the present time, could afford a complete loss of such investment;

(x) the undersigned has the requisite knowledge and experience in financial and business matters so as to enable the undersigned to use the information made available to evaluate the merits and risks of an investment in the Interests and to make an informed decision;

(xi) the undersigned is acquiring the Interests solely for his or her own account as principal, for investment purposes only and not with a view to the resale or distribution thereof in whole or in part, and no other person has a direct or beneficial interest in the Interests purchased by the undersigned;

(xii) the undersigned will not sell or otherwise transfer his or her Interests without complying with all applicable laws and fully understands and agrees that he or she must bear the economic risk of his or her purchase for an indefinite period of time because, among other reasons, the Interests may not be readily transferable; and

(xiii) the undersigned's assets have not been the subject of any proceeding under any matter relating to bankruptcy, insolvency, reorganization, conservatorship, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to its debts or debtors ("**Creditor Rights Laws**") during the ten (10) years prior to the date hereof, nor has the undersigned sought the protection of any Creditor Rights Laws during the ten (10) years prior to the date hereof. The foregoing representation with regard to this paragraph are also applicable to the undersigned's affiliates which the undersigned owns or controls, including any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association and any fiduciary acting in such capacity on behalf of any of the foregoing, and further including any such entity in which the undersigned or its affiliate is an officer or director.

(b) The undersigned recognizes that the purchase of the Interests involves a number of significant risks and other factors relating to the structure and objectives of the Seller as described in the Private Placement Memorandum under the heading "Risk Factors" and that there can be no assurance that the Seller will achieve its objectives. In addition, the undersigned acknowledges that:

(i) no federal or state agency has passed upon the adequacy of the information presented to the undersigned or made any finding or determination as to the fairness of this investment; and

(ii) there is no established market for the Interests and a public market for the Interests may never develop.

(c) **The undersigned understands that the Seller has not obtained a specific Private Letter ruling from the Internal Revenue Service ("IRS") addressing the treatment of the Interests in this Offering for income tax purposes, including but not limited to whether an Interest is "of like kind" to real estate for purposes of Section 1031 or is "similar or related in service or use" to involuntarily converted property of the undersigned for purposes of Internal Revenue Code section 1033 ("Section 1033"). In addition, the undersigned understands that the tax consequences of an investment in the Interests, especially the qualification of the transaction under Section 1031 or Section 1033 of the Code and the related rules, are complex and vary with the facts and circumstances of each individual. Therefore, the undersigned represents and warrants that he or she: (1) has independently obtained advice from legal counsel and/or accountants about a tax-deferred exchange under Section 1031 or a conversion under Section 1033 and applicable state laws, including, without limitation, whether the acquisition of an Interest may qualify as part of a tax-deferred exchange or involuntary conversion, and he or she relying on such advice; (2) understands that the Seller has not obtained a ruling from the IRS addressing the treatment of the Interests in this Offering for income tax purposes, including but not limited to whether an Interest is "of like kind" to real estate for purposes of Section 1031 or is "similar or related in service or use" to involuntarily converted property of the undersigned for purposes of Section 1033; (3) understands that the tax consequences of an investment in an Interest,**

especially the treatment of the transaction under Section 1031 and the related Section 1031 exchange rules, or under Section 1033 and its underlying rules, are complex and vary with the facts and circumstances of each individual purchaser; and (4) understands that the opinion of Seyfarth Shaw LLP, as special tax counsel to the Seller, is only Seyfarth Shaw LLP's view of the anticipated tax treatment, and there is no guarantee that the IRS will agree with such opinion.

(d) If the undersigned is purchasing the Interests in a representative or fiduciary capacity, e.g., serving as a qualified intermediary, the representations and warranties contained herein (and in any other written statement or document delivered to the Seller in connection herewith) shall be deemed to have been made on behalf of the person or persons for whom the Interests are being purchased.

(e) All information furnished to the Seller by the undersigned is correct and complete as of the date of this Purchase Agreement, and the undersigned will immediately furnish revised or corrected information to the Seller if there should be any material change in this information prior to the Seller completing the Offering.

(f) Within five days after receipt of a request from the Seller, the undersigned hereby 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 ordinances to which the Seller is subject.

(g) The undersigned has not distributed the Private Placement Memorandum to anyone other than his or her advisors, if any, and no one other than the undersigned and his or her advisors, if any, has used the Private Placement Memorandum for any purpose.

(h) The foregoing representations, warranties and agreements, together with all other representations and warranties made or given by the undersigned to the Seller in any other written statement or document delivered in connection with the Offering shall be true and correct in all respects on and as of the date the purchase is accepted as if made on that date. If more than one person is signing this Purchase Agreement, each representation, warranty and undertaking herein shall be the joint and several representation, warranty and undertaking of each such person.

6. Additional Representations and Warranties – Section 1031 Exchanges. **The following additional representations and warranties apply only to those investors purchasing Interests as part of a Section 1031 tax-deferred exchange.**

(a) The undersigned hereby acknowledges, represents and warrants that:

(i) The undersigned's rights under this Purchase Agreement may be assigned to his, her or its qualified intermediary (the "**Qualified Intermediary**") for the purpose of completing a Section 1031 exchange.

(b) The Seller hereby acknowledges, represents and warrants that:

(i) It is the intent of the undersigned to effect a Section 1031 tax-deferred exchange, which will not delay the closing or cause additional expense to the Seller.

(ii) The Seller will cooperate with the undersigned and his, her or its Qualified Intermediary in a manner necessary to complete the Section 1031 tax-deferred exchange.

7. Additional Information. The undersigned hereby acknowledges and agrees that the Seller may make such further inquiry and obtain such additional information as it may deem appropriate with regard to the suitability of the undersigned.

8. Authorization. The undersigned releases to the Seller and those third party vendors retained to conduct credit and background evaluations in accordance with the questions contained in the Investor Questionnaire (the "**Vendors**") any information regarding the undersigned's employment status, bank account records, mortgage or other current or prior credit, collection accounts, rental history, state and federal tax liens, state and federal crimes, state and federal civil litigation and bankruptcy, and state and county UCC (Uniform Commercial Code) searches. As part of such authorization, the undersigned hereby authorizes the Seller's release of such information to the Vendors. This information is for the

confidential use of the Seller and the Vendors only.

9. **Indemnification.** The undersigned agrees to indemnify and hold harmless the Seller and the Seller's Signatory Trustee and their respective officers, directors, employees, beneficiaries, trustees, and agents (the "**Indemnified Parties**") against any and all loss, liability, claim, damage and expense whatsoever (including reasonable attorneys' fees) arising out of or based upon any false representation or warranty or breach or failure by the undersigned to comply with any covenant or agreement made by the undersigned herein, or in any other document furnished by the undersigned 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) incurred by the Indemnified Parties in investigating, preparing or 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.
10. **Irrevocability; Binding Effect.** The undersigned hereby acknowledges and agrees that, except as provided under applicable state law, the purchase hereunder is irrevocable and may not be canceled, terminated or revoked and that this Purchase Agreement shall survive the death or disability of the undersigned and shall be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, successors, legal representatives and assigns.
11. **Modifications.** Neither this Purchase Agreement nor any provision hereof shall be waived, modified, discharged or terminated except by an instrument in writing signed by the party against whom any such waiver, modification, discharge or termination is sought.
12. **Notices.** Any notice, demand or other communication that any party hereto may be required, or may elect, or give to any other party hereunder shall be sufficiently given if: (1) deposited, postage prepaid, in a United States mailbox, stamped registered or certified mail, return receipt requested, or with an established and reputable overnight delivery service, addressed to SELF-STORAGE PORTFOLIO VII DST, c/o Inland Private Capital Corporation, 2901 Butterfield Road, Oak Brook, Illinois 60523, Attn: Investor Services, or to the undersigned purchaser at the address set forth on the signature page of the Investor Questionnaire or such other address as the parties may agree; or (2) delivered personally at such address.
13. **Counterparts; Signatures.** This Purchase Agreement, the related Investor Questionnaire and supporting documents may be executed and delivered (including by facsimile transmission or portable document format (PDF)) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same Purchase Agreement, Investor Questionnaire or other document, as applicable.
14. **Entire Agreement.** This Purchase Agreement contains the entire agreement of the parties with respect to the subject matter hereof and there are no representations, covenants or other agreements except as stated or referred to herein. The undersigned acknowledges that it participated in, or had the meaningful opportunity to participate in, the negotiation and drafting of this Purchase Agreement. In the event an ambiguity or question of intent or interpretation arises, the undersigned agrees that this Purchase Agreement shall be construed to be the product of meaningful negotiations between the undersigned and the Seller, and no presumption or burden of proof shall arise favoring or disfavoring either one of them by virtue of the authorship of any of the provisions of this Purchase Agreement.
15. **Severability.** Each provision of this Purchase Agreement is intended to be severable from every other provision, and the invalidity or illegality of any portion hereof shall not affect the validity or legality of the remainder hereof.
16. **Assignability.** This Purchase Agreement is not transferable or assignable by the undersigned except to a qualified intermediary in the case of a Section 1031 tax-deferred exchange.
17. **Applicable Law.** This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Illinois as applied to residents of that state executing contracts wholly to be performed in that state.
18. **Choice of Jurisdiction.** The undersigned agrees that any action or proceeding arising, directly, indirectly, or otherwise, in connection with, out of, or from this Purchase Agreement, and breach or threatened breach thereof, or any transaction covered hereby shall be resolved, whether by arbitration or otherwise, within the County of Cook, State of

Illinois. The parties further agree that any such action for relief whatsoever in connection with this Purchase Agreement shall be commenced exclusively in the United States federal or state courts, or if possible before an arbitral body, located within the County of Cook, State of Illinois.

19. Reimbursement. If any action or other proceeding, other than arbitration, is brought to enforce this Purchase Agreement or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Purchase Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in the action or proceeding in addition to any other relief to which they may be entitled.

20. Certificates of Non-Foreign Status. Under penalties of perjury, the undersigned declares that, to the best of his or her knowledge and belief the following statements are true, correct and complete: (1) that unless an Internal Revenue Service Form W-8ECI has been completed, the undersigned is not a foreign person for purposes of U.S. income taxation (i.e., he or she is not a nonresident alien, nor executing this document as an officer of a foreign corporation, as a partner in a foreign partnership, or as a fiduciary of a foreign employee benefit plan, foreign trust or foreign estate); (2) that the following information contained elsewhere in the Purchase Agreement or the Investor Questionnaire is true, correct and complete: the U.S. taxpayer identification number (i.e., social security number), and the home address; and (3) that the undersigned agrees to inform the Seller promptly if the undersigned becomes a nonresident alien (in the case of an individual) or other foreign person (in the case of an entity) during the three years immediately following the date hereof.

21. Certification regarding Securities Laws. By signing below, the undersigned certifies that he or she has read and understands the following additional considerations:

The Interests have not been approved or disapproved by the Securities and Exchange Commission, or 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 Private Placement Memorandum. Any representation to the contrary is unlawful. The Interests offered hereby are subject to investment risk, including the possible loss of principal.

[Remainder of the Page Intentionally Left Blank]

I (we) acknowledge and agree to all of the representations and warranties contained in this Purchase Agreement.

SELLER

BUYER

Executed this ____ day of _____, 20__

Executed this ____ day of _____, 20__
(Date must be completed.)

SELF-STORAGE PORTFOLIO VII DST, a Delaware Statutory Trust

If a natural person:

By: Self-Storage Portfolio VII Exchange, L.L.C.,
a Delaware limited liability company

Signature: _____

Name: _____

By: Inland Private Capital Corporation, a Delaware corporation

(If Joint Ownership: to be signed by joint owner.)

By: _____

Signature: _____

Name: _____

Name: _____

If not a natural person:

Name of Trust/Entity: _____

Signature: _____

Name: _____

Signature: _____

Name: _____

Signature: _____

Name: _____

Signature: _____

Name: _____

EXHIBIT A TO PURCHASE AGREEMENT

Legal Descriptions

[SEE ATTACHED]

SAMPLE

EXHIBIT B

RENT ROLLS

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Rent Roll
Self-Storage Portfolio VII DST
Four State Storage DST
21 Self-Storage Facilities located in California, Tennessee, Texas, and Wisconsin

Tenant	Approx. Leased SF	Date of Lease Commencement	Date of Lease Expiration	Renewal Options	Annual Rent During Lease Term	Rent PSF	
Four State Storage LeaseCo, L.L.C.	1,463,248	3/29/2019	3/28/2029	Automatic Extension ¹	Base Rent: ²		
					2019 - 2029	\$4,136,644	\$2.83
					Additional Rent:	100% of Gross Income in excess of the Additional Rent Breakpoint. ³	
					Maximum Additional Rent: ^{2,3}		
					2019	\$2,499,000	\$1.71
					2020	\$2,507,300	\$1.71
					2021	\$2,499,200	\$1.71
					2022	\$2,499,300	\$1.71
					2023	\$2,499,400	\$1.71
					2024	\$2,842,700	\$1.94
					2025	\$3,225,600	\$2.20
					2026	\$3,225,700	\$2.20
					2027	\$3,225,800	\$2.20
					2028	\$3,225,900	\$2.20
2029	\$3,226,000	\$2.20					
Supplemental Rent:	75% of Gross Income in excess of the Supplemental Rent Breakpoint. ⁴						

¹ The term of the Master Lease will automatically extend beyond the Expiration Date, for so long as any obligation remains outstanding under any of the Loan Documents, and shall continue in full force and effect until all such obligations have been fully performed and satisfied. No additional documentation is required in connection with the automatic extension.

² Base Rent may be adjusted pursuant to Section 2.1(a) of the Master Lease Agreement, whereby the Additional Rent and Supplemental Rent Breakpoints will be equitably adjusted in connection with such adjustment and in a manner consistent with such adjustment.

³ Additional Rent equals the amount by which gross income exceeds the Additional Rent Breakpoint up to the Additional Rent Maximum, on an annualized basis. The Additional Rent Maximum and Additional Rent Breakpoint are set according to Exhibit C to the Master Lease (such breakpoint being \$10,941,000 for 2019 on an annualized basis).

⁴ The Supplemental Rent Breakpoint is set according to Exhibit C to the Master Lease (such breakpoint being \$13,440,000 for 2019 on an annualized basis).

Four State Storage LeaseCo, L.L.C.

Gross Leasable Area ¹

#	Property and Location	Unit Type	Dimension	No. Units	SqFt Per Unit	Total SqFt	Number Vacant	Number Occupied	Average Current Rent ²
1	18690 Highway 18 Apple Valley, CA 92307	Climate Controlled	5x5	5	25	125	0	5	\$64
			5x10	4	50	200	0	4	\$94
			10x5	1	50	50	0	1	\$98
			10x10	24	100	2,400	1	23	\$144
			10x10	1	100	100	0	1	\$147
			20x10	2	200	400	0	2	\$207
		Non-Climate	5x5	24	25	600	6	18	\$33
			5x9	2	45	90	0	2	\$68
			5x10	40	50	2,000	2	38	\$66
			10x5	1	50	50	0	1	\$85
			5x15	18	75	1,350	0	18	\$78
			5x20	1	100	100	0	1	\$118
			5x20	1	100	100	0	1	\$85
			10x10	30	100	3,000	2	28	\$118
			5x5	18	25	450	6	12	\$41
			5x10	19	50	950	1	18	\$66
			10x5	5	50	250	0	5	\$58
			5x15	30	75	2,250	0	30	\$97
			5x20	18	100	1,800	3	15	\$136
			10x10	14	100	1,400	1	13	\$121
			10x15	58	150	8,700	12	46	\$143
			15x10	1	150	150	0	1	\$147
			10x20	76	200	15,200	13	63	\$188
			20x10	1	200	200	0	1	\$195
			10x25	20	250	5,000	3	17	\$198
			10x30	13	300	3,900	2	11	\$240
			12x30	10	360	3,600	0	10	\$252
			20x20	17	400	6,800	0	17	\$269
			18x30	1	540	540	0	1	\$255
				Cell Tower	Annual increases of 3.00%, current option term expires 07/01/2019. The tenant has 3 additional option terms of 5 years each.				
Total				455	4,020	61,755	52	403	

#	Property and Location	Unit Type	Dimension	No. Units	SqFt Per Unit	Total SqFt	Number Vacant	Number Occupied	Average Current Rent ²
2	22075 Highway 18 Apple Valley, CA 92307	Non-Climate	5x5	57	25	1,425	15	42	\$35
			5x8	10	40	400	3	7	\$48
			5x10	84	50	4,200	9	75	\$60
			10x5	3	50	150	0	3	\$59
			5x15	72	75	5,400	2	70	\$71
			8x10	3	80	240	0	3	\$120
			10x8	2	80	160	0	2	\$79
			5x20	4	100	400	1	3	\$92
			10x10	91	100	9,100	8	83	\$104
			20x5	3	100	300	0	3	\$92
			8x15	2	120	240	0	2	\$111
			10x15	103	150	15,450	19	84	\$134
			10x20	56	200	11,200	10	46	\$177
			15x15	4	225	900	0	4	\$179
			10x25	26	250	6,500	4	22	\$205
			10x30	34	300	10,200	5	29	\$205
			15x20	11	300	3,300	0	11	\$212
			20x20	2	400	800	0	2	\$233
		20x25	4	500	2,000	0	4	\$278	
		20x30	2	600	1,200	0	2	\$363	
Parking	0x20	6	-	-	0	6	\$66		
	0x30	2	-	-	0	2	\$70		
Total				581	3,745	73,565	76	505	
3	Autry Property 1400 South Gene Autry Trail Palm Springs, CA 92264	Non-Climate	5x5	50	25	1,250	5	45	\$60
			5x10	97	50	4,850	11	86	\$87
			10x5	3	50	150	1	2	\$89
			5x15	54	75	4,050	2	52	\$105
			5x20	7	100	700	3	4	\$118
			10x10	115	100	11,500	13	102	\$137
			10x15	39	150	5,850	3	36	\$166
			15x10	4	150	600	0	4	\$185
			10x20	115	200	23,000	8	107	\$192
			20x10	11	200	2,200	2	9	\$159
			10x25	23	250	5,750	2	21	\$235
			10x30	4	300	1,200	0	4	\$289
			10x35	6	350	2,100	0	6	\$297
			10x40	2	400	800	0	2	\$308
			20x20	12	400	4,800	1	11	\$305
			20x25	2	500	1,000	1	1	\$285
			25x35	1	875	875	0	1	\$629
			25x40	1	1,000	1,000	0	1	\$518
		30x40	1	1,200	1,200	0	1	\$498	
		Parking	0x20	6	-	-	0	6	\$116
0x40	1		-	-	0	1	\$161		
Total				554	6,375	72,875	52	502	

#	Property and Location	Unit Type	Dimension	No. Units	SqFt Per Unit	Total SqFt	Number Vacant	Number Occupied	Average Current Rent ²
4	Cathedral City Property 67650 East Ramon Road Cathedral City, CA 92234	Climate Controlled	5x5	4	25	100	1	3	\$80
			5x10	4	50	200	0	4	\$122
			5x15	1	75	75	0	1	\$150
			10x10	7	100	700	0	7	\$181
			10x15	8	150	1,200	0	8	\$224
			15x15	1	225	225	0	1	\$306
		Non-Climate	5x5	76	25	1,900	12	64	\$54
			5x7	2	35	70	0	2	\$54
			5x8	28	40	1,120	6	22	\$66
			5x10	76	50	3,800	18	58	\$79
			5x16	1	80	80	0	1	\$111
			10x10	19	100	1,900	2	17	\$132
			10x15	1	150	150	0	1	\$155
			10x30	1	300	300	1	0	\$244
			5x7	2	35	70	0	2	\$80
			5x10	49	50	2,450	3	46	\$85
			5x15	72	75	5,400	17	55	\$108
			8x10	1	80	80	0	1	\$45
			10x10	68	100	6,800	6	62	\$136
			8x15	1	120	120	1	0	\$137
			10x15	1	150	150	0	1	\$139
			10x15	87	150	13,050	8	79	\$162
			10x20	121	200	24,200	12	109	\$172
			15x15	1	225	225	0	1	\$171
			12x20	1	240	240	1	0	\$189
			10x25	38	250	9,500	1	37	\$206
			10x30	27	300	8,100	8	19	\$245
			12x25	2	300	600	0	2	\$204
			15x20	7	300	2,100	2	5	\$226
			20x15	1	300	300	0	1	\$240
			10x35	13	350	4,550	1	12	\$228
			12x30	7	360	2,520	2	5	\$268
		13x30	2	390	780	0	2	\$243	
		20x20	28	400	11,200	4	24	\$261	
		20x25	5	500	2,500	1	4	\$296	
		20x30	3	600	1,800	0	3	\$267	
		20x35	1	700	700	0	1	\$355	
		Office/Retail	1x256	2	256	512	0	2	\$450
			1x256	1	256	256	1	0	\$950
			1x346	1	346	346	1	0	\$334
			1x446	5	446	2,230	0	5	\$532
			16x28	2	448	896	0	2	\$725
1x646	1		646	646	0	1	\$600		
1x677	1		677	677	0	1	\$750		
1x712	1		712	712	0	1	\$850		
1x866	1		866	866	0	1	\$800		
1x912	1		912	912	0	1	\$950		
Billboard	1x1112	1	1,112	1,112	0	1	\$850		
	20x92	1	1,840	1,840	0	1	\$1,000		
Current lease expires 03/31/2020, with no remaining extension options.									
Total				785	16,097	120,260	109	676	

#	Property and Location	Unit Type	Dimension	No. Units	SqFt Per Unit	Total SqFt	Number Vacant	Number Occupied	Average Current Rent ²
5	Radio Property 500 West Radio Road Palm Springs, CA 92262	Climate Controlled	3x4	4	12	48	0	4	\$36
			5x5	24	25	600	9	15	\$74
			5x7	32	35	1,120	3	29	\$86
			5x10	14	50	700	1	13	\$95
			5x12	10	60	600	2	8	\$99
			8x8	1	64	64	0	1	\$104
			7x10	6	70	420	0	6	\$130
			5x15	32	75	2,400	4	28	\$139
			8x10	1	80	80	0	1	\$127
			10x15	8	150	1,200	0	8	\$180
			8x25	1	200	200	0	1	\$310
			10x20	2	200	400	0	2	\$232
			7x30	1	210	210	0	1	\$342
		10x25	3	250	750	0	3	\$300	
		Non-Climate	5x5	30	25	750	5	25	\$56
			5x10	7	50	350	2	5	\$89
			5x5	12	25	300	1	11	\$58
			5x7	12	35	420	0	12	\$72
			5x10	71	50	3,550	10	61	\$87
			5x15	7	75	525	0	7	\$112
			8x10	1	80	80	0	1	\$110
			6x15	3	90	270	0	3	\$115
			8x12	8	96	768	0	8	\$127
			10x10	21	100	2,100	0	21	\$117
			6x20	1	120	120	0	1	\$106
			8x15	69	120	8,280	4	65	\$124
			10x15	32	150	4,800	1	31	\$155
			15x10	1	150	150	0	1	\$119
			8x20	19	160	3,040	0	19	\$155
			10x20	60	200	12,000	0	60	\$185
			10x22	1	220	220	1	0	\$205
			15x15	8	225	1,800	0	8	\$197
			8x30	2	240	480	0	2	\$200
			15x16	5	240	1,200	1	4	\$181
10x25	11		250	2,750	0	11	\$196		
10x30	4	300	1,200	0	4	\$243			
15x20	1	300	300	0	1	\$279			
16x20	5	320	1,600	0	5	\$232			
20x20	11	400	4,400	1	10	\$274			
15x30	4	450	1,800	0	4	\$360			
15x32	1	480	480	0	1	\$308			
16x40	1	640	640	0	1	\$345			
15x50	1	750	750	0	1	\$425			
15x57	1	855	855	0	1	\$407			
Total				549	8,677	64,770	45	504	

#	Property and Location	Unit Type	Dimension	No. Units	SqFt Per Unit	Total SqFt	Number Vacant	Number Occupied	Average Current Rent ²
6	Thousand Palms Property 75200 Varner Road Thousand Palms, CA 92276	Climate Controlled	5x5	8	25	200	3	5	\$67
			5x10	50	50	2,500	13	37	\$83
			5x15	26	75	1,950	8	18	\$104
			10x10	72	100	7,200	18	54	\$140
			10x15	15	150	2,250	3	12	\$203
			15x10	1	150	150	0	1	\$163
			10x20	5	200	1,000	1	4	\$262
			10x30	2	300	600	0	2	\$304
			20x30	1	600	600	0	1	\$323
			21x50	1	1,050	1,050	0	1	\$560
		50x50	1	2,500	2,500	0	1	\$1,735	
		Non-Climate	5x5	9	25	225	1	8	\$49
			5x8	1	40	40	0	1	\$51
			5x10	23	50	1,150	1	22	\$65
			5x12	2	60	120	0	2	\$68
			10x10	17	100	1,700	3	14	\$100
			10x15	27	150	4,050	7	20	\$118
			10x20	2	200	400	1	1	\$113
			3x5	3	15	45	0	3	\$34
			5x5	73	25	1,825	12	61	\$37
			5x6	20	30	600	5	15	\$39
			5x7	2	35	70	1	1	\$49
			4x10	3	40	120	0	3	\$53
			5x8	1	40	40	0	1	\$74
			5x10	69	50	3,450	17	52	\$54
			10x5	3	50	150	1	2	\$62
			6x10	8	60	480	4	4	\$62
			7x10	31	70	2,170	10	21	\$63
			7x10	1	70	70	1	0	\$79
			8x10	1	80	80	0	1	\$62
			9x10	1	90	90	1	0	\$64
			5x20	2	100	200	1	1	\$84
			10x10	51	100	5,100	16	35	\$80
			6x20	1	120	120	0	1	\$104
			14x10	8	140	1,120	4	4	\$91
			10x15	15	150	2,250	2	13	\$105
			15x10	1	150	150	0	1	\$89
			10x20	7	200	1,400	1	6	\$151
			10x25	1	250	250	0	1	\$230
			15x20	1	300	300	0	1	\$121
			20x20	2	400	800	1	1	\$159
			8x10	1	80	80	0	1	\$99
10x10	5		100	500	1	4	\$137		
10x15	19	150	2,850	2	17	\$150			
10x18	2	180	360	0	2	\$145			
10x20	74	200	14,800	10	64	\$148			
10x20	1	200	200	0	1	\$167			
10x25	1	250	250	0	1	\$239			
10x30	15	300	4,500	0	15	\$197			
10x35	1	350	350	0	1	\$256			
20x20	6	400	2,400	0	6	\$270			
Parking	0x20	8	-	-	1	7	\$112		
	0x24	2	-	-	0	2	\$114		
	0x40	26	-	-	5	21	\$146		
	0x60	1	-	-	0	1	\$227		
Total				730	10,600	74,855	155	575	

#	Property and Location	Unit Type	Dimension	No. Units	SqFt Per Unit	Total SqFt	Number Vacant	Number Occupied	Average Current Rent ²
7	4705 Winchester Road Memphis, TN 38118	Non-Climate	5x5	8	25	200	8	0	\$37
			5x10	32	50	1,600	13	19	\$39
			5x15	32	75	2,400	18	14	\$57
			10x10	23	100	2,300	11	12	\$68
			10x15	37	150	5,550	22	15	\$101
			5x10	76	50	3,800	30	46	\$41
			5x15	2	75	150	0	2	\$63
			8x10	3	80	240	0	3	\$64
			10x10	83	100	8,300	42	41	\$80
			10x12	7	120	840	3	4	\$93
			10x15	14	150	2,100	8	6	\$91
			8x20	2	160	320	2	0	\$84
			10x20	85	200	17,000	33	52	\$110
			10x22	1	220	220	0	1	\$149
			10x25	12	250	3,000	4	8	\$132
10x30	34	300	10,200	18	16	\$137			
15x20	4	300	1,200	2	2	\$187			
15x30	2	450	900	1	1	\$226			
	Parking	0x20	43	-	-	24	19	\$37	
Total				500	2,855	60,320	239	261	
8	6390 Winchester Road Memphis, TN 38115	Climate Controlled	6x6	18	36	648	3	15	\$45
			5x10	10	50	500	2	8	\$53
			6x10	2	60	120	1	1	\$58
			6x12	3	72	216	2	1	\$70
			6x18	1	108	108	1	0	\$117
		Non-Climate	5x10	21	50	1,050	3	18	\$47
			10x10	3	100	300	1	2	\$59
			5x10	41	50	2,050	7	34	\$45
			5x15	23	75	1,725	7	16	\$59
			10x10	82	100	8,200	24	58	\$73
			10x15	32	150	4,800	9	23	\$101
			10x20	46	200	9,200	11	35	\$116
			15x15	1	225	225	1	0	\$99
			10x25	15	250	3,750	5	10	\$129
		10x30	12	300	3,600	6	6	\$162	
10x40	5	400	2,000	0	5	\$228			
20x20	1	400	400	0	1	\$263			
	Parking	0x15	6	-	-	0	6	\$56	
Total				322	2,626	38,892	83	239	
9	American Property 5141 American Way Memphis, TN 38115	Climate Controlled	6x6	8	36	288	0	8	\$47
			5x10	1	50	50	0	1	\$109
			6x10	3	60	180	0	3	\$55
			6x12	1	72	72	0	1	\$55
			10x10	1	100	100	0	1	\$102
			10x12	7	120	840	3	4	\$129
			5x25	1	125	125	1	0	\$97
			12x12	7	144	1,008	2	5	\$119
		Non-Climate	5x10	68	50	3,400	10	58	\$45
			5x12	4	60	240	1	3	\$42
			6x10	9	60	540	1	8	\$50
			6x12	1	72	72	0	1	\$64
			5x15	22	75	1,650	3	19	\$56
			10x10	69	100	6,900	6	63	\$79
			12x12	1	144	144	0	1	\$83
			10x15	55	150	8,250	12	43	\$119
			10x20	56	200	11,200	8	48	\$132
			20x15	1	300	300	1	0	\$174
		12x30	14	360	5,040	1	13	\$215	
Office	10x20	1	200	200	1	0	\$104		
Parking	0x20	19	-	-	12	7	\$44		
	0x30	1	-	-	1	0	\$62		
Billboard	Current lease expires 11/30/2019, with no remaining extension options.								\$2,400
Total				350	2,478	40,599	63	287	

#	Property and Location	Unit Type	Dimension	No. Units	SqFt Per Unit	Total SqFt	Number Vacant	Number Occupied	Average Current Rent ²	
10	Austin Property 3040 Austin Peay Highway Memphis, TN 38128	Climate Controlled	5x5	20	25	500	2	18	\$43	
			5x10	42	50	2,100	0	42	\$71	
			10x10	61	100	6,100	7	54	\$111	
			10x13	41	130	5,330	8	33	\$120	
			10x15	29	150	4,350	7	22	\$151	
			10x20	28	200	5,600	4	24	\$200	
			10x25	16	250	4,000	1	15	\$243	
		10x33	16	330	5,280	1	15	\$292		
		Non-Climate	5x5	23	25	575	1	22	\$37	
			5x10	41	50	2,050	3	38	\$66	
			10x10	108	100	10,800	0	108	\$92	
			10x15	57	150	8,550	3	54	\$130	
			10x20	26	200	5,200	1	25	\$171	
			10x25	23	250	5,750	2	21	\$193	
			10x30	4	300	1,200	0	4	\$239	
		Parking	20x45	3	900	2,700	0	3	\$505	
			40x45	1	1,800	1,800	0	1	\$553	
			0x35	1	-	-	0	1	\$79	
				0x18	5	-	-	0	5	\$98
				0x35	20	-	-	2	18	\$110
Total				565	5,010	71,885	42	523		
11	Germantown Property 3686 South Germantown Road Memphis, TN 38125	Climate Controlled	5x13	40	65	2,600	15	25	\$65	
			10x13	12	130	1,560	3	9	\$117	
		Non-Climate	5x10	210	50	10,500	35	175	\$41	
			5x13	55	65	3,575	13	42	\$50	
			10x10	54	100	5,400	13	41	\$75	
			8x15	38	120	4,560	0	38	\$89	
			10x15	9	150	1,350	1	8	\$92	
			10x20	1	200	200	0	1	\$121	
			8x10	38	80	3,040	11	27	\$72	
			10x10	43	100	4,300	5	38	\$89	
			8x13	74	104	7,696	21	53	\$77	
			10x15	51	150	7,650	1	50	\$103	
			10x20	82	200	16,400	25	57	\$134	
			10x25	51	250	12,750	7	44	\$149	
			11x25	15	275	4,125	1	14	\$175	
		10x30	40	300	12,000	5	35	\$174		
		Parking	10x40	28	400	11,200	3	25	\$228	
			0x25	2	-	-	0	2	\$43	
				0x25	11	-	-	0	11	\$68
		Total				854	2,739	108,906	159	695

#	Property and Location	Unit Type	Dimension	No. Units	SqFt Per Unit	Total SqFt	Number Vacant	Number Occupied	Average Current Rent ²	
12	3577 New Getwell Road Memphis, TN 38118	Non-Climate	5x12	64	60	3,840	16	48	\$43	
			8x12	72	96	6,912	13	59	\$53	
			10x12	50	120	6,000	16	34	\$76	
			8x12	36	96	3,456	16	20	\$51	
			10x10	20	100	2,000	6	14	\$68	
			10x12	14	120	1,680	6	8	\$79	
			10x15	28	150	4,200	9	19	\$96	
			10x20	41	200	8,200	7	34	\$117	
			10x25	9	250	2,250	7	2	\$137	
			10x30	28	300	8,400	9	19	\$160	
			12x30	11	360	3,960	3	8	\$185	
			15x30	8	450	3,600	0	8	\$198	
			15x55	11	825	9,075	0	11	\$353	
			30x55	1	1,650	1,650	1	0	\$314	
			10x10	3	100	300	0	3	\$55	
			10x20	28	200	5,600	9	19	\$115	
			10x25	22	250	5,500	13	9	\$141	
			10x30	4	300	1,200	0	4	\$181	
			12x30	4	360	1,440	1	3	\$163	
			15x30	12	450	5,400	7	5	\$163	
		15x55	8	825	6,600	1	7	\$255		
		30x30	2	900	1,800	0	2	\$221		
		30x55	2	1,650	3,300	0	2	\$512		
		Parking	0x28	20	-	-	-	14	6	\$46
			0x26	2	-	-	-	1	1	\$54
			0x20	11	-	-	-	2	9	\$38
			0x22	2	-	-	-	1	1	\$76
			0x30	8	-	-	-	2	6	\$54
0x40	5		-	-	-	1	4	\$56		
0x32	1		-	-	-	0	1	\$54		
0x42	4		-	-	-	2	2	\$80		
0x45	1		-	-	-	1	0	\$74		
0x18	1	-	-	-	0	1	\$54			
0x25	3	-	-	-	0	3	\$78			
Total				536	9,812	96,363	164	372		
13	9275 Macon Road Memphis, TN 38016	Climate Controlled	5x10	17	50	850	4	13	\$73	
			10x10	26	100	2,600	10	16	\$126	
			10x15	3	150	450	0	3	\$174	
			10x20	5	200	1,000	0	5	\$263	
		Non-Climate	5x10	83	50	4,150	19	64	\$75	
			10x10	121	100	12,100	48	73	\$46	
			10x15	13	150	1,950	5	8	\$817	
			10x20	2	200	400	0	2	\$518	
			10x30	4	300	1,200	3	1	\$414	
			5x5	14	25	350	6	8	\$39	
			5x10	12	50	600	2	10	\$74	
			5x15	2	75	150	0	2	\$81	
			10x10	98	100	9,800	12	86	\$103	
			10x15	20	150	3,000	3	17	\$159	
			10x20	92	200	18,400	18	74	\$173	
			10x25	10	250	2,500	4	6	\$249	
			10x30	24	300	7,200	4	20	\$230	
			10x40	2	400	800	1	1	\$301	
		20x20	1	400	400	0	1	\$326		
		Parking	0x25	27	-	-	-	8	19	\$49
			0x20	42	-	-	-	12	30	\$47
			0x30	44	-	-	-	10	34	\$56
0x40	11		-	-	-	0	11	\$69		
0x50	35		-	-	-	2	33	\$82		
Total				708	3,250	67,900	171	537		

#	Property and Location	Unit Type	Dimension	No. Units	SqFt Per Unit	Total SqFt	Number Vacant	Number Occupied	Average Current Rent ²	
14	Moriarty Property 7777 Moriarty Road Memphis, TN 38018	Non-Climate	5x5	12	25	300	0	12	\$29	
			5x10	17	50	850	3	14	\$53	
			10x10	31	100	3,100	10	21	\$85	
			5x5	7	25	175	2	5	\$36	
			5x10	61	50	3,050	27	34	\$49	
			5x15	5	75	375	0	5	\$71	
			10x10	62	100	6,200	13	49	\$93	
			10x15	12	150	1,800	4	8	\$135	
			10x20	101	200	20,200	29	72	\$141	
			10x25	20	250	5,000	2	18	\$164	
			10x30	30	300	9,000	13	17	\$207	
			15x20	1	300	300	1	0	\$149	
			15x25	1	375	375	0	1	\$278	
		10x40	7	400	2,800	3	4	\$290		
		20x40	1	800	800	0	1	\$339		
		Parking	0x20	4	-	-	0	4	\$50	
			0x25	10	-	-	2	8	\$57	
			0x35	2	-	-	0	2	\$109	
		Cell Tower	10% increase every five years, current term expires 03/31/2024. Tenant has four additional renewal options.							\$19,200
			Current term expires 10/31/2022. Tenant has ten remaining renewal options.							\$28,500
Current term expires 06/16/2021. Tenant has ten remaining renewal options.							\$37,800			
Total				384	3,200	54,325	109	275		
15	Poplar Property 2700 Poplar Avenue Memphis, TN 38112	Climate Controlled	5x5	15	25	375	3	12	\$65	
			5x10	61	50	3,050	15	46	\$99	
			10x10	59	100	5,900	11	48	\$169	
			10x15	43	150	6,450	7	36	\$243	
			10x20	46	200	9,200	8	38	\$283	
			10x25	20	250	5,000	6	14	\$395	
			10x30	27	300	8,100	5	22	\$434	
			20x20	1	400	400	0	1	\$583	
			10x15	1	150	150	0	1	\$250	
			5x5	34	25	850	16	18	\$41	
			5x10	17	50	850	6	11	\$86	
			10x10	43	100	4,300	6	37	\$111	
			10x15	3	150	450	1	2	\$115	
			16x70	6	1,120	6,720	0	6	\$747	
		24x50	1	1,200	1,200	0	1	\$873		
		Non-Climate	5x5	18	25	450	1	17	\$39	
			5x10	30	50	1,500	2	28	\$83	
			10x10	62	100	6,200	9	53	\$129	
			10x15	83	150	12,450	9	74	\$149	
			10x20	19	200	3,800	0	19	\$181	
			10x25	11	250	2,750	0	11	\$211	
			10x30	18	300	5,400	0	18	\$233	
			10x15	2	150	300	1	1	\$167	
			10x20	19	200	3,800	18	1	\$169	
			10x25	8	250	2,000	8	0	\$157	
		Parking	0x30	4	300	1,200	0	4	\$202	
			0x30	47	-	-	16	31	\$89	
0x20	5		-	-	1	4	\$99			
		0x60	20	-	-	0	20	\$91		
Total				723	6,245	92,845	149	574		

#	Property and Location	Unit Type	Dimension	No. Units	SqFt Per Unit	Total SqFt	Number Vacant	Number Occupied	Average Current Rent ²
16	Shelby Property 6140 East Shelby Drive Memphis, TN 38141	Climate Controlled	5x5	10	25	250	3	7	\$40
			5x10	13	50	650	3	10	\$51
			7.5x10	6	75	450	3	3	\$71
			10x10	14	100	1,400	2	12	\$105
			10x15	5	150	750	0	5	\$141
			10x15	2	150	300	0	2	\$208
		Non-Climate	5x10	98	50	4,900	24	74	\$45
			8x10	90	80	7,200	13	77	\$64
			10x10	90	100	9,000	6	84	\$77
			8x15	46	120	5,520	15	31	\$76
			10x15	50	150	7,500	5	45	\$101
			10x20	113	200	22,600	13	100	\$122
			15x16	2	240	480	0	2	\$180
			10x30	35	300	10,500	1	34	\$174
		Office/Retail	20x20	3	400	1,200	0	3	\$208
			20x45	9	900	8,100	4	5	\$639
			30x40	3	1,200	3,600	3	0	\$709
			1x1340	4	1,340	5,360	3	1	\$1,050
			40x45	1	1,800	1,800	0	1	\$1,388
			42x50	1	2,100	2,100	0	1	\$1,370
Parking	52.5x45	1	2,363	2,363	1	0	\$1,199		
	0x25	6	-	-	0	6	\$62		
Total				602	11,893	96,023	99	503	
17	Highway 75 Property 1700 North US Highway 75 Sherman, TX 75090	Climate Controlled	5x5	14	25	350	7	7	\$73
			5x10	29	50	1,450	4	25	\$105
			5x15	9	75	675	1	8	\$119
			10x10	39	100	3,900	4	35	\$174
			10x15	32	150	4,800	4	28	\$209
			10x20	14	200	2,800	2	12	\$300
			10x25	4	250	1,000	0	4	\$355
			Non-Climate	5x5	15	25	375	4	11
		5x10		30	50	1,500	3	27	\$63
		5x15		7	75	525	1	6	\$71
		10x10		70	100	7,000	12	58	\$98
		10x15		62	150	9,300	6	56	\$126
		10x20		45	200	9,000	5	40	\$160
		Parking	10x25	19	250	4,750	0	19	\$210
10x30	4		300	1,200	0	4	\$255		
Total				393	2,000	48,625	53	340	

#	Property and Location	Unit Type	Dimension	No. Units	SqFt Per Unit	Total SqFt	Number Vacant	Number Occupied	Average Current Rent ²
18	Interstate Property 6017 Interstate 30 Greenville, TX 75402	Climate Controlled	5x5	11	25	275	4	7	\$60
			5x10	17	50	850	2	15	\$88
			5x15	4	75	300	1	3	\$128
			10x10	40	100	4,000	9	31	\$125
			10x15	36	150	5,400	5	31	\$154
			10x20	15	200	3,000	2	13	\$235
			10x25	8	250	2,000	2	6	\$221
			10x30	1	300	300	0	1	\$248
			15x20	1	300	300	0	1	\$274
			10x10	2	100	200	0	2	\$151
		10x15	2	150	300	1	1	\$119	
		10x20	1	200	200	0	1	\$263	
		Non-Climate	5x5	1	25	25	0	1	\$47
			5x15	1	75	75	0	1	\$83
			10x30	2	300	600	0	2	\$180
			5x5	12	25	300	7	5	\$52
			5x10	51	50	2,550	15	36	\$61
			5x15	8	75	600	4	4	\$87
			8x10	1	80	80	0	1	\$77
			10x10	77	100	7,700	10	67	\$84
			8x15	1	120	120	0	1	\$143
			10x15	57	150	8,550	15	42	\$104
			10x20	65	200	13,000	13	52	\$126
			15x15	2	225	450	0	2	\$99
			10x25	19	250	4,750	6	13	\$184
			10x30	1	300	300	0	1	\$230
		12x30	6	360	2,160	0	6	\$245	
20x20	3	400	1,200	0	3	\$249			
Parking	0x15	1	-	-	1	0	\$29		
	0x20	4	-	-	0	4	\$64		
Total				450	4,635	59,585	97	353	
19	Lake Property 1720 Loy Lake Road Sherman, TX 75090	Climate Controlled	5x5	6	25	150	3	3	\$99
			5x10	16	50	800	1	15	\$117
			5x15	1	75	75	0	1	\$151
			10x10	40	100	4,000	9	31	\$158
			10x15	34	150	5,100	4	30	\$210
			10x20	6	200	1,200	0	6	\$226
			10x30	1	300	300	0	1	\$329
		Non-Climate	5x5	15	25	375	9	6	\$40
			5x10	95	50	4,750	49	46	\$59
			5x15	56	75	4,200	3	53	\$70
			5x20	1	100	100	0	1	\$106
			10x10	110	100	11,000	29	81	\$94
			10x15	39	150	5,850	2	37	\$138
			10x20	77	200	15,400	22	55	\$154
10x30	2	300	600	1	1	\$199			
20x20	3	400	1,200	0	3	\$261			
Total				502	2,300	55,100	132	370	

#	Property and Location	Unit Type	Dimension	No. Units	SqFt Per Unit	Total SqFt	Number Vacant	Number Occupied	Average Current Rent ²
20	Wesley Property 8123 Wesley Street Greenville, TX 75402	Climate Controlled	5x5	4	25	100	1	3	\$64
			5x10	24	50	1,200	4	20	\$89
			10x10	40	100	4,000	10	30	\$120
			10x15	20	150	3,000	7	13	\$157
			10x20	17	200	3,400	3	14	\$198
			10x25	16	250	4,000	3	13	\$275
			10x30	1	300	300	1	0	\$230
		15x20	1	300	300	0	1	\$275	
		Non-Climate	5x10	18	50	900	4	14	\$67
			10x10	72	100	7,200	15	57	\$85
			10x15	22	150	3,300	1	21	\$112
			10x20	51	200	10,200	13	38	\$121
			10x30	15	300	4,500	1	14	\$190
		Parking	15x30	6	450	2,700	1	5	\$233
			0x20	5	-	-	3	2	\$53
	0x30	1	-	-	0	1	\$47		
Total				313	2,625	45,100	67	246	
21	Wisconsin Property 2922 South 5 th Court Milwaukee, WI 53207	Non-Climate	5x5	32	25	800	19	13	\$50
			5x8	1	40	40	0	1	\$56
			5x10	83	50	4,150	52	31	\$70
			10x10	7	100	700	3	4	\$102
			10x15	2	150	300	0	2	\$155
			5x8	1	40	40	0	1	\$44
			5x10	1	50	50	0	1	\$66
			5x15	90	75	6,750	28	62	\$77
			10x10	50	100	5,000	14	36	\$107
			10x12	1	120	120	1	0	\$89
			10x15	115	150	17,250	49	66	\$131
			10x20	79	200	15,800	17	62	\$170
			10x25	12	250	3,000	0	12	\$198
			10x30	8	300	2,400	0	8	\$214
			15x20	1	300	300	0	1	\$299
		10x40	5	400	2,000	1	4	\$331	
Parking	0x20	4	-	-	2	2	\$48		
Total				492	2,350	58,700	186	306	
Portfolio Total				11,348	113,532	1,463,248	2,302	9,046	

Total Leasable SF 1,463,248

¹ As of March 6, 2019.

² The Average Current Rent for the billboards and cell towers is listed as an annual rent.

EXHIBIT C

OPINION OF SPECIAL TAX COUNSEL

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Writer's direct phone
(312) 460-5548

Writer's e-mail
smeier@seyfarth.com

April 12, 2019

Self-Storage Portfolio VII DST
c/o Inland Private Capital Corporation
2901 Butterfield Road
Oak Brook, Illinois 60523

Ladies and Gentlemen:

You have requested our opinion (the "Opinion") as to whether, for federal income tax purposes, an investor's acquisition of a beneficial interest in Self-Storage Portfolio VII DST, a Delaware statutory trust described in Chapter 38 of Title 12 of the Delaware Code (the "Parent Trust"), which owns beneficial ownership interests in Four State Storage DST, a Delaware statutory trust described in Chapter 38 of Title 12 of the Delaware Code (the "Operating Trust" and, together with the Parent Trust, the "Trusts"), will be treated as an acquisition of a direct interest in the Real Estate (as defined herein) for purposes of Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code").

Based on the relevant facts and applicable law, and subject to the qualifications discussed below, we conclude that, for federal income tax purposes, the acquisition by an investor (an "Investor") of a beneficial interest in the Parent Trust (an "Interest") should be treated as a direct acquisition of an ownership interest in the Real Estate (as defined below), which is indirectly held by the Parent Trust through the Operating Trust, by the Investor for purposes of Code Section 1031. In reaching this conclusion and in evaluating the issues related thereto, we have not taken into account the possibility that a tax return will not be audited or that an issue will not be raised on audit.

A tax opinion rendered at a "should" level of confidence such as this Opinion involves a greater degree of certainty than a "more likely than not" opinion, but it is not a "will" opinion nor any guarantee of tax consequences. There can be no assurance that the Internal Revenue Service (the "IRS") would agree with our conclusions, would not successfully challenge our conclusions upon audit, or would not prevail in their challenge if litigated.

In addition, qualification of a transaction pursuant to Code Section 1031 for an Investor involves issues based on numerous specific facts which are not and cannot be known to us; therefore, we give no opinion as to the ability of any Investor to effectuate a tax-deferred exchange of like-kind property under Code Section 1031. This Opinion addresses only one aspect of qualifying under Code Section 1031, *i.e.*, whether the acquisition of an Interest can be treated as a direct acquisition of an ownership interest in the Real Estate for purposes of Code Section 1031. We are not opining

as to whether some portion of the Real Estate may be “personal property” as opposed to “real property” for purposes of Code Section 1031, or as to whether any amounts paid by, or deemed paid by, the Investors with respect to certain costs or expenses of the offering, financing costs, and amounts paid to fund reserves will be deemed to constitute other consideration received in the exchange or the acquisition of real estate. Finally, this Opinion does not address any state, local, or non-United States income tax consequences, or any non-income tax consequences, of the transactions described herein.

In giving this Opinion, we have reviewed the following:

(i) the Trust Agreement of the Parent Trust (the “Parent Trust Agreement”), between The Corporation Trust Company, as co-trustee (the “Delaware Trustee”) and Self-Storage Portfolio VII Exchange, L.L.C., a Delaware limited liability company that is an affiliate of Inland Private Capital Corporation, a Delaware corporation (the “Sponsor”), as co-trustee (the “Parent Signatory Trustee”, and together with the Delaware Trustee, the “Parent Trustees”), Self-Storage Portfolio VII, L.L.C., a Delaware limited liability company that is an affiliate of the Sponsor, as the initial beneficiary of the Trust (the “Depositor”), and the Investors;

(ii) the Trust Agreement of the Operating Trust (the “Operating Trust Agreement”) entered into between Delaware Trustee, as co-trustee, Four State Storage Exchange, L.L.C., a Delaware limited liability company that is an affiliate of the Sponsor, as the co-trustee (the “Operating Signatory Trustee”, and, together with the Delaware Trustee, the “Operating Trustees”), and Four State Storage, L.L.C., as the initial beneficiary (the “Operating Depositor”). The Parent Trustees and the Operating Trustees are collectively referred to as the “Trustees”. The Operating Depositor assigned 100% of its beneficial interests in the Operating Trust to the Parent Trust;

(iii) the Purchase and Sale Agreement, dated December 18, 2018, as amended, between IPCC Acquisitions, L.L.C., a Delaware limited liability company that is an affiliate of the Sponsor, as buyer, and twenty-one (21) third-party sellers, and the Assignment and Assumption of Purchase and Sale Agreement, by and between IPCC Acquisitions, L.L.C., as assignor, and the Operating Trust, as assignee, pursuant to which Operating Trust acquired the land and improvements located thereon at the following addresses: (1) 18690 Highway 18, Apple Valley, California; (2) 22075 Highway 18, Apple Valley, California; (3) 67650 East Ramon Road, Cathedral City, California; (4) 500 Radio Road, Palm Springs, California; (5) 1400 South Gene Autry Trail, Palm Springs, California; (6) 72500 Varner Road, Thousand Palms, California; (7) 5141 American Way, Memphis, Tennessee; (8) 3040 Austin Peay Highway, Memphis, Tennessee; (9) 6140 East Shelby Drive, Memphis, Tennessee; (10) 9275 Macon Road, Memphis, Tennessee; (11) 7777 Moriarty Road, Cordova, Tennessee; (12) 3577 New Getwell Road, Memphis, Tennessee; (13) 3686 Old Germantown Road, Memphis, Tennessee; (14) 2700 Poplar Avenue, Memphis, Tennessee; (15) 4705 Winchester Road, Memphis, Tennessee; (16) 6390 Winchester Road, Memphis, Tennessee; (17) 6017 Interstate 30, Greenville, Texas; (18) 8123 Wesley Street, Greenville,

Texas; (19) 1720 Loy Lake Road, Sherman, Texas; (20) 1700 US Highway 75, Sherman, Texas; and (21) 2922 S 5th Court, Milwaukee, Wisconsin (collectively, the “Real Estate”);

(iv) the loan documents (collectively, the “Loan Documents”) with respect to the loan (the “Loan”) from Barclays Capital Real Estate Inc., as lender (the “Lender”), to the Operating Trust, as borrower;

(v) the lease agreement (the “Master Lease”) between Four State Storage LeaseCo, L.L.C., as master tenant (the “Master Tenant”), and the Operating Trust, as master landlord;

(vi) the lease agreements (the “Subleases”) between the Master Tenant, as landlord, and the following types of tenants (collectively “Subtenants”): (1) unaffiliated space tenants who lease storage units and the rentable parking spaces, if any, (2) solely with respect to two parcels, unaffiliated commercial and/or office tenants lease commercial and/or office space, (3) solely with respect to two parcels, unaffiliated third parties lease space on a billboard that is located on the parcel, and (4) solely with respect to two parcels, unaffiliated third parties lease a telecommunications tower located on the parcel;

(vii) the Asset Management Agreement between the Operating Trust and its Operating Signatory Trustee (the Operating Signatory Trustee is referred to in such capacity as the “Asset Manager”);

(viii) the Property Management Agreement between the Master Tenant and Devon Self Storage Holdings (US) LLC, a Delaware limited liability company that is not affiliated with the Sponsor (the “Property Manager”, and together with the Asset Manager, the “Managers”);

(ix) the Private Placement Memorandum with respect to the Interests dated April 12, 2019 (the “Private Placement Memorandum”) (items (i) through (ix) are collectively referred to as the “Transaction Documents”);

(x) applicable provisions of the Code, final, temporary and proposed Treasury Regulations promulgated thereunder, judicial decisions, Revenue Rulings and other interpretative releases of the IRS; and

(xi) such other materials and documents as we considered relevant.

Our Opinion is expressly based upon the following representations from the Sponsor: (i) there are no written or oral agreements, other than the Transaction Documents, or understandings inconsistent with or significant to the transactions contemplated herein, and any final Transaction Documents that were not final as of the date of our review will conform with the Transaction Document drafts we have reviewed in all material respects; (ii) all payments made to the Trusts, the Trustees, the Managers, and their affiliates will be at fair market value; (iii) the Master Lease is a commercially reasonable and customary “triple net” lease; (iv) the Rent (as defined in the Master Lease) payable under the Master Lease constitutes fair market value rent for the Real Estate over

the term of the Master Lease; (v) the Operating Trust has made a substantial equity investment in the Real Estate, reasonably expects the Real Estate to have a substantial remaining economic useful life and residual value at the end of the Master Lease's term (assuming exercise of all renewal terms), and reasonably expects to realize a substantial economic profit from the Master Lease and subsequent further leasing and/or disposition of the Real Estate apart from the value of tax benefits and net of any Disposition Fee payable to the Master Tenant; (vi) the Master Tenant is acting as a principal for its own account and may reasonably be expected to realize a commercially reasonable profit from its lease and sublease of the Real Estate; (vii) the Trusts and Master Tenant intend that the Master Lease constitutes a true lease and not a partnership, a joint venture, or a management, agency or nominee agreement; (viii) none of the Sponsor, the Trusts, the Managers or any affiliate of any thereof has loaned or will loan to any Investor any of the funds necessary to acquire his, her or its Interest in the Parent Trust or has guaranteed or will guarantee any indebtedness incurred by any Investor to acquire his, her or its Interest in the Parent Trust; (ix) none of the Master Tenant, any Subtenants, or any party related to any thereof holds any option to acquire any of the Real Estate; (x) neither the Trusts nor the Trustees has entered into or will enter into any agreement or understanding with any other person or entity creating an agency or nominee relationship and neither the Trusts nor the Trustees has been or will be represented as an agent or nominee of any person or entity in dealings with third parties; and (xi) the Trusts have not opted-out and will not opt-out of their status as separate legal entities pursuant to Section 3810(a)(2) of the Delaware Statutory Trust Act.

In addition, in rendering this Opinion, we have, with your permission, assumed that: (i) the Interests will be acquired by the Investors directly from the Parent Trust and the Depositor's interest in the Parent Trust will be reduced in proportion to the amount of such acquisitions; (ii) none of the Depositor, the Trusts, the Managers, the Trustees, or any Investor has made or will make an election, or has taken or will take any other action, that would cause either Trust to be classified as an association taxable as a corporation or a partnership for federal income tax purposes; (iii) the Transaction Documents (without modification) are properly executed and delivered, and are enforceable in accordance with their terms; (iv) all parties to the Transaction Documents will comply with all provisions of the Transaction Documents, and will take no action inconsistent with the Transaction Documents or any terms of this Opinion; (v) all transactions described in the Private Placement Memorandum have occurred or will occur as described in the Private Placement Memorandum; and (vi) neither the exchanged property nor the replacement property in any Code Section 1031 exchange involving either Trust is, or at any relevant time has been or will be, tax-exempt use property within the meaning of Code Section 470(e)(4)(A). We have further assumed the accuracy and completeness of all documents and records that we have reviewed, 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 herein defined have the meanings ascribed to them in the Transaction Documents.

DELAWARE STATUTORY TRUST ACT

The Delaware Statutory Trust Act (“DSTA”) provides rules for trusts formed thereunder (“Delaware Statutory Trusts”). A Delaware Statutory Trust is an unincorporated association which is created by a trust agreement or other governing instrument under which property is or will be held, managed, administered, controlled, invested, reinvested and/or operated, or business or professional activities for profit are carried on or will be carried on, by a trustee or trustees or as otherwise provided in the governing instrument for the benefit of such person or persons as are or may become beneficial owners or as otherwise provided in the governing instrument. DSTA Section 3801(g).

A Delaware Statutory Trust is required to file a certificate of trust in the office of the Secretary of State of the State of Delaware. DSTA Section 3810(a)(1). Unless otherwise provided in its certificate of trust and in its governing instrument, a Delaware Statutory Trust is a separate legal entity. DSTA Section 3810(a)(2). Except in the case of a Delaware Statutory Trust that is a registered investment company under the Investment Company Act of 1940, as amended, a Delaware Statutory Trust shall at all times have at least one trustee which, in the case of a natural person, shall be a person who is a Delaware resident or which, in all other cases, has its principal place of business in Delaware. DSTA Section 3807(a), (b). A Delaware Statutory Trust may sue and be sued, and the property of a Delaware Statutory Trust is subject to attachment and execution as if it were a corporation. DSTA Section 3804(a). Except to the extent otherwise provided in the governing instrument of a Delaware Statutory Trust, the beneficial owners shall be entitled to the same limitation of personal liability extended to stockholders of Delaware corporations. DSTA Section 3803(a).

Except to the extent otherwise provided in the governing instrument of a Delaware Statutory Trust, a beneficial owner shall have an undivided beneficial interest in the property of the Delaware Statutory Trust and shall share in the profits and losses of the Delaware Statutory Trust in the proportion (expressed as a percentage) of the entire undivided beneficial interest in the Delaware Statutory Trust owned by such beneficial owner. DSTA Section 3805(a). No creditor of the beneficial owner shall have any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the property of the Delaware Statutory Trust. DSTA Section 3805(b). No creditor of the trustee shall have any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the property of the Delaware Statutory Trust with respect to any claim against, or obligation of, such trustee in its individual capacity and not related to the Delaware Statutory Trust. DSTA Section 3805(g). Except to the extent otherwise provided in the governing instrument of a Delaware Statutory Trust, the death, incapacity, dissolution, termination, or bankruptcy of a beneficial owner or a trustee shall not result in the termination or dissolution of a Delaware Statutory Trust. DSTA Section 3808(b). Except to the extent otherwise provided in the governing instrument of a Delaware Statutory Trust, a Delaware Statutory Trust may acquire, by purchase, redemption, or otherwise, any beneficial interest in the Delaware Statutory Trust held by a beneficial owner of the Delaware Statutory Trust. DSTA Section 3818.

Pursuant to an agreement of merger or consolidation, a Delaware Statutory Trust may merge or consolidate with or into one or more Delaware Statutory Trusts or other business entities formed or organized or existing under the laws of the State of Delaware or any other State or the United States or any foreign country or other foreign jurisdiction, with such Delaware Statutory Trust or other business entity as the agreement shall provide being the surviving or resulting Delaware Statutory Trust or other business entity. DSTA Section 3815(a). If the governing instrument of a Delaware Statutory Trust specifies the manner of authorizing a conversion of the Delaware Statutory Trust to another business entity, the conversion shall be authorized as specified in the governing instrument. DSTA Section 3821(a), (b).

RELEVANT PROVISIONS IN THE TRANSACTION DOCUMENTS

A. Parent Trust Agreement

Article I provides in part that all Interests in the Parent Trust shall be of a single class.

Section 2.03 provides that the purposes of the Parent Trust are: (1) to own the beneficial interests in the Operating Trust; and (ii) to conserve and protect the property of the Parent Trust (the “Parent Trust Property”) and to hold the Parent Trust Property for investment purposes. Section 2.03 also provides that neither the Parent Trustees, the Investors, nor their agents shall provide non-customary services with respect to the Real Estate, and that the Parent Trust shall conduct no business other than as specifically provided in Section 2.03.

Section 2.04 states that the Parent Trustees are holding the Parent Trust Property for the benefit of the Investors, subject to the obligations of the Parent Trust under the Loan Documents and other relevant agreements. Section 2.04 further states that it is the intention of the parties to the Parent Trust Agreement that the Parent Trust constitute a “statutory trust” within the meaning of Sections 3801 through 3824 of the DSTA, and that the Parent Trust not constitute an agency, partnership, corporation, association or business trust for federal income tax purposes. Instead, each Investor shall be treated for federal income tax purposes as owning a direct interest in the Real Estate and other Parent Trust Property and agrees to report its Interest consistently with such characterization.

Section 3.01 provides that any proposed assignment, pledge, encumbrance, or transfer, by an Investor of part or all of its Interest is subject to the prior consent of the Parent Signatory Trustee and satisfaction of certain preconditions set forth in the Parent Trust Agreement.

Article IV directs the Parent Signatory Trustee to distribute all available cash to the Investors in accordance with their “Percentages” (as such term is defined in the Parent Trust Agreement), only retaining funds as required for a reasonable reserve as necessary to pay anticipated current and future ordinary Parent Trust expenses. Undistributed cash may be invested only in short-term government obligations and in certificates of deposit or interest-bearing bank accounts with a bank or trust company having a minimum stated capital. All such obligations must be held until maturity and must mature prior to distribution to Investors.

Section 5.01(a) states that the Parent Trust Agreement shall not impose a partnership or joint venture relationship on the Investors, and no Investor shall have any liability for debts or obligations of any other Investor, nor have authority to act on behalf of any other Investor with respect to the Parent Trust Property.

Section 5.01(c) provides that, from and after such time as there is more than one Investor in the Parent Trust, the Parent Trust shall not constitute a business entity, but shall instead constitute an investment trust within the meaning of Treasury Regulation Section 301.7701-4(c) and a “grantor trust” within the meaning of Subpart E of Part 1, Subchapter J of the Code (Code Sections 671 *et seq.*).

Section 5.01(d) provides that the Parent Trust and not the Investors shall have legal title to Parent Trust Property and the Parent Trust Agreement shall not be terminated by reason of the bankruptcy, death or other incapacity of any Investor, or the transfer by any Investor of any interest in the Parent Trust Property. In addition, Section 5.01(d) provides that the Investors shall not be liable for any liabilities or obligations of the Parent Trust or the Parent Trustees or for the performance of the Parent Trust Agreement.

Section 5.02 provides that Investors do not have the right to demand or receive an in-kind distribution of Parent Trust Property from the Parent Trust.

Section 5.03 provides that any sale or conveyance of the Parent Trust Property by the Parent Signatory Trustee is binding on the Investors, and that the Parent Signatory Trustee may not sell the Parent Trust Property and acquire new real estate.

Section 5.04 provides that, except solely with respect to the selection of replacement Parent Trustees in certain circumstances, the Investors have no right to make decisions for, or to operate or manage, the Parent Trust.

Section 6.04 provides that the Parent Trustees shall manage, control, dispose of or otherwise deal with the Parent Trust Property, subject to the restrictions otherwise provided in the Parent Trust Agreement.

Section 7.02 authorizes the Parent Signatory Trustee to take, or cause the Parent Trust to take, all actions necessary to conserve and protect the Parent Trust Property, including: (a) acquiring, owning, conserving, protecting, operating and selling the Parent Trust Property; (b) entering into or assuming and complying with the terms of the Transaction Documents; (c) making distributions to the Investors; (d) entering into agreements for purposes of completing tax-free exchanges of real property with a qualified intermediary as defined in Treasury Regulations under Section 1031 of the Code; (e) notifying the parties of any default by them in the Transaction Documents; (f) solely to the extent necessitated by the bankruptcy or insolvency of a tenant, renegotiating any existing lease(s) or entering into new lease(s) with respect to the Real Estate or renegotiating or refinancing any debt secured by the Real Estate; (g) taking all actions provided for in Section 9.02 of the Parent Trust Agreement; and (h) taking any action which, in the reasoned opinion of tax counsel to the Parent Trust, should not have an adverse effect on either the treatment of the Parent Trust as an

“investment trust” within the meaning of Treasury Regulation Section 301.7701-4(c) or of any beneficiary as a “grantor” within the meaning of Code Section 671.

Section 7.03 prohibits the Parent Trustees from taking the following actions, but such prohibition applies solely to the extent that the effect of taking such actions would be that such actions would constitute the exercise of a power under the Parent Trust Agreement to “vary the investment of the certificate holders” under Treasury Regulation Section 301.7701-4(c)(1) and Revenue Ruling 2004-86: (a) dispose of the Real Estate and acquire new real estate, or reinvest any monies except as provided in Section 4.02 of the Parent Trust Agreement; (b) renegotiate the terms of any loans, enter into new mortgage financing, renegotiate any lease or enter into new leases except in the case of a tenant’s bankruptcy or insolvency; (c) make other than minor non-structural modifications to the Real Estate, other than as required by law; (d) accept any capital from the Investors or any new investors in the Parent Trust except as provided for in the Private Placement Memorandum; or (e) take any other action which in the reasoned opinion of tax counsel to the Parent Trust, should be expected to cause the Parent Trust to be treated as a “business entity” for federal income tax purposes.

Section 9.01 provides that the Parent Trust will dissolve in accordance with Section 3808 of the DSTA, and that each Investor’s share of the Parent Trust Property shall be distributed to the Investors *pro rata* in proportion to each Investor’s percentage interest in the Parent Trust, at the earlier of (a) December 31, 2069, or (b) upon the sale or other disposition of the Parent Trust Property.

Section 9.02 provides that, notwithstanding Section 9.01, if: (1)(a) the Parent Trust Property (or the Operating Trust Property (as defined below)) is in jeopardy of being foreclosed upon due to a default on the Loan; (b) the Parent Trust Property (or the Operating Trust Property) or any portion thereof is subject to a casualty, condemnation or similar event that is not adequately compensated for through insurance or otherwise sufficient to permit restoration of the Parent Trust Property (or the Operating Trust Property) to the same condition as previously existed; or (c) the Parent Signatory Trustee determines that the Investors are at risk of losing all or a substantial portion of their investment in the Interests; and (2) the Parent Signatory Trustee is prohibited from taking actions to cure or mitigate the events described in clauses (a), (b) or (c) by reason of the restrictions set forth in Section 7.03 of the Parent Trust Agreement, then the Parent Signatory Trustee shall take such actions as are described in Section 9.03.

Section 9.03 provides that the Parent Signatory Trustee will terminate the Parent Trust by converting it into a Delaware limited liability company (the “Parent LLC”) and converting or exchanging the Interests with the Investors for equivalent membership interests in the Parent LLC.

B. Operating Trust Agreement

Article I provides in part that all interests in the Operating Trust shall be of a single class.

Section 2.03 provides that the purposes of the Operating Trust are: (i) to acquire and own the Real Estate and any related personal property; (ii) to enter into or assume and comply with the terms of

the Transaction Documents; (iii) to conserve, protect, manage and dispose of the Real Estate; and (iv) to take such other actions as the Operating Trustees deem necessary or advisable to carry out the foregoing. Section 2.03 also provides that the Operating Trust shall hold its property (the “Operating Trust Property”) solely for investment purposes, that neither the Operating Trustees, the Parent Trust, nor their agents shall provide non-customary services with respect to the Real Estate, and that the Operating Trust shall conduct no activities other than as specifically provided in Section 2.03.

Section 2.04 states that the Operating Trustees are holding the Operating Trust Property for the benefit of the Parent Trust, subject to the obligations of the Operating Trust under the Master Lease, the Loan Documents, and other relevant agreements. Section 2.04 further states that it is the intention of the parties to the Operating Trust Agreement that the Operating Trust constitute a “statutory trust” within the meaning of the DSTA, and that Operating Trust not constitute an agency, partnership, corporation, association or business trust for federal income tax purposes. Instead, the Parent Trust shall be treated for federal income tax purposes as owning a direct interest in the Real Estate and other Operating Trust Property and shall be obligated to report its interest consistently with such characterization.

Section 2.05 prohibits each Operating Trust from performing any act in contravention of, or constituting an event of default under, the Loan Documents, requires the Operating Trust to maintain the separateness of the Operating Trust by, for example, maintaining separate books, records, and bank accounts for the Operating Trust; and prohibits the Operating Trust from undertaking (or consenting to) certain bankruptcy-related actions with respect to the Operating Trust.

Section 3.01 provides that any proposed assignment, pledge, encumbrance, or transfer, by the Parent Trust of part or all of its interest is subject to the prior consent of the Operating Signatory Trustee and satisfaction of certain preconditions set forth in the Operating Trust Agreement and the Loan Documents.

Article IV directs the Operating Signatory Trustee to distribute all available cash to the Parent Trust in accordance with its “Percentage” (as such term is defined in the Operating Trust Agreement), only after paying debt service on the Loan and related expenses and retaining funds as required for a reasonable reserve as necessary to pay anticipated current and future ordinary Operating Trust expenses. Undistributed cash may be invested only in short-term government obligations and in certificates of deposit or interest-bearing bank accounts with a bank or trust company having a minimum stated capital. All such obligations must be held until maturity and must mature prior to distribution to the Parent Trust.

Section 5.01(a) states that the Operating Trust Agreement shall not impose a partnership or joint venture relationship, and the Parent Trust shall not have any liability for debts or obligations of any other investor, nor have authority to act on behalf of any other investor with respect to the Operating Trust Property.

Section 5.01(c) provides that, from and after such time as there is more than one Investor in the Parent Trust, the Operating Trust shall not constitute a business entity, but shall instead constitute an investment trust within the meaning of Treasury Regulation Section 301.7701-4(c) and a “grantor trust” within the meaning of Subpart E of Part 1, Subchapter J of the Code (Code Sections 671 *et seq.*).

Section 5.01(d) provides that the Operating Trust and not the Parent Trust shall have legal title to Operating Trust Property and the Operating Trust Agreement shall not be terminated by reason of the bankruptcy, death or other incapacity of the Parent Trust, or the transfer by the Parent Trust of any interest in Operating Trust Property. In addition, Section 5.01(d) provides that the Parent Trust shall not be liable for any liabilities or obligations of the Operating Trust or the Operating Trustees or for the performance of the Operating Trust Agreement.

Section 5.02 provides that Parent Trust does not have the right to demand or receive an in-kind distribution of Operating Trust Property from the Operating Trust.

Section 5.03 provides that any sale or conveyance of the Operating Trust Property by the Operating Signatory Trustee is binding on the Parent Trust, and that the Operating Signatory Trustee may not sell the Operating Trust Property and acquire new real estate.

Section 5.04 provides that, except solely with respect to the selection of replacement Operating Trustees in certain circumstances, the Parent Trust has no right to make decisions for or to operate or manage the Operating Trust.

Section 6.04 provides that the Operating Trustees shall manage, control, dispose of or otherwise deal with the Operating Trust Property, subject to the restrictions set forth in the Operating Trust Agreement.

Section 7.02 authorizes the Operating Signatory Trustee to take, or cause the Operating Trust to take, all actions necessary to conserve and protect the Operating Trust Property, including, but not limited to: (a) acquiring, owning, conserving, protecting, operating and selling the Operating Trust Property; (b) entering into and/or assuming and complying with the terms of the Master Lease, the Loan Documents, and the other Transaction Documents; (c) collecting rents and making distributions to the Parent Trust; (d) entering into agreements for purposes of completing tax-free exchanges of real property with a qualified intermediary as defined in Treasury Regulations under Section 1031 of the Code; (e) notifying the parties of any default in the Transaction Documents; (f) solely to the extent necessitated by the bankruptcy or insolvency of a tenant, renegotiating any existing lease or entering into a new lease(s) with respect to the Real Estate or renegotiating or refinancing any debt secured by the Real Estate; (g) entering into the Asset Management Agreement with the Asset Manager; (h) notifying the Lender of any default under the Operating Trust Agreement; (i) taking all actions provided for in Section 9.02 of the Operating Trust Agreement; and (j) taking any action which, in the reasoned opinion of tax counsel to the Operating Trust, should not have an adverse effect on either the treatment of the Operating Trust as an “investment trust” within the meaning of Regulations Section 301.7701-4(c) or any Investor as a “grantor” within the meaning of Code Section 671.

Section 7.03 prohibits the Operating Trustees from taking the following actions, but solely to the extent that the effect of taking such actions would be that such actions would constitute the exercise of a power under the Operating Trust Agreement to “vary the investment of the certificate holders” under Treasury Regulation Section 301.7701-4(c)(1): (a) dispose of the Real Estate and acquire new real estate, or otherwise reinvest any monies except as provided in Section 4.02 of the Operating Trust Agreement; (b) renegotiate the term of the Loan, enter into new mortgage financing or renegotiate the Master Lease or enter into new leases except in the case of the Master Tenant’s bankruptcy or insolvency; (c) make other than minor non-structural modifications to the Real Estate, other than as required by law; (d) accept any capital from the Parent Trust or any new investor in the Operating Trust except as provided for in the Private Placement Memorandum; or (e) take any other action which in the reasoned opinion of tax counsel to the Operating Trust should be expected to cause the Operating Trust to be treated as a “business entity” for federal income tax purposes.

Section 9.01 provides that the Operating Trust will dissolve in accordance with Section 3808 of the DSTA, and that the Operating Trust Property shall be distributed to the Parent Trust at the earlier of (a) December 31, 2069, or (b) the sale or other disposition of the Operating Trust Property; provided, however, that no such dissolution or winding up will occur so long as any obligation evidenced or secured by any of the Loan Documents remains outstanding and not discharged in full.

Section 9.02 provides that, notwithstanding Section 9.01, if: (1)(a) the Operating Trust Property is in jeopardy of being foreclosed upon due to a default on the Loan; (b) the Operating Trust Property or any portion thereof is subject to a casualty, condemnation or similar event that is not adequately compensated for through insurance or otherwise sufficient to permit restoration of the Operating Trust Property to the same condition as previously existed; or (c) the Operating Signatory Trustee determines that the Parent Trust is at risk of losing all or a substantial portion of its investment in the Operating Trust; and (2) the Operating Signatory Trustee is prohibited from taking actions to cure or mitigate such events by reason of the restrictions set forth in Section 7.03 of the Operating Trust Agreement, the Operating Signatory Trustee shall take such actions as are described Section 9.03.

Under Section 9.03, if the circumstances described in Section 9.02 of the Operating Trust Agreement apply and the Loan Documents prohibit a direct distribution of Operating Trust Property to the Parent Trust (and thus the Investors), the Operating Signatory Trustee: (1) if the circumstances described in Section 9.02 apply to all of the Operating Trust Property, will (a) terminate the Operating Trust by converting it into (or otherwise affecting the transfer of the Operating Trust Property to) a Delaware limited liability company (an “Operating LLC”), which Operating LLC shall acquire the Operating Trust Property subject to the then outstanding obligations of the Operating Trust under the applicable Loan Documents and the Master Lease and assume the Operating Trust obligations under the applicable Loan Documents and the Master Lease; (b) convert or exchange the interests with the Parent Trust (and thus the Investors) for equivalent membership interests in the Operating LLC in termination of the Operating Trust and partial termination of the Parent Trust; and (c) be designated as the manager of the Operating LLC; or (2) if the circumstances in Section 9.02 apply to less than all of the Operating Trust Property, shall (a) contribute the applicable Operating Trust Property (the “Restructure Property”) to an LLC

(a “Restructure LLC”), such Restructure LLC shall acquire the Restructure Property subject to the then outstanding obligations of the Operating Trust under the applicable Loan Documents and Master Lease, become jointly and severally liable for the Operating Trust’s obligations under the applicable Loan Documents and assume the Operating Trust’s obligations under the applicable Master Lease, (b) cause the Restructure LLC to issue ownership interests in the Restructure LLC to the Parent Trust (and thus the Investors) in proportion to the Investors’ ownership interests in the Parent Trust in partial liquidation of such Operating Trust and the Parent Trust; and (c) be designated as the manager of the Restructure LLC.

B. Master Lease

Section 1.1 provides that the initial term of the Master Lease will terminate 120 months from the date of the lease; provided, however, that for so long as any obligation remains outstanding under any of the Loan Documents, the term of the Master Lease shall automatically extend beyond the expiration date and shall continue in full force and effect thereafter until all such obligations have been fully performed and satisfied. Section 20.1 provides that the Master Lease will terminate if the Real Estate is sold.

Section 1.6 provides that the Operating Trust and the Master Tenant agree that the Master Lease is a “true lease” and not a financing arrangement, joint venture, or management arrangement, and that the parties will reflect the transactions embodied in the Master Lease consistent with “true lease” treatment rather than “financing” or “partnership” treatment.

Section 2.1 and Exhibit C provide that the amount of rent payable for a year is equal to: (i) a base amount (the “Base Rent”) equal to debt service, including any reserves or reserve payments required by the Lender; (ii) an amount (the “Additional Rent”) equal to 100% of the Master Tenant’s gross income from the Real Estate between a specifically stated, annually escalating floor (the “Additional Rent Breakpoint”) and a specifically stated, annually escalating ceiling (the “Maximum Additional Rent Amount”); and (iii) thereafter an additional amount (the “Supplemental Rent”) equal to 75% of Master Tenant’s gross income from the Real Estate that exceeds a higher specifically stated, annually escalating floor, calculated on a calendar year basis.

Section 3.1 provides that the Master Tenant will pay “Impositions” relating to real estate taxes and charges for public utilities and premiums for property insurance, which amounts may be adjusted from time to time depending on such Impositions and insurance premiums in amounts sufficient to pay the same when due.

Section 4.2(a) provides that the Master Tenant is required, at its own cost, to maintain the Real Estate and make repairs to it as and when needed.

Section 4.5 provides that the Operating Trust is responsible for certain “Capital Expenditures”, which is defined in the Master Lease to include (i) repairs and replacements of the structure, foundation, roof, exterior walls, the parking lot, and improvements to the Real Estate for the benefit of Property Tenants (including tenant improvements for building out space of Property Tenants), (ii) leasing commissions, (iii) certain hazardous substance costs, (iv) any repairs identified in the

property condition assessment reports, or similar engineering reports, performed in connection with the acquisition of the Real Estate, (v) any insurance deductible, and (vi) other improvements to the Real Estate that would be considered capital expenses under the capitalization policy of the Sponsor, as related to the structure, foundation, roof, exterior walls, the parking lot and improvements to the Real Estate.

Article 6 provides that the Master Tenant shall obtain and maintain insurance in amounts and against risks consistent with insurance coverages obtained and maintained by owners of improved real property.

Section 17.1(b) provides that the Master Tenant may assign the Master Lease to any subsidiary or affiliate of the Master Tenant without prior consent of the Operating Trust provided that the subsidiary or affiliate of the Master Tenant, in the Operating Trust's reasonable discretion, demonstrates a financial position equal to or greater than the Master Tenant and continues to be a subsidiary or affiliate of the Master Tenant for the term of the Master Lease.

Section 17.2(a) provides that the Master Tenant may sublet the whole or any portion of the Real Estate without prior written consent the Operating Trust provided that the term of any sublease must terminate prior to the term of the Master Lease and so long as the subleases contain certain stated provisions.

Section 18.1 provides that if any "Default" occurs, the Operating Trust can give notice of such default and terminate the Master Lease after giving notice. Section 18.1 generally defines "Default" to include, among other things: (a) the failure by the Master Tenant to pay Base Rent when the same became due and payable; (b) the failure to pay any other Rent payable under the Master Lease, which failure is not cured within 10 days after notice; (c) the failure to comply with the other terms, covenants, or conditions of the Master Lease, which such failure is not cured within 30 days after the Master Tenant becomes aware or gains knowledge of the failure; (d) the leasehold demises shall be taken on execution or other process of law in any action against the Master Tenant; (e) the occurrence of certain bankruptcy-related events with respect to the Master Tenant, including but not limited to the filing by the Master Tenant of a voluntary bankruptcy petition (including any petition for reorganization, liquidation, dissolution or similar relief) or the adjudication of the Master Tenant as a bankrupt or insolvent; (f) if the Master Lease or any estate of Master Tenant shall be levied upon under any attachment or execution and such attachment or execution is not vacated within 120 days; (g) if Master Tenant causes or institutes any proceeding, or a final and nonappealable court order is issued, for the dissolution or termination of the Master Tenant; (h) if Master Tenant makes a general assignment for the benefit of creditors or takes any other similar action for protection or benefit of creditors; and (i) any material representation or warranty of the Master Tenant is inaccurate in any material respect.

Section 20.2 provides that the Master Tenant shall receive a disposition fee (the "Disposition Fee") equal to a variable percentage of the gross sales price of the Real Estate (the "Gross Sales Price"), reduced by the amounts used or incurred by the Operating Trust to satisfy or to cause the buyer of the Real Estate to assume any indebtedness of the Trust related to the Real Estate in connection with such sale ("Adjusted Gross Sales Price"). If the Adjusted Gross Sales Price is equal to or less than

110% of the aggregate offering price for Interests in the Operating Trust (as directly allocable to the Real Estate) as reflected in the Private Placement Memorandum (the “Offering Price”), then the Master Tenant will not receive a Disposition Fee. If the Adjusted Gross Sales Price is greater than 110% but less than or equal to 140% of the Offering Price, then the Master Tenant will receive a Disposition Fee equal to 1% of the Gross Sales Price. If the Adjusted Gross Sales Price is greater than 140% but less than or equal to 170% of the Offering Price, then the Master Tenant will receive a Disposition Fee equal to 2% of the Gross Sales Price. If the Adjusted Gross Sales Price is greater than 170% but less than or equal to 200% of the Offering Price, then the Master Tenant will receive a Disposition Fee equal to 3% of the Gross Sales Price. If the Adjusted Gross Sales Price is greater than 200% of the Offering Price, then the Master Tenant will receive a Disposition Fee equal to 4% of the Gross Sales Price. Section 20.2 further provides that the Master Tenant will assign 50% of the Disposition Fee to the Property Manager.

TAX ANALYSIS

It is our opinion that, for federal income tax purposes, the acquisition by the Investors of the Interests should be treated as the direct acquisition by the Investors of the Real Estate for purposes of Code Section 1031.

The principal authority governing the treatment of interests in Delaware statutory trusts for purposes of Code Section 1031 is Revenue Ruling 2004-86, 2004-2 C.B. 191. As more fully described below, our conclusion as to the treatment of the Interests under Code Section 1031 is based largely on the similarity between the facts described in Revenue Ruling 2004-86 and the facts in respect of the Trust, and the Treasury Regulations and case law that form the basis for the revenue ruling.

Treatment of the Interests as Real Property for Purposes of Code Section 1031

Code Section 1031 provides that no gain or loss is recognized on the exchange of real property held for productive use in a trade or business or for investment if such property is exchanged solely for real property of like kind which is to be held either for the productive use in a trade or business or for investment.

Code Section 1031 does not apply to certain types of property, including personal property, stocks, bonds, notes, other securities or evidences of indebtedness or interest, partnership interests and certain trust interests. However, even though these types of interests do not qualify for like-kind exchange treatment, an exchange of such interests may still qualify under Code Section 1031, if the tax law disregards or looks through the legal form of ownership and treats the owner of the interests as directly owning real property underlying such interests.

On July 20, 2004, the IRS issued Revenue Ruling 2004-86, 2004-2 C.B. 191, which held that, assuming the other requirements of Code Section 1031 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 Code Section 1031. The holding of Revenue Ruling 2004-86 is based on certain factual assumptions regarding the provisions of the trust

agreement of the DST, although not all the facts described in the ruling are crucial to its holding. The facts as set forth in Revenue Ruling 2004-86 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 § 483. On January 1, 2005, A uses the proceeds of the loan to purchase Blackacre, 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. 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, Del. Code Ann. title 12, §§ 3801 - 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 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 § 1.1031(k)-1(g). A does not engage in a § 1031 exchange. Whiteacre and Greenacre were held for investment and are of like kind to Blackacre, within the meaning of § 1031.

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 § 267(b) or § 707(b). Z is not related to B, C, or DST's trustee within the meaning of § 267(b) or § 707(b).

The IRS's conclusions in Revenue Ruling 2004-86 were as follows:

- (1) The Delaware statutory trust described above is an investment trust, under § 301.7701-4(c), that 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 above without recognition of gain or loss under § 1031, if the other requirements of § 1031 are satisfied.

The IRS noted that, under the facts of Revenue Ruling 2004-86, if the DST's trustee had the power to do one or more of the following acts, it would be classified as a partnership or other business entity for federal income tax purposes:

- (i) dispose of Blackacre and acquire new property;
- (ii) renegotiate the lease with Z or enter into leases with tenants other than Z;
- (iii) renegotiate or refinance the obligation used to purchase Blackacre;
- (iv) invest cash received to profit from

market fluctuations; or (v) make more than minor non-structural modifications to Blackacre not required by law.

In addition, the 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 the DST’s owners.

Various facts in Revenue Ruling 2004-86 in our view are not determinative of the outcome, including (a) that Blackacre was subject to the note and lease prior to being contributed to the DST, (b) that each owner had a right to an in-kind distribution of the DST’s property, and (c) that the persons who acquired interests in the DST acquired their interests indirectly from the original owner of the DST, rather than the DST itself.

In determining whether an Investor’s acquisition of an Interest “should” be treated as the direct acquisition of an ownership interest in the Real Estate for purposes of Code Section 1031, we analyze below in light of all relevant authorities: (i) the Parent Trust’s classification as an entity separate from the Investors and the Operating Trust’s classification as an entity separate from the Parent Trust (and not as agency arrangements) for federal income tax purposes; (ii) the Trusts’ classification as “investment trusts” (and not as business entities) for federal income tax purposes; (iii) whether the Master Lease constitutes a true lease for federal income tax purposes; (iv) the Trusts’ classification as “grantor trusts” for federal income tax purposes; and (v) the treatment of the Investors as holding direct interests in the Real Estate for federal income tax purposes.

1. Classification of the Parent Trust as an Entity Separate from the Investors and the Operating Trust as an Entity Separate from the Parent Trust for Federal Income Tax Purposes

Under Treasury Regulation Section 301.7701-1(a)(1), 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. Revenue Ruling 2004-86 states that, 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 income tax purposes.

Whether the Trusts are entities separate from their owners for federal income tax purposes depends upon their treatment under local law and the nature of the relationships created among the parties to the Trusts pursuant to the Parent Trust Agreement and the Operating Trust Agreement.

In Revenue Ruling 2004-86, after describing certain relevant provisions of the Delaware Statutory Trust Act, and after observing that the DST was “formed for investment purposes”, the IRS concluded that the DST was an entity for federal income tax purposes. We believe that the Trusts are substantially similar to the DST described in Revenue Ruling 2004-86. First, and most importantly, both the DST and the Trusts are Delaware Statutory Trusts, subject to the provisions of

the DSTA set forth above. Second, Section 2.03 of the Operating Trust Agreement provides that the purposes of the Operating Trust are to acquire, hold, conserve, protect and manage the Real Estate for investment purposes, and to dispose of the Real Estate; and Section 2.03 of the Parent Trust Agreement provides that the purpose of the Parent Trust is to hold interests in the Operating Trust for the benefit of Investors. These provisions of the Trust Agreements of the Trusts are consistent with the purpose of the DST in Revenue Ruling 2004-86 (*i.e.*, “to hold property for investment”). Third, Sections 5.01(a) and 5.01(d) of the Parent Trust Agreement and the Operating Trust Agreement provide that the Investors are not liable for any liabilities or obligations of other Investors, the Trusts or the Trustees or for the performance of the Trust Agreements. These provisions are similar to provisions in the DST’s trust agreement. Fourth, consistent with the DST’s trust agreement, the Trust Agreements do not purport to create agency relationships. In addition, we have assumed for the purposes hereof that none of the Trusts or Trustees has entered or will enter into any agreement with any other person or entity creating an agency or nominee relationship and that neither the Trusts nor the Trustees has been or will be represented as an agent or nominee of any person or entity in dealings with third parties. Accordingly, the Trusts should be respected as entities separate from their owners for federal income tax purposes.

2. Classification of the Trusts as “Investment” Trusts Rather than as Business Entities for Federal Income Tax Purposes

In general, an organization constitutes a trust for tax purposes if it is an arrangement whereby trustees take title to property for the purpose of protecting or conserving it for the beneficiaries. Generally speaking, an arrangement will be treated as a trust for tax purposes if the purpose of the arrangement is to vest in trustees responsibility for the protection and conservation of property for beneficiaries who cannot share in the discharge of that responsibility and, therefore, are not associates in a joint enterprise for the conduct of business for profit. Treasury Regulation Sections 301.7701-1(a)(1), (b), 4(a).

There are other arrangements which are known as trusts because the legal title to property is conveyed to trustees for the benefit of beneficiaries, but which are not classified as trusts for 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 which normally would have been carried on through business organizations that are classified as corporations or partnerships for tax purposes. The fact that the corpus of such a trust is not supplied by the beneficiaries is not sufficient reason in itself for classifying the arrangement as an ordinary trust rather than as a corporation or a partnership for tax purposes. The technical casting of an organization in trust form, by conveying title to property to trustees for the benefit of persons designated as beneficiaries, will not change the real character of the organization if the organization is more properly classified as a corporation or a partnership for tax purposes. Treasury Regulation Section 301.7701-4(b).

An investment trust will not be classified as a trust if there is a power under the trust agreement to vary the investment of the certificate holders. 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 for tax purposes if there is no power under the trust agreement to vary the investment of the certificate holders. An investment trust with multiple classes of ownership interests ordinarily will be classified as a corporation or a partnership for tax purposes. An investment trust with multiple classes of ownership interests will be classified as a trust for tax purposes, however, if the trust is formed to facilitate direct investment in the assets of the trust and the existence of multiple classes of ownership interests is incidental to that purpose and if there is no power under the trust agreement to vary the investment of the certificate holders. Treasury Regulation Section 301.7701-4(c).

The DST in Revenue Ruling 2004-86 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 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 court 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 of even 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 holders’ 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...” (*Id.*), and accordingly that the trust was an association taxable as a corporation.

Revenue Ruling 75-192, 1975-1 C.B. 384, concerned a trust agreement that required the trustee to invest cash on hand between quarterly distribution dates in short term government obligations or in certificates of deposit issued by banks with minimum stated surplus and capital that mature prior to

the following distribution date. The IRS concluded that, because the trust agreement restricted the trustee to 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, 1979-1 C.B. 448, the IRS ruled that a trust formed to hold real property was an ordinary trust under Treasury Regulation Section 301.7701-4(a) and a "grantor trust" within the meaning of Subpart E of Subchapter J, Chapter 1 of the Code (*i.e.*, Code Section 671 *et seq.*), and not a "business entity" within the meaning of Treasury Regulation Section 301-7701-4(b) (*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, 1978-2 C.B. 344, the heirs to certain real estate established a trust and transferred to the trust real estate subject to a net lease. The trust agreement expressly authorized the trustees to acquire additional real estate, to sell assets of the trust, to invest such sales proceeds in certain types of financial products, to borrow money, to mortgage and lease the trust property, and to build or remove improvements from the trust property without the knowledge or consent of the owners of the trust. 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 that the trust was not formed merely to protect and conserve the trust's property and ruled that the trust was taxable as a corporation.

Revenue Ruling 78-371 may be contrasted with Revenue Ruling 75-374, 1975-2 C.B. 261. In this ruling, the IRS addressed the level of joint business activity that would cause co-owners of real estate to be viewed as partners for tax purposes. The co-owners of an apartment project hired an unrelated management company to manage the apartment project; the management company negotiated and executed the leases for the apartment units, collected rents and other payments from tenants, and paid taxes, assessments and insurance premiums relating to the project. The management company performed (i) all services customarily performed in connection with the

¹ See also Private Letter Ruling 9352008 (September 29, 1993), in which the IRS ruled that an ownership interest in real estate should be respected as such for tax purposes and not recharacterized as 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."

maintenance and repair of the apartment project (such as providing heat, air conditioning, hot and cold water, unattended parking, normal repairs, trash removal and cleaning of service areas), and (ii) certain additional services such as attended parking, gas, electricity and other utilities. Customary tenant services were furnished by the management company to the tenants at no additional charge above the basic rental payments. The management company paid the costs incurred in providing the additional services and retained the charges paid by the tenants. The ruling concluded that the co-owners were not partners for tax purposes because the furnishing of customary services in connection with maintenance and repair did not render the co-ownership a partnership. The IRS also found that the management company was not an agent of the co-owners because the co-owners did not share any of the profits realized from the rendition of the non-customary additional services by the management company. Based on IRS's conclusions in Revenue Ruling 75-374, Revenue Ruling 78-371 should not be applicable to situations in which owners of real estate (whether direct or indirect) share only in the proceeds from customary services provided to tenants.

We believe that the arrangements provided for under the Parent Trust Agreement and the Operating Trust Agreement and the Master Lease are similar to the arrangements described in *Chase National Bank* and Revenue Rulings 2004-86, 79-77, 75-192, and 75-374, and are distinguishable from the arrangements discussed in *North American Bond Trust* and Revenue Ruling 78-371. The Trusts satisfy the "one class of interests" requirement because Article I of the Parent Trust Agreement and the Operating Trust Agreement expressly states that the interests in the Trusts are all of one class. Section 2.03 of the Parent Trust Agreement and the Operating Trust Agreement provides that the interests of the Parent Trust in the Operating Trust, and the Operating Trust in the Real Estate, are held for investment purposes only and not for the active conduct of a trade or business, and that the Trusts will only engage in activities that constitute customary services in connection with the maintenance and repair of the Real Estate. Section 2.04 of the Parent Trust Agreement and the Operating Trust Agreement provides that (i) the Real Estate is held for the benefit of the Investors, (ii) it is the intention of the Trustees and the Investors that the Trusts not constitute business entities for tax purposes, and (iii) the Trusts, each Trustee, and each Investor agrees not to take any action inconsistent with the foregoing. Article IV of the Parent Trust Agreement and the Operating Trust Agreement requires the Trustees to distribute available cash monthly, and permits the applicable Trustees to only invest cash in instruments described in Revenue Rulings 75-192 and 2004-86. Section 5.01(c) of the Parent Trust Agreement and the Operating Trust Agreement provides that, from and after the admission of the first Investor (other than the Depositor) to the Parent Trust, the Trusts shall not constitute business entities for federal income tax purposes, but shall instead each constitute an investment trust pursuant to Treasury Regulation Section 301.7701-4(c). Section 7.03 of the Parent Trust Agreement and the Operating Trust Agreement provides that, notwithstanding any other provision of the Parent Trust Agreement and the Operating Trust Agreement, the Trustees shall not take certain specified actions, on their own behalf or on the instruction of the Investors, if the effect of such action would be to "vary the investment" of the Investors under Treasury Regulation Section 301.7701-4(c)(1). The Master Lease is a net lease and, pursuant to the Parent Trust Agreement and the Operating Trust Agreement, the Master Lease may not be renegotiated unless the Master Tenant become bankrupt or insolvent.

We have considered differences between the facts in respect of the Trusts and the facts of Revenue Ruling 2004-86.

The first potentially meaningful difference between the facts in respect of the Trusts and the facts of Revenue Ruling 2004-86 is that Sections 9.02 and 9.03 of the Operating Trust Agreement direct the Operating Signatory Trustee to terminate the Operating Trust by converting it into an LLC, in certain limited circumstances specifically described therein, which are outside the control of the Operating Signatory Trustee and which generally relate to the occurrence of events that threaten some or all of the Real Estate and that cannot be addressed by the Operating Signatory Trustee due to the tax law limitations imposed on the actions of the Operating Trust. The Parent Trust Agreement contains similar provisions.

A second potentially meaningful difference between the facts with respect to the Trust and the facts of Revenue Ruling 2004-86 is that the Sponsor has executed a guaranty agreement (the “Carve-Out Guaranty”) and the Operating Trust and Sponsor have executed an environmental indemnity (the “Environmental Indemnity” and, together with the Carve-Out Guaranty, the “Guaranty”) with the Lender, pursuant to which the Sponsor will guarantee certain obligations with respect to the Loan in the event certain acts occur that are within the control of the Sponsor or the Operating Trust, and the Operating Trust and the Sponsor will indemnify Lender against losses arising out of certain environmental liabilities. We do not believe that such limited guarantees and indemnities should be treated as creating a partnership for income tax purposes between the Trusts (or the Investors) and the Sponsor, or should otherwise be treated as compelling additional capital to be contributed to a Trust in the event the Guaranty is triggered. *Compare*, CCA 201606027 (Oct. 23, 2015) and AM 2016-001 (March 31, 2016).

A third potentially meaningful difference between the facts in respect of the Trusts and the facts of Revenue Ruling 2004-86 is that the Operating Trust owns 21 properties, which are subject to a triple net lease, whereas the DST in the Revenue Ruling 2004-86 owned a single property. We do not believe that the 21 properties subject to a single long-term triple net lease convert the arrangements here in question from the conservation of property for beneficiaries of ordinary trusts into the conduct of business by business trusts. *Cf.*, Rev. Rul. 73-522, 1973-2 C.B. 226 (no U.S. trade or business where foreign lessor owned multiple rental properties subject to long-term net leases).

The three differences described above should not affect the classification of the Trusts as investment trusts under Treasury Regulation Section 301.7701-4(c)(1) because they do not cause the Trusts to have more than a single class of ownership interests and do not create a power to vary the investment of the beneficiaries.

3. Characterization of the Master Lease for Federal Income Tax Purposes

If the Master Lease is not a true lease for federal income tax purposes, then an Interest would not be eligible for a Code Section 1031 exchange because the Investors would not be the tax owners of the Real Estate. If the Master Lease constitutes a partnership agreement for tax purposes, then an Interest in the Parent Trust would also not be eligible for a Code Section 1031 exchange because

partnership interests cannot be exchanged for real property on a tax-free basis. If the Master Lease constitutes a contract under which the Master Tenant manages the Real Estate on behalf of the Operating Trust, then the Operating Trust would not be simply conserving and protecting the Real Estate but rather would be engaged in a business such that the Operating Trust would not constitute a fixed investment trust and the Investors would again not be the tax owners of the Real Estate.

For the reasons discussed below, in our view the Master Lease should be respected as a true lease and not recharacterized as a partnership agreement or management contract for federal income tax purposes.

A. The Master Lease Should be Respected as a True Lease

In 1939, the Supreme Court in *Helvering v. F&R Lazarus & Co.* established that tax ownership in a lease transaction is not determined by the location of title or by the nomenclature adopted by the parties to the transaction: “In the field of taxation, administrators of the laws and the courts are concerned with substance and realities, and formal written documents are not rigidly binding.” Thus, as in other areas of the tax law, substance takes priority over form. In the context of a lease, the fundamental issue is whether, taking into account all the facts and circumstances, the lessor has sufficient benefits and burdens of ownership to be respected as the owner of the leased property for tax purposes, or whether the lessor is in substance a conditional seller, a lender, a holder of an option, some other type of participant in the transaction, or perhaps an accommodation party rather than a real participant in the transaction. *Helvering v. F&R Lazarus & Co.*, 308 U.S. 252, 255 (1939) (lessee is tax owner).

In 1978, the Supreme Court revisited the true lease issue in *Frank Lyon Company v. Commissioner*: “we hold that where, as here, there is a genuine multiple-party transaction with economic substance which is compelled or encouraged by business or regulatory realities, is imbued with tax-independent considerations, and is not shaped solely by tax-avoidance features that have meaningless labels attached, the Government should honor the allocation of rights and duties effectuated by the parties. Expressed another way, so long as the lessor retains significant and genuine attributes of the traditional lessor status, the form of the transaction adopted by the parties governs for tax purposes.” *Frank Lyon Company v. Commissioner*, 435 U.S. 561, 583-84 (1978) (lessor is tax owner).

Both before and after the Supreme Court decisions, the IRS and the courts have considered the true lease issue. It is fair to conclude from the various cases and rulings that the principal aspect of a true lease for tax purposes is the availability to the lessor of a substantial anticipated residual value at the end of the lease term in underlying property in which the lessor has made a substantial equity investment, the enjoyment of which is subject to market forces and conditions, and the opportunity of the lessor, by realizing such residual value, to achieve a substantial economic profit from the lease transaction apart from the value of tax benefits. *See generally*, Michael G. Robinson and William A. Macan IV, “Tax Considerations”, Chapter 3 of Ian Shrank and Arnold G. Gough, Jr. (eds), *Equipment Leasing - Leveraged Leasing* (5th ed. 2014); *see also*, Rev. Proc. 2001-28, 2001-1 C.B. 1156 (IRS advance ruling guidelines for leveraged lease transactions).

The Master Lease is styled as a lease. The Master Lease grants the right to possession and use of the Real Estate to the Master Tenant for a term of years. The Operating Trust has lessor remedies such as repossession of the Real Estate in the case of an uncured event of default. We have assumed for the purposes of this Opinion that the Operating Trust has made a substantial equity investment in the Real Estate, reasonably expects the Real Estate to have a substantial residual value at the end of the Master Lease's term, and reasonably expects to realize a substantial economic profit from the Master Lease and subsequent further leasing or disposition of the Real Estate apart from the value of tax benefits and net of any Disposition Fee payable to the Master Tenant. We note in particular that neither the Master Tenant nor any other person or entity has any option to purchase the Real Estate from the Trusts.

Accordingly, in our view the Master Lease should be respected as a true lease for federal income tax purposes, with the result that the Master Tenant should not be treated as the owner of the Real Estate for tax purposes.

B. The Master Lease Should Not be Recharacterized as a Partnership Agreement

The rent reserved to the Operating Trust under the Master Lease includes a fixed payment, plus a margin, plus a 75% share of the gross revenues of the Master Tenant in excess of a stipulated baseline amount. Such features raise the question of whether, for tax purposes, the Operating Trust and the Master Tenant are in partnership with respect to the Real Estate.

The term "partnership" is defined in Code Sections 7701(a)(2) and 761(a) to include 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 which is not properly classified for tax purposes as a corporation, trust, or estate. After promulgation of the so-called "check-the-box" Regulations in 2008, the substance of any business arrangement involving two or more participants must be examined to determine whether it rises to the level of an organization that is recognized as an entity separate from the participants for tax purposes. *See also*, Treasury Regulation Section 301.7701-2(c)(1) (the term "partnership" means a business entity that is not a corporation and that has at least two members).

An organization need not be an entity under applicable non-tax law to constitute a business entity in a tax sense. Thus, an economic relationship governed by a contract that does not create a juridical entity under local law, such as the relationships created by the Master Lease, may constitute an organization that rises to the level of an entity for purposes of the check-the-box Regulations. A contractual arrangement will create a separate entity for federal income tax purposes and will constitute a business entity potentially classifiable as a partnership for tax purposes "if the participants carry on a trade, business, financial operation, or venture and divide the profits therefrom." Treasury Regulation Sections 301.7701-1(a)(1), (2), -2(a).

At some point sharing in gross revenues above a threshold may amount to sharing in net income, especially where the sharing is without a ceiling that limits the participation in revenues. Moreover, the Master Tenant may share in the residual value of the Real Estate to the extent of the Disposition Fee under the Master Lease. Be that as it may, the Master Lease is a grant of the right to possession

and use of the Real Estate for a term of years, which is the classic indicia of a lease. The Disposition Fee is limited to a maximum of 4% of the Gross Sales Price of the Real Estate. The Master Tenant has not contributed capital to a joint venture with the Operating Trust (rent not in our view being fairly characterized as contributed capital), the Master Tenant does not share in any losses of the Operating Trust, rent is payable to the Operating Trust even if the Master Tenant is operating at a loss, the Operating Trust does not share in the management of the Real Estate during the term of the Master Lease, and the Master Tenant is not held out to taxing authorities or third parties as a partner with the Operating Trust. In addition, we have assumed that the Operating Trust and Master Tenant intend that the Master Lease constitute a true lease and not a partnership or joint venture agreement. Moreover, the Master Lease expressly provides that the parties thereto agree that the Master Lease is a true lease and not a partnership or joint venture agreement.

On balance, we believe that the Operating Trust and the Master Tenant have separate profit motives rather than a joint profit motive, and that the Master Tenant is not engaged in carrying on a trade or business in partnership with the Operating Trust with a view to dividing the profits therefrom within the meaning of the check-the-box Regulations. Accordingly, in our judgment the Master Lease should not be recharacterized as a partnership agreement for federal income tax purposes. *See generally*, William S. McKee, William F. Nelson, Robert L. Whitmire, Gary R. Huffman and James P. Whitmire, *Federal Taxation of Partnerships and Partners* (4th ed. 2007 and 2018 Cum. Supp. No. 4), at para. 3.02, 3.04, 3.05; *see also*, *Commissioner v. Tower*, 327 U.S. 280 (1946); *Commissioner v. Culbertson* 337 U.S. 733 (1949); *Luna v. Commissioner*, 42 T.C. 1067 (1964); *Bussing v. Commissioner*, 88 T.C. 449 (1987), *supplemental opinion*, 89 T.C. 1050 (1987).

C. The Master Lease Should Not be Recharacterized as a Management Contract

If the Master Tenant were recharacterized for tax purposes as a manager of the Real Estate hired by the Operating Trust, then the Operating Trust could be treated as being engaged in an active real estate business and not as mere a passive investor in real estate subject to a long-term net lease. In that event, the Operating Trust would be classified as a corporation or partnership rather than a trust for tax purposes, and the Interests would not be treated as real property potentially eligible for like-kind exchange treatment under Code Section 1031. And, even if the ongoing rental of real estate to tenants did not cause the Operating Trust to be treated as engaged in an active real estate business, the fact that it would be treated as directly engaging in leasing activity with respect to the underlying tenants could cause the Operating Trust to violate the leasing activity prohibition set forth in Revenue Ruling 2004-86.

The Operating Trust has granted to the Master Tenant the right to possession and use of the Real Estate for a term of years. We have assumed that the rent payable under the Master Lease constitutes fair market value rent. Having ceded the right to possession and use of the Real Estate to the Master Tenant, the Operating Trust and its Operating Trustees do not control or have the right to control the day-to-day operations of the Real Estate. Rather, the operations of the Real Estate, including the maintenance thereof, and the collection of rents from tenants, will be handled by the Property Manager under the Property Management Agreement. The Master Tenant and not the Operating Trust will be a party to the Property Management Agreement, and so the Master Tenant and not the Operating Trust has hired agents or independent contractors to utilize the Real Estate on

its behalf to run a commercial leasing business. In addition, and consistent with the foregoing, we have assumed that the Operating Trust and Master Tenant intend that the Master Lease constitute a true lease and not a management, agency, or nominee agreement. And the parties thereto have expressly agreed therein that the Master Lease is a true lease and not a management agreement. In addition, the Sponsor has represented that the Master Tenant is acting as a principal for its own account and may reasonably be expected to realize a commercially reasonable profit from its lease and sublease of the Real Estate.

Accordingly, the Master Lease should be respected as a true lease and not recharacterized as a management, agency, or nominee agreement for federal income tax purposes. *See*, Code Section 7701(e) (a contract which purports to be a service contract shall be treated as a lease of property if such contract is properly treated as a lease of property taking into account all relevant facts including physical possession of the property, control of the property, and the relationship of the contract price to the rental value of the property); *Meagher v. Commissioner*, 36 T.C.M. 1091 (1977) (management contract respected as such and not recharacterized as lease); *McNabb v. Commissioner*, 47 AFTR 2d 81-513 (W.D. Wash. 1980) (agreement constituted lease rather than management contract); *Amerco v. Commissioner*, 82 T.C. 654 (1984) (leases respected as such and not recharacterized as agency agreements).

4. Classification of the Trusts as “Grantor Trusts” for Federal Income Tax Purposes

Under Code Section 671 *et seq.*, where a grantor is treated as the owner of any portion of a trust (commonly referred to as a “grantor trust”), the grantor takes into account for federal income tax purposes the income and deductions which are attributable to that portion of the trust. A grantor trust includes an organization that is properly classified as a trust for federal income tax purposes if the income of the organization may be distributed or held or accumulated for future distribution to the grantor in the discretion of the grantor or a nonadverse party or without the approval or consent of an adverse party. For this purpose, an adverse party is any person having a substantial beneficial interest in the trust which would be adversely affected by the exercise or nonexercise of a power which he possesses respecting the trust. A nonadverse party is any person who is not an adverse party.

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. A grantor also includes any person who acquires any interest in a trust from a grantor of the trust if the interest acquired is an interest in an investment trust. Treasury Regulation Section 1.671-2(e)(1), (3).

Like the DST in Revenue Ruling 2004-86, the Trusts satisfy the Code requirements for qualification as grantor trusts. Section 2.04 of the Parent Trust Agreement and the Operating Trust Agreement provides that each Investor (with respect to the Parent Trust) and the Parent Trust (with respect to the Operating Trust) is to be treated for federal income tax purposes as owning a direct interest in the property held by the underlying Trust. Article IV of the Parent Trust Agreement and the Operating Trust Agreement provides that all available cash of the Trusts is required to be distributed to the Investors pro rata in proportion to their percentage interests in the Parent Trust. Section 5.01(c) of the Parent Trust Agreement and the Operating Trust Agreement provides that, from and

after the admission of the first Investor (other than the Depositor) to the Parent Trust, the Trusts shall each constitute a grantor trust.

The Trusts are grantor trusts because their income is distributed or held for distribution to their beneficiaries without the consent or approval of an adverse party.

5. Treatment of the Investors as Directly Holding Interests in the Real Estate for Federal Income Tax Purposes

Section 671 of the Code provides that where a grantor is treated as the owner of any portion of a trust, there shall then be included in computing the taxable income of the grantor those items of income and deductions of the trust which are attributable to that portion of the trust to the extent that such items would be taken into account in computing taxable income of an individual. Under Code Section 671 a grantor includes in computing his taxable income those items of income and deductions which are attributable to or included in any portion of a trust of which he is treated as the owner. An item of income or deduction included in computing the taxable income of a grantor under Code Section 671 is treated for federal income tax purposes as if it had been received or paid directly by the grantor. Treasury Regulation Section 1.671-2(a), (c).

In Revenue Ruling 2004-86, the IRS held that a person who is treated as the grantor of a grantor trust is considered to own its proportionate share of the assets of the trust for federal income tax purposes. Revenue Ruling 2004-86 went on to hold that an owner of a grantor trust that holds real property is considered to be the owner of an undivided interest in the real property and that, accordingly, real property can be exchanged for an interest in such a grantor trust without the recognition of gain or loss so long as the other requirements of Section 1031 are satisfied.

As indicated above, upon the issuance of the Interests to the Investors, the Trusts will satisfy the tax law requirements for qualification as investment trusts and grantor trusts, and thus the owners of each Trust should be treated under Revenue Ruling 2004-86 as owning direct interests in the property held by the Trusts. Accordingly, the Investors should be treated as owning direct interests in the Real Estate for purposes of Code Section 1031.

CONCLUSION

Based on the facts and the authorities discussed above, we conclude that the acquisition of the Interests by the Investors should be treated as the direct acquisition of interests in the Real Estate for purposes of Code Section 1031.

This Opinion is given in reliance upon the accuracy and completeness of the documents, facts, assumptions and representations described herein. Any misstatement or change of a material fact referred to or omission of any material fact may require an adverse modification of all or a part of our Opinion.

This Opinion is based on existing federal law, including judicial decisions, applicable Treasury Regulations, and current published administrative positions of the IRS, all of which are subject to change either prospectively or retroactively. We assume no responsibility to inform the addressee

or any Investor of any future change in the law. Although this Opinion represents our considered legal judgment, it has no binding effect and, therefore, there can be no assurance that the IRS will not be able to successfully challenge the conclusions reached herein. This Opinion is delivered subject to this understanding and agreement. Finally, this Opinion is intended solely for the use of the Investors and may not be shown to or relied upon by any other party without our express written approval.

Very truly yours,



SEYFARTH SHAW LLP

SRM/RKM

EXHIBIT D

FORECASTED STATEMENT OF CASH FLOWS

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Assumptions and Notes for the Forecast

The forecasts set forth on the following pages are estimates which are based on certain assumptions, as set forth below, and may vary. Please consult the “Risk Factors” section of the Memorandum for events that may cause the actual results to differ. The discussion and forecasts that follow are not intended to constitute legal, accounting or tax advice. Each Investor should consult his, her or its own independent attorneys and other tax advisors regarding a prospective investment, and the tax implications of the Investor’s acquisition of the Interests, including whether such acquisition will qualify as part of a proposed Section 1031 Exchange, if one is contemplated.

1 Acquisitions

Property	Acquisition		Appraised Value	
	Purchase Price	Acquisition Date	Appraised As-Is Value	Date of Value
18690 Highway Property	\$6,430,000	3/29/2019	\$6,430,000	01/04/2019
22075 Highway Property	\$6,359,000	3/29/2019	\$6,400,000	01/04/2019
Atry Property	\$8,330,000	3/29/2019	\$8,400,000	01/04/2019
Cathedral City Property	\$13,740,000	3/29/2019	\$13,740,000	01/04/2019
Radio Property	\$7,788,000	3/29/2019	\$7,900,000	01/04/2019
Thousand Palms Property	\$7,197,000	3/29/2019	\$7,220,000	01/04/2019
4705 Winchester Property	\$1,429,000	3/29/2019	\$1,430,000	12/27/2018
6390 Winchester Property	\$887,000	3/29/2019	\$930,000	12/27/2018
American Property	\$1,094,000	3/29/2019	\$1,180,000	12/27/2018
Austin Property	\$6,037,000	3/29/2019	\$6,040,000	12/27/2018
Germantown Property	\$6,818,000	3/29/2019	\$6,820,000	12/27/2018
Getwell Property	\$1,950,000	3/29/2019	\$1,950,000	12/27/2018
Macon Property	\$7,450,000	3/29/2019	\$7,450,000	12/27/2018
Moriarty Property	\$4,436,000	3/29/2019	\$4,450,000	12/27/2018
Poplar Property	\$12,084,000	3/29/2019	\$12,090,000	12/27/2018
Shelby Property	\$4,385,000	3/29/2019	\$4,390,000	12/27/2018
Highway 75 Property	\$5,198,000	3/29/2019	\$5,200,000	12/29/2018
Interstate Property	\$4,748,000	3/29/2019	\$4,750,000	01/05/2019
Lake Property	\$5,392,000	3/29/2019	\$5,400,000	12/29/2018
Wesley Property	\$3,196,000	3/29/2019	\$3,200,000	01/05/2019
Wisconsin Property	\$3,352,000	3/29/2019	\$4,180,000	01/11/2019
Total	\$118,300,000		\$119,550,000	

2 Financing

Borrower	Lender	Loan Amount	Interest Rate
Four State Storage DST	Barclay's Capital Real Estate Inc.	\$71,000,000	4.14%

3 Maximum Offering Amount

The total acquisition cost for the acquisition of the Properties, comprised of the purchase price of the Properties, the acquisition closing costs and financing costs, is \$120,412,700. The difference between the total acquisition cost and the total proceeds of \$137,230,446 from the Offering represents all estimated costs and expenses related to the offering, marketing, and transferring of the Interests, the initial contribution to the Reserve Account, and the payment of an acquisition fee to IPC in the amount of \$2,957,500. The annualized cash on cash return is calculated based on the \$66.230.446 of Interests.

4 Operating Assumptions

Income / Expenses	Four State Storage DST
Initial Aggregate Gross Potential Rent ¹	\$17,265,216
Base Rent Growth Factor	3.00%
Initial Other Income	
Fee Income	\$933,916
Billboard Income	\$124,477
Insurance Income	\$205,589
Other Income Growth Factor	3.00%
Stabilized Vacancy	2019: 17.88% decreasing 25 bps annually to a stabilized factor of 17.00% in year 2023
Discounts/Concessions/Bad Debt	10.75%
Controllable Expenses	2019: \$3,924,802 general inflation factor of 3.00%
Utilities Expense	2019: \$383,406 general inflation factor of 3.00%
Insurance Expense	2019: \$336,193 general inflation factor of 5.06% in year 2020, 3.00% thereafter
Real Estate Taxes	2019: \$1,934,569 2020: \$1,994,645 2021: \$2,351,133 general inflation factor of 3.00% thereafter

¹ Includes Down Unit Rental Income, of which the forecast assumes 213, 154, and 43 down units are brought online in years 1, 2, and 3, respectively.

5 Management and Trustee Fees

Fee	Four State Storage DST	Self-Storage Portfolio VII DST
Asset Management Fee (Annually)	\$236,600	N/A
Asset Management Fee (Monthly)	\$19,717	N/A
Property Management Fee ¹	5.00%	N/A
Trustee and Administrative Fee ²	\$2,500	\$5,500

¹ Property Management Fee is based on a per store basis and is the greater of \$2,500 or 5.0% of the "Gross Revenue" per month.

² The Trustee Fee consists of an annual fee to CT Corporation Staffing, Inc. for its service as Delaware Trustee to the Trusts, and other administrative fees (with a 3% inflation factor).

6 Initial Master Lease Rent and Breakpoints

Rent / Breakpoints (2019)	Four State Storage DST
(1) Base Rent (on an annual basis)	\$4,136,644
(2) Additional Rent (maximum / year) ¹	\$2,499,000
Additional Rent Breakpoint	\$10,941,000
(3) Supplement Rent	75% of the amount by which annual Gross Income exceeds the Supplement Rent Breakpoint.
Supplement Rent Breakpoint	\$13,440,000

¹ Additional Rent is the amount by which annual Gross Income (as defined in each Master Lease) exceeds the Additional Rent Breakpoint for that year, as provided in each Master Lease.

7 Reserve Accounts

Reserve	Four State Storage DST
Trust Reserve - Initial Contribution	\$6,630,840
2019 Maximum Annual Contribution	\$510,660
Reserve Minimum Balance	\$75,000
Reserve Maximum Balance	\$5,500,000
Lender Reserve - Required Repair	\$1,232,581
Lender Reserve - Replacement Reserve	\$142,892

8 Capital Expenditures and Improvements

Property	Date of Assessment	Immediate Needs	Est. Long-Term Needs	Total Anticipated Needs ¹	Suggested Upgrades ²
18690 Highway Property	01/11/2019	\$68,350	\$651,410	\$719,760	\$750
22075 Highway Property	01/11/2019	\$32,400	\$698,325	\$730,725	\$17,250
Autry Property	01/03/2019	\$69,575	\$307,777	\$377,352	\$36,000
Cathedral City Property	01/04/2019	\$175,750	\$1,717,481	\$1,893,231	\$180,000
Radio Property	01/03/2019	\$77,750	\$722,344	\$800,094	\$750
Thousand Palms Property	01/04/2019	\$128,400	\$486,075	\$614,475	\$0
4705 Winchester Property	01/08/2019	\$371,700	\$231,770	\$603,470	\$250
6390 Winchester Property	01/07/2019	\$63,650	\$505,641	\$569,291	\$250
American Property	01/09/2019	\$51,150	\$542,463	\$593,613	\$250
Austin Property	01/15/2019	\$94,450	\$562,675	\$657,125	\$2,000
Germantown Property	01/07/2019	\$222,150	\$1,053,973	\$1,276,123	\$50,250
Getwell Property	01/09/2019	\$213,950	\$1,114,658	\$1,328,608	\$29,000
Macon Property	01/16/2019	\$212,850	\$251,169	\$464,019	\$14,750
Moriarty Property	01/16/2019	\$169,400	\$184,974	\$354,374	\$500
Poplar Property	01/15/2019	\$350,100	\$765,257	\$1,115,357	\$3,000
Shelby Property	01/08/2019	\$115,500	\$456,895	\$572,395	\$2,500
Highway 75 Property	01/09/2019	\$80,900	\$130,637	\$211,537	\$5,000
Interstate Property	01/10/2019	\$85,655	\$225,891	\$311,546	\$0
Lake Property	01/09/2019	\$61,750	\$115,787	\$177,537	\$0
Wesley Property	01/10/2019	\$52,050	\$109,057	\$161,107	\$0
Wisconsin Property	01/08/2019	\$232,500	\$131,859	\$364,359	\$0
Portfolio Total		\$2,929,980	\$10,966,118	\$13,896,098	\$342,500

¹ Approximately half of the total Immediate Needs were the responsibility of the Sellers, as further outlined in the Capital Expenditures for the Forecasted Trust Reserve Account..

² The Trust intends to make additional minor, non-structural improvements to the Properties as further outlined in the Assessment.

9 Depreciable Basis for Non-1031 Investors

The Forecasted Statement of Cash Flows depicts the Tax Equivalent Yield and the Percentage of Income Sheltered for non-1031 investors, through the Offering, and is based on the following depreciation assumptions. Allocations to building and site are derived from the Cost Approach section of the Appraisals.

Property	Building	Site
18690 Highway Property	78.34%	12.90%
22075 Highway Property	71.29%	18.08%
Autry Property	59.77%	19.22%
Cathedral City Property	72.71%	7.85%
Radio Property	72.51%	9.77%
Thousand Palms Property	75.58%	9.36%
4705 Winchester Property	65.22%	18.90%
6390 Winchester Property	56.96%	27.75%
American Property	58.78%	22.01%
Austin Property	77.30%	9.84%
Germantown Property	64.06%	23.95%
Getwell Property	53.98%	34.08%
Macon Property	65.33%	25.20%
Moriarty Property	59.82%	31.44%
Poplar Property	65.95%	17.17%
Shelby Property	62.80%	20.75%
Highway 75 Property	55.63%	18.38%
Interstate Property	53.87%	29.07%
Lake Property	56.26%	24.80%
Wesley Property	72.47%	18.61%
Wisconsin Property	74.32%	10.60%
Portfolio Total	67.05%	17.43%

Based on certain amounts provided in the Cost Approach section of the Appraisals, aggregate depreciable basis is allocated as indicated in the chart below. The building allocation amount is depreciated over 40 years and the site allocation amount is depreciated annually according to the Modified Accelerated Cost Recovery System (MACRS) method of accelerated asset depreciation required by Internal Revenue Code. The calculations are also based on an assumed effective tax rate of 40% of taxable income.

Offering Price less Initial Reserves	Building	Site
\$129,224,133	\$86,650,678	\$22,525,153

10 Allocated Offering Price

The Parent Trust has estimated the amount of the Offering Price (defined as the sum of the total Offering proceeds and the total loan proceeds, as set forth in the Estimated Use of Proceeds table in the Memorandum) allocated to each Property as set forth in the chart below.

Property	Allocated Offering Price (\$)¹	Allocated Percentage of Total Offering Price
18690 Highway Property	\$7,472,575	5.45%
22075 Highway Property	\$7,283,110	5.31%
Autry Property	\$9,682,746	7.06%
Cathedral City Property	\$16,007,251	11.66%
Radio Property	\$9,103,926	6.63%
Thousand Palms Property	\$8,386,456	6.11%
4705 Winchester Property	\$1,820,816	1.33%
6390 Winchester Property	\$1,021,874	0.74%
American Property	\$1,181,648	0.86%
Austin Property	\$6,852,250	4.99%
Germantown Property	\$7,725,701	5.63%
Getwell Property	\$2,290,188	1.67%
Macon Property	\$8,650,663	6.30%
Moriarty Property	\$5,190,817	3.78%
Poplar Property	\$14,268,806	10.40%
Shelby Property	\$4,979,328	3.63%
Highway 75 Property	\$5,897,586	4.30%
Interstate Property	\$5,537,636	4.04%
Lake Property	\$6,269,284	4.57%
Wesley Property	\$3,694,675	2.69%
Wisconsin Property	\$3,913,110	2.85%
Portfolio Total	\$137,230,446	100.00%

¹ The dollar amount allocated to each Property is the sum of each Property's respective acquisition price (including any debt used to purchase the Properties), reserves and costs associated with the acquisition, financing and the Offering. See "Estimated Use of Proceeds" in the Memorandum for a more detailed discussion of acquisition and financing costs.

Financial Highlights
Self-Storage Portfolio VII DST
Four State Storage DST

21 Self-Storage Facilities located in California, Tennessee, Texas, and Wisconsin

OFFERING SUMMARY

Offering Price	
First Year Proforma Net Operating Income	\$7,058,067
Capitalization Rate ¹	5.40%
Offering Price	\$137,230,446
Offering Proceeds	\$66,230,446
Loan Proceeds	\$71,000,000
Total Sources	\$137,230,446
Application	
<i>Selling Commissions and Fees</i>	
Selling Commission	\$3,311,522
Dealer Fee	\$827,881
Placement Agent Fee	\$1,092,802
Organization & Offering Expenses	\$621,728
Total	\$5,853,933
<i>Costs of Acquisition</i>	
Total Acquisition Cost	\$120,412,700
Acquisition Fee	\$2,957,500
Lender Reserve	\$1,375,473
Initial Trust Reserves	\$6,630,840
Total	\$131,376,513
Total Application	\$137,230,446

Financing Terms	
Mortgage Principal	\$71,000,000
Interest Rate	4.14%
Annual Interest Only Payment	\$2,980,225
Annual Principal and Interest Payment	\$4,136,644
Amortization	5 I/O; 5/30
Maturity Date	April 6, 2029

Forecasted 2019 Return (9 Months)	
Additional Rent	\$2,741,564
Asset Management Fee	(\$177,450)
Trustee and Administrative Fee	(\$6,000)
Cash from Additional Rent	\$2,558,114
Supplemental Rent	\$82,306
Trust Reserve Contribution	(\$82,306)
Net Cash Flow	\$2,558,114
Annualized Cash on Cash Return	5.15%

Total Acquisition Cost	
Real Estate Acquisition Price	\$118,300,000
<i>Acquisition Closing Costs</i>	
Closing and Title Costs	\$166,414
Third Party Reports	\$381,885
Legal Costs	\$188,010
Documentary/Transfer Tax	\$172,309
Acquisition and Due Diligence Overhead	\$409,900
Financing Closing Costs	\$1,318,518
Lender Closing & Transfer Costs	\$690,948
Mortgage Tax	\$32,235
Affiliate Loan Processing Fee	\$71,000
Total Acquisition Cost	\$120,412,700

Application	% of Offering Proceeds	% of Total Proceeds
Selling Commission	5.00%	2.41%
Dealer Fee	1.25%	0.60%
Placement Agent Fee	1.65%	0.80%
Organization & Offering Expenses	0.94%	0.45%
Total	8.84%	4.27%
<i>Costs of Acquisition</i>		
Total Acquisition Cost		87.74%
Acquisition Fee		2.16%
Lender Reserve		1.00%
Initial Trust Reserves		4.83%
Total		95.73%

¹ The Capitalization Rate equals the quotient of (a) the First Year Proforma Net Operating Income divided by (b) the Offering Price less any amounts initially allocated to the Reserve Account(s).

Forecasted Statement of Cash Flows
Self-Storage Portfolio VII DST
Four State Storage DST

21 Self-Storage Facilities located in California, Tennessee, Texas, and Wisconsin

Forecasted Cash on Cash Return

	(9 Months)									(3 Months)	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Effective Gross Income	\$10,189,742	\$14,175,092	\$14,672,192	\$15,154,797	\$15,635,960	\$16,105,039	\$16,588,190	\$17,085,836	\$17,598,411	\$18,126,363	\$4,667,538
Net Operating Income	\$5,218,527	\$7,358,161	\$7,350,512	\$7,611,344	\$7,864,878	\$8,100,824	\$8,343,849	\$8,594,165	\$8,851,989	\$9,117,549	\$2,347,769
Master Lease Rent											
Base Rent	\$3,102,483	\$4,136,644	\$4,136,644	\$4,136,644	\$4,136,644	\$4,136,644	\$4,136,644	\$4,136,644	\$4,136,644	\$4,136,644	\$1,034,161
Debt Service	\$2,235,169	\$2,988,390	\$2,980,225	\$2,980,225	\$2,980,225	\$3,753,893	\$4,136,644	\$4,136,644	\$4,136,644	\$4,136,644	\$1,034,161
Excess Base Rent	\$867,314	\$1,148,254	\$1,156,419	\$1,156,419	\$1,156,419	\$382,751	\$0	\$0	\$0	\$0	\$0
Master Tenant Base Income ¹	\$132,052	\$176,424	\$175,676	\$175,903	\$176,274	\$176,141	\$176,015	\$175,685	\$175,935	\$175,542	\$44,069
Additional Rent											
Additional Rent Breakpoint	\$8,205,750	\$11,130,000	\$11,634,000	\$11,856,000	\$12,084,000	\$12,317,000	\$12,557,000	\$12,804,000	\$13,059,000	\$13,321,000	\$3,398,000
Additional Rent	\$1,874,250	\$2,507,300	\$2,499,200	\$2,499,300	\$2,499,400	\$2,842,700	\$3,225,600	\$3,225,700	\$3,225,800	\$3,225,900	\$806,500
Asset Management Fee	(\$177,450)	(\$236,600)	(\$236,600)	(\$236,600)	(\$236,600)	(\$236,600)	(\$236,600)	(\$236,600)	(\$236,600)	(\$236,600)	(\$59,150)
Trustee and Administrative Fees	(\$6,000)	(\$8,090)	(\$8,183)	(\$8,278)	(\$8,377)	(\$8,478)	(\$8,582)	(\$8,690)	(\$8,800)	(\$8,914)	(\$2,258)
Additional Rent Cash Flow ²	\$2,558,114	\$3,410,864	\$3,410,836	\$3,410,841	\$3,410,843	\$2,980,374	\$2,980,418	\$2,980,410	\$2,980,400	\$2,980,386	\$745,092
Initial Capital	\$66,230,446										
Additional Rent Cash on Cash	5.15%	5.15%	5.15%	5.15%	5.15%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Supplemental Rent											
Supplemental Rent Breakpoint	\$10,080,000	\$13,637,300	\$14,133,200	\$14,355,300	\$14,583,400	\$15,159,700	\$15,782,600	\$16,029,700	\$16,284,800	\$16,546,900	\$4,204,500
Master Tenant Supplemental Rent Income ³	\$27,435	\$134,448	\$134,748	\$199,874	\$263,140	\$236,335	\$201,397	\$264,034	\$328,403	\$394,866	\$115,760
Supplemental Rent	\$82,306	\$403,344	\$404,244	\$599,622	\$789,420	\$709,004	\$604,192	\$792,102	\$985,208	\$1,184,597	\$347,279
Trust Reserve Account	(\$82,306)	(\$403,344)	(\$404,244)	(\$580,000)	(\$745,000)	(\$709,004)	(\$604,192)	(\$792,102)	(\$794,360)	(\$794,360)	(\$198,590)
Supplemental Rent Cash Flow ⁴	\$0	\$0	\$0	\$19,622	\$44,420	\$0	\$0	\$0	\$190,848	\$390,237	\$148,689
Total Cash Flow	\$2,558,114	\$3,410,864	\$3,410,836	\$3,430,463	\$3,455,263	\$2,980,374	\$2,980,418	\$2,980,410	\$3,171,248	\$3,370,623	\$893,781
Total Cash on Cash Return	5.15%	5.15%	5.15%	5.18%	5.22%	4.50%	4.50%	4.50%	4.79%	5.09%	5.40%
Total Master Tenant Income ^{1,3}	\$159,487	\$310,873	\$310,424	\$375,777	\$439,414	\$412,476	\$377,412	\$439,719	\$504,337	\$570,408	\$159,829

Forecasted Principal Amortization

Beginning Principal Balance	\$71,000,000	\$71,000,000	\$71,000,000	\$71,000,000	\$71,000,000	\$71,000,000	\$70,225,032	\$69,012,836	\$67,748,768	\$66,430,608	\$65,063,900
Amortization	\$0	\$0	\$0	\$0	\$0	\$774,968	\$1,212,196	\$1,264,068	\$1,318,160	\$1,366,708	\$361,879
Ending Principal Balance	\$71,000,000	\$71,000,000	\$71,000,000	\$71,000,000	\$71,000,000	\$70,225,032	\$69,012,836	\$67,748,768	\$66,430,608	\$65,063,900	\$64,702,021
Loan to Offering Price	51.74%	51.74%	51.74%	51.74%	51.74%	51.17%	50.29%	49.37%	48.41%	47.41%	47.15%
Yield	5.15%	5.15%	5.15%	5.18%	5.22%	5.67%	6.33%	6.41%	6.78%	7.15%	7.58%

Forecasted Lender Reserve Accounts

	(9 Months)									(3 Months)	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Required Repair Account											
Beginning Balance	\$1,232,581	\$895,943	\$559,305	\$328,167	\$97,029	\$97,029	\$97,029	\$97,029	\$97,029	\$97,029	\$97,029
Reserve Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Expenditures	(\$336,638)	(\$336,638)	(\$231,138)	(\$231,138)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Income 0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$895,943	\$559,305	\$328,167	\$97,029	\$97,029	\$97,029	\$97,029	\$97,029	\$97,029	\$97,029	\$97,029
Replacement Reserve Account											
Beginning Balance	\$142,892	\$142,892	\$142,892	\$142,892	\$142,892	\$142,892	\$142,892	\$142,892	\$142,892	\$142,892	\$142,892
Reserve Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Income 0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$142,892	\$142,892	\$142,892	\$142,892	\$142,892	\$142,892	\$142,892	\$142,892	\$142,892	\$142,892	\$142,892

Forecasted Trust Reserve Account

	(9 Months)									(3 Months)	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Beginning Balance	\$6,630,840	\$5,597,442	\$4,936,167	\$3,672,211	\$2,639,958	\$1,400,792	\$1,059,166	\$574,993	\$741,092	\$470,783	\$903,030
Seller Credit	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Contribution	\$109,742	\$403,344	\$404,244	\$580,000	\$745,000	\$709,004	\$604,192	\$792,102	\$794,360	\$794,360	\$794,360
Suggested Upgrades	(\$342,500)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Expenditures	(\$1,323,525)	(\$1,084,333)	(\$1,684,311)	(\$1,624,066)	(\$1,991,729)	(\$1,055,234)	(\$1,091,424)	(\$628,466)	(\$1,066,937)	(\$364,684)	(\$1,089,318)
Interest Income 0.5%	\$22,885	\$19,714	\$16,111	\$11,813	\$7,562	\$4,604	\$3,058	\$2,463	\$2,268	\$2,571	\$944
Ending Balance	\$5,597,442	\$4,936,167	\$3,672,211	\$2,639,958	\$1,400,792	\$1,059,166	\$574,993	\$741,092	\$470,783	\$903,030	\$609,017

¹ The difference between the Base Rent and the Additional Rent Breakpoint for the Property for a given month, if any, after taking into account any expenses of the Property, will inure to the benefit of the Master Tenant and, therefore, IPC as the sole member of the Master Tenant. Such amounts will not be available for distributions to the Trust or the Investors.

² Additional Rent Cash Flow includes Base Rent and Additional Rent. Additional Rent will be estimated and paid on a monthly basis with year-end reconciliation.

³ Under the Master Lease, the Master Tenant will earn 25% of Gross Income exceeding the Supplemental Rent Breakpoint, as provided in the Master Lease.

⁴ The Supplemental Rent will be paid annually within 90 days of the end of the calendar year.

Forecast of Taxable Income
Self-Storage Portfolio VII DST
Four State Storage DST

21 Self-Storage Facilities located in California, Tennessee, Texas, and Wisconsin

Tax Analysis for Non-1031 Investor¹

	(9 Months)										(3 Months)
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Total Cash Flow	\$2,558,114	\$3,410,864	\$3,410,836	\$3,430,463	\$3,455,263	\$2,980,374	\$2,980,418	\$2,980,410	\$3,171,248	\$3,370,623	\$893,781
Principal Amortization	\$0	\$0	\$0	\$0	\$0	\$774,968	\$1,212,196	\$1,264,068	\$1,318,160	\$1,366,708	\$361,879
Reserve Contribution	\$82,306	\$403,344	\$404,244	\$580,000	\$745,000	\$709,004	\$604,192	\$792,102	\$794,360	\$794,360	\$198,590
Interest Earned	\$22,885	\$19,714	\$16,111	\$11,813	\$7,562	\$4,604	\$3,058	\$2,463	\$2,268	\$2,571	\$944
Tax Depreciation:											
Building ²	(\$1,641,994)	(\$2,189,325)	(\$2,189,325)	(\$2,189,325)	(\$2,189,325)	(\$2,189,325)	(\$2,189,325)	(\$2,189,325)	(\$2,189,325)	(\$2,189,325)	(\$547,331)
MACRS % ³	5.00%	9.50%	8.55%	7.70%	6.93%	6.23%	5.90%	5.90%	5.91%	5.90%	5.91%
Site ⁴	(\$1,138,246)	(\$2,162,667)	(\$1,946,400)	(\$1,752,898)	(\$1,577,608)	(\$1,418,254)	(\$1,343,130)	(\$1,343,130)	(\$1,345,406)	(\$1,343,130)	(\$336,352)
Estimated Taxable Income	\$0	\$0	\$0	\$80,053	\$440,892	\$861,370	\$1,267,410	\$1,506,589	\$1,751,305	\$2,001,807	\$571,512
Before Tax Cash Flow	\$2,558,114	\$3,410,864	\$3,410,836	\$3,430,463	\$3,455,263	\$2,980,374	\$2,980,418	\$2,980,410	\$3,171,248	\$3,370,623	\$893,781
Effective Tax Rate ⁵	40.0%										
Income Tax	\$0	\$0	\$0	\$32,021	\$176,357	\$344,548	\$506,964	\$602,635	\$700,522	\$800,723	\$228,605
After Tax Cash Flow	\$2,558,114	\$3,410,864	\$3,410,836	\$3,398,442	\$3,278,906	\$2,635,825	\$2,473,454	\$2,377,775	\$2,470,726	\$2,569,900	\$665,176
After Tax Return	5.15%	5.15%	5.15%	5.13%	4.95%	3.98%	3.73%	3.59%	3.73%	3.88%	4.02%
Tax Equivalent Yield	8.58%	8.58%	8.58%	8.55%	8.25%	6.63%	6.22%	5.98%	6.22%	6.47%	6.70%
Percentage Sheltered	100.00%	100.00%	100.00%	97.67%	87.24%	71.10%	57.48%	49.45%	44.78%	40.61%	36.06%

¹ This tax analysis only applies to Investors not seeking a tax-deferred exchange. Investors who defer taxes by investing in this Offering carry differing tax bases in their relinquished properties. Therefore, depreciation will vary for such Investors, producing different tax shelters and tax equivalent yields. Tax savings that result from the above described tax shelter would be recaptured upon sale of the Property unless the Investor chooses to participate in a subsequent tax-deferred exchange. Each prospective Investor should consult with his or her own legal, tax, accounting and financial advisors.

The Tax Equivalent Yield represents the yield required to achieve an equivalent After Tax Cash Flow on an interest-bearing investment, which has no shelter from depreciation and would be taxed at the Effective Tax Rate. The Tax Equivalent Yield (TEY) is equal to the After Tax Return (ATR) divided by one minus the Effective Tax Rate (ETR). $TEY = ATR / (1 - ETR)$.

² Allocations to building and site are derived from the Cost Approach section of the appraisal. 67.05% of the property costs are allocated to the building. Additionally, straight-line, 40-year depreciation is assumed.

³ MACRS (Modified Accelerated Cost Recovery System) is the current method of accelerated asset depreciation required by the Internal Revenue Code.

⁴ Allocations to building and site are derived from the Cost Approach section of the appraisal. 17.43% of the property costs are allocated to the site.

⁵ Assumed to be a combined federal and state income tax rate of 40%.

Net Operating Income
Self-Storage Portfolio VII DST
Four State Storage DST

21 Self-Storage Facilities located in California, Tennessee, Texas, and Wisconsin

	(9 Months)									(3 Months)		
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
Market Rental Income	\$12,735,970	\$17,490,733	\$18,015,455	\$18,555,918	\$19,112,596	\$19,685,974	\$20,276,553	\$20,884,850	\$21,511,395	\$22,156,737	\$5,705,360	
Down Unit Rental Income	\$212,942	\$484,775	\$534,885	\$543,538	\$559,844	\$576,639	\$593,938	\$611,757	\$630,109	\$649,013	\$167,121	
Total Rent	\$12,948,912	\$17,975,507	\$18,550,340	\$19,099,456	\$19,672,440	\$20,262,613	\$20,870,491	\$21,496,606	\$22,141,504	\$22,805,749	\$5,872,480	
Other Revenue												
Fee Income	\$700,437	\$961,934	\$990,792	\$1,020,515	\$1,051,131	\$1,082,665	\$1,115,145	\$1,148,599	\$1,183,057	\$1,218,549	\$313,776	
Insurance Income	\$154,192	\$211,756	\$218,109	\$224,652	\$231,392	\$238,334	\$245,484	\$252,848	\$260,434	\$268,247	\$69,074	
Billboard Income	\$93,357	\$128,211	\$132,057	\$136,019	\$140,099	\$144,302	\$148,632	\$153,090	\$157,683	\$162,414	\$41,822	
Total Reimbursement	\$947,986	\$1,301,901	\$1,340,958	\$1,381,187	\$1,422,622	\$1,465,301	\$1,509,260	\$1,554,538	\$1,601,174	\$1,649,209	\$424,671	
Total Income	\$13,896,898	\$19,277,408	\$19,891,298	\$20,480,643	\$21,095,062	\$21,727,914	\$22,379,751	\$23,051,144	\$23,742,678	\$24,454,958	\$6,297,152	
Disc./Consec./Bad Debt	(\$1,391,731)	(\$1,932,367)	(\$1,994,162)	(\$2,053,192)	(\$2,114,787)	(\$2,178,231)	(\$2,243,578)	(\$2,310,885)	(\$2,380,212)	(\$2,451,618)	(\$631,292)	
Vacancy	(\$2,315,425)	(\$3,169,949)	(\$3,224,944)	(\$3,272,655)	(\$3,344,315)	(\$3,444,644)	(\$3,547,984)	(\$3,654,423)	(\$3,764,056)	(\$3,876,977)	(\$998,322)	
Effective Income	\$10,189,742	\$14,175,092	\$14,672,192	\$15,154,797	\$15,635,960	\$16,105,039	\$16,588,190	\$17,085,836	\$17,598,411	\$18,126,363	\$4,667,538	
Expenses												
Salaries	\$1,227,181	\$1,685,328	\$1,735,888	\$1,787,965	\$1,841,604	\$1,896,852	\$1,953,757	\$2,012,370	\$2,072,741	\$2,134,924	\$549,743	
Repair and Maintenance	\$158,133	\$214,255	\$220,683	\$227,304	\$234,123	\$241,146	\$248,381	\$255,832	\$263,507	\$271,412	\$69,889	
Marketing and Administrative	\$1,085,787	\$1,471,135	\$1,515,269	\$1,560,727	\$1,607,549	\$1,655,775	\$1,705,449	\$1,756,612	\$1,809,310	\$1,863,590	\$479,874	
Total Controllable Expenses	\$2,471,101	\$3,370,719	\$3,471,840	\$3,575,995	\$3,683,275	\$3,793,774	\$3,907,587	\$4,024,814	\$4,145,559	\$4,269,926	\$1,099,506	
Utilities	\$287,555	\$389,609	\$401,297	\$413,336	\$425,736	\$438,508	\$451,663	\$465,213	\$479,169	\$493,545	\$127,088	
Taxes	\$1,450,927	\$1,994,645	\$2,351,133	\$2,421,667	\$2,494,317	\$2,569,146	\$2,646,220	\$2,725,607	\$2,807,375	\$2,891,597	\$744,586	
Insurance	\$252,145	\$353,205	\$363,801	\$374,715	\$385,956	\$397,535	\$409,461	\$421,745	\$434,397	\$447,429	\$115,213	
Total Uncontrollable Expenses	\$1,990,627	\$2,737,458	\$3,116,230	\$3,209,717	\$3,306,009	\$3,405,189	\$3,507,345	\$3,612,565	\$3,720,942	\$3,832,570	\$986,887	
Property Management Fee	\$509,487	\$708,755	\$733,610	\$757,740	\$781,798	\$805,252	\$829,409	\$854,292	\$879,921	\$906,318	\$233,377	
Total Expenses	\$4,971,215	\$6,816,931	\$7,321,680	\$7,543,452	\$7,771,082	\$8,004,214	\$8,244,341	\$8,491,671	\$8,746,421	\$9,008,814	\$2,319,770	
Net Operating Income	\$5,218,527	\$7,358,161	\$7,350,512	\$7,611,344	\$7,864,878	\$8,100,824	\$8,343,849	\$8,594,165	\$8,851,989	\$9,117,549	\$2,347,769	



2901 Butterfield Road
Oak Brook, IL 60523
888.671.1031

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