

THIRD AMENDED AND RESTATED PROSPECTUS -- CALIFORNIA RESIDENTS ONLY

RichUncles Real Estate Investment Trust I
(a California Real Estate Investment Trust)
3080 Bristol Street, Suite 550
Costa Mesa, CA 92626
(949) 275-2658

Total Offering: \$100,000,000 (10,000,000 Common Shares at \$10.00 per share)
Minimum Investment: \$500 (50 Common Shares)

RichUncles Real Estate Investment Trust I (sometimes “we,” “our,” “us,” or the “REIT”), a California real estate investment trust organized in 2012, is offering 10,000,000 common shares, \$0.01 par value per share (the “Shares”), at a purchase price of \$10.00 per Share (the “Offering”). We are a real estate investment trust formed primarily to invest, directly or indirectly through investments in non-affiliated entities, in single-tenant income-producing corporate properties located principally in California, which are leased to creditworthy tenants under long-term net leases; however, we may invest up to 20.0% of the net proceeds of this Offering in properties located outside of California. (collectively, the “Properties”). Our goal is to generate a relatively predictable and stable current stream of income for investors and the potential for long-term capital appreciation in the value of our Properties. We intend to qualify as a real estate investment trust, or REIT, for federal income tax purposes, and we are externally managed by our advisor, Rich Uncles, LLC (our “Advisor”).

In order to review and consider this Offering, you must be (a) a natural person who is a resident of the State of California, or (b) an entity (i) which was organized in California, and (ii) which has its principal place of business in California. Additionally, certain investor suitability standards apply, as described below.

This Offering commenced on April 18, 2012, the date it was deemed effective by the California Department of Corporations (the “Commencement Date”). We intend to offer Shares up to and until we sell \$100,000,000 in Shares, consisting of up to \$90,000,000 in Shares in this Offering and up to \$10,000,000 in Shares pursuant to our Dividend Reinvestment Plan. This Offering will terminate upon the earlier of the sale of all of the Shares in this Offering or April 18, 2019, unless extended (the “Termination Date”).

We intend to sell our Shares directly to investors and not through registered broker-dealers and investment advisors who are paid commissions and fees. As a result, we expect that our total expenses will be significantly less than those of other non-exchange listed public REITs that do pay commissions and fees and, as a consequence, we will be able to invest a significantly higher percentage of the proceeds generated from the sale of our Shares into Properties, compared to such other non-exchange listed public REITs.

The minimum investment in Shares is \$500. On April 4, 2012, an entity controlled by Messrs. Wirta and Hofer purchased 20,960 Shares, and we commenced our operations on the Commencement Date.

No later than the 10th anniversary date of the Termination Date, we intend to create a liquidity event for our Share owners, which liquidity event may include the sale of all of our Properties and the dissolution and winding up of our REIT, the listing of our Shares on a national exchange, or the merger of our REIT with another entity that is listed on a national exchange (the “Liquidity Event”).

The terms and conditions of the Shares and this Offering are set forth in this second amended and restated prospectus, including its exhibits and any supplements (the “Prospectus”). Our original prospectus, dated April 7, 2015, as amended and restated on June 12, 2015, is expressly amended and restated and superseded in its entirety by this Second Amended and Restated Prospectus. Investing in the Shares involves a high degree of risk and is suitable only for investors of substantial means who have no need for current liquidity in their investments and who can afford a significant decline in the value of their investments. *See “Risk Factors” beginning on page 10 to read about risks you should consider before investing in the Shares, including:*

- This is a blind pool offering because, other than those described in Exhibit D, we have not identified any other specific real estate to purchase or real estate-related investments to make with the net

proceeds we will receive from this Offering. If we are unable to find suitable investments, we may not be able to achieve our investment objectives.

- We may suffer from delays in locating suitable investments, which could reduce our ability to make distributions to our shareholders and reduce the return on your investment.
- We have a limited operating history on which you can evaluate our ability to successfully provide you with any return on your investment.
- Real estate investments are long-term illiquid investments and may be difficult to sell in response to changing economic conditions.
- There is no public market for the Shares.
- Conflicts of interest could result in the Advisor or its affiliates acting other than in your best interest.
- Our failure to qualify or remain qualified as a REIT would subject us to U.S. federal income tax and potentially state and local tax, and would adversely affect our operations and would reduce our cash available for distribution to you.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense. The use of forecasts in this Offering is prohibited. No one is permitted to make any oral or written predictions about the amount or certainty of any cash benefits or tax consequences which may result from an investment in our Shares.

	Price to Public (1)	Selling Commissions	Dealer Manager Fee	Net Proceeds (Before Expenses)
Public Offering (2)				
Per Share	\$ 10.00	\$ 0.00	\$ 0.00	\$ 10.00
Total Maximum	\$ 100,000,000.00	\$ 0.00	\$ 0.00	\$ 100,000,000.00

(1) The minimum investment in Shares is \$500.00

(2) Includes Shares of common stock offered under our dividend reinvestment plan.

The date of this Prospectus is April 7, 2015,
As Amended and Restated on June 12, 2015,
As Amended and Restated on September 14, 2015
As Amended and Restated on May 19, 2016

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY STATE OR OTHER JURISDICTION OTHER THAN CALIFORNIA.

THE SHARES ARE BEING OFFERED IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER SECTION 3(a)(11) OF THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT"). THE SHARES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR APPROVED, DISAPPROVED, RECOMMENDED OR ENDORSED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. THE COMMISSION DOES NOT PASS UPON THE MERITS OF OR GIVE ITS APPROVAL TO ANY SECURITIES OFFERED OR THE TERMS OF THIS OFFERING, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY PROSPECTUS OR OTHER SELLING LITERATURE. THE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED HEREUNDER ARE EXEMPT FROM REGISTRATION.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY US OR OUR AGENTS. WE WILL MAKE AVAILABLE TO YOU THE OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, US CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING AND TO OBTAIN ADDITIONAL INFORMATION, TO THE EXTENT SUCH INFORMATION IS POSSESSED OR CAN BE OBTAINED WITHOUT UNREASONABLE EFFORT, THAT IS NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION CONTAINED IN THIS PROSPECTUS.

YOU ARE NOT TO CONSTRUE THE CONTENTS OF THIS PROSPECTUS (OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM US, OUR AFFILIATES AND THEIR EMPLOYEES, OR ANY PROFESSIONALS ASSOCIATED WITH THIS OFFERING) AS LEGAL ADVICE. WE MAKE NO REPRESENTATIONS CONCERNING THE TAX CONSEQUENCES OF ANY INVESTMENT IN THE SHARES. YOU SHOULD CONSULT YOUR OWN PERSONAL COUNSEL, ACCOUNTANT AND OTHER ADVISORS AS TO THE LEGAL, TAX, ECONOMIC AND RELATED MATTERS CONCERNING THE INVESTMENT DESCRIBED HEREIN AND ITS SUITABILITY FOR YOU.

CERTAIN PROVISIONS OF OUR AMENDED AND RESTATED DECLARATION OF TRUST, AS AMENDED AND BYLAWS AND OTHER SUPPORTING DOCUMENTS ARE SUMMARIZED IN THIS PROSPECTUS, BUT YOU SHOULD NOT ASSUME THAT SUCH SUMMARIES ARE COMPLETE, AND, YOU ARE SPECIFICALLY REFERRED TO THE DOCUMENTS ATTACHED TO THIS PROSPECTUS AS EXHIBITS AND OTHER INFORMATION FURNISHED HERewith FOR THE COMPLETE INFORMATION CONCERNING YOUR RIGHTS AND OBLIGATIONS.

THE SHARES INVOLVE A HIGH DEGREE OF RISK. THERE CAN BE NO ASSURANCES THAT OUR OBJECTIVES WILL BE REACHED. DUE TO THE ABSENCE OF ANY PUBLIC OR OTHER MARKET FOR THE SALE OF THE SHARES AND BECAUSE OF THE RESTRICTIONS ON TRANSFER OF THE SHARES, YOU WILL BE REQUIRED TO RETAIN YOUR SHARES FOR AN EXTENDED PERIOD.

THE STATEMENTS IN THIS PROSPECTUS ARE MADE AS OF THE DATE OF THIS PROSPECTUS UNLESS OTHERWISE SPECIFIED.

THIS PROSPECTUS SUPERSEDES ALL OTHER INFORMATION WHICH MAY HAVE BEEN PROVIDED TO YOU. IN THE EVENT OF CONFLICT BETWEEN THIS PROSPECTUS AND ANY SUCH OTHER INFORMATION, THIS PROSPECTUS SHALL CONTROL.

YOUR EXECUTION OF THE SUBSCRIPTION AGREEMENT CONTAINED HEREIN CONSTITUTES YOUR UNCONDITIONAL OBLIGATION TO PURCHASE THE SHARES. YOU WILL NOT HAVE THE RIGHT TO WITHDRAW YOUR SUBSCRIPTION OR PAYMENT. WE RESERVE THE RIGHT TO REJECT ANY SUBSCRIPTION FOR ANY REASON, AND NO SALE OF ANY SHARES WILL BE DEEMED TO HAVE OCCURRED UNTIL WE HAVE ACCEPTED YOUR SUBSCRIPTION. SUBSCRIPTIONS NEED NOT BE ACCEPTED IN THE ORDER RECEIVED. PAYMENTS FOR SUBSCRIPTIONS NOT ACCEPTED WILL BE PROMPTLY REFUNDED UPON THE REJECTION OF SUCH SUBSCRIPTION, WITHOUT INTEREST.

SUITABILITY STANDARDS

An investment in our Shares is only suitable for persons who have adequate financial means and desire a long-term investment. In addition, the investment will be illiquid, which means that it may be difficult for an investor to sell its Shares. Persons who may require liquidity within several years from the date of their investment or seek a guaranteed stream of income should not invest in our Shares.

In consideration of these factors, we have established minimum suitability standards for initial Shareholders. These minimum suitability standards require that a purchaser of Shares have, excluding the value of a purchaser's home, furnishings and automobiles, either:

- a net worth of at least \$250,000; or
- a gross annual income of at least \$75,000 and a net worth of at least \$75,000.

In addition, the investment must not exceed ten percent (10%) of the net worth of the investor.

Our Advisor is responsible for determining if investors meet our minimum suitability standards for investing in our Shares. In making this determination, our Advisor will rely on information provided by investors. In addition to the minimum suitability standards described above, our Advisor is required to make every reasonable effort to determine that the purchase of Shares is a suitable and appropriate investment for each investor. This determination shall be based on a review of the information provided by each investor, including age, income, net worth, and other investments held by you, as well as such investor:

- meet the minimum income and net worth standards;
- can reasonably benefit from an investment in our Shares based on your overall investment objectives and portfolio structure;
- are able to bear the economic risk of the investment based on your overall financial situation; and
- have an apparent understanding of:
 - the fundamental risks of an investment in our Shares;
 - the risk that you may lose your entire investment;
 - the lack of liquidity of our Shares;
 - the restrictions on transferability of our Shares;
 - the background and qualifications of our Advisor; and
 - the tax and ERISA consequences of an investment in our Shares.

Our Advisor will maintain records for at least six years of the information used to determine that an investment in the shares is suitable and appropriate for each investor.

The income and net worth standards set forth above do not apply to participant-directed purchases under a 401(k) or other defined contribution plan where the authorized plan fiduciary has approved our Shares as an available investment option under such plan. In addition, in the case of sales to fiduciary accounts (such as a trust, pension or profit sharing plan), the suitability standards may be met by the fiduciary account, by the person who directly or indirectly supplied the funds for the purchase of the Shares or by the beneficiary of the account.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

When used in this Prospectus, the words “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “potential,” or “continue,” “may,” “will,” “should,” and similar expressions are intended to identify forward-looking statements. We wish to advise readers that actual results may differ substantially from such forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the statements, including, but not limited to, the following: our ability to continue as a viable concern, our ability to obtain financing via this Offering in order to implement our business plan and other risks detailed in “Risk Factors”, beginning on page 10.

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Exhibits

Exhibit A	Subscription Agreement
Exhibit B	Amended and Restated Declaration of Trust, as amended
Exhibit C	Bylaws
Exhibit D	List of Properties
Exhibit E	Dividend Reinvestment Plan
Exhibit F	Advisory Agreement
Exhibit G	Audited Financial Statements of RichUncles Real Estate Investment Trust I (formerly Nexregen Real Estate Investment Trust I)

QUESTIONS AND ANSWERS CONCERNING THIS OFFERING

The following questions and answers about this Offering highlight material information regarding us and this Offering that is not otherwise addressed in the “Prospectus Summary” section of this Prospectus. You should read this Prospectus in its entirety, including the section entitled “Risk Factors,” before deciding to purchase any of the Shares offered by this Prospectus.

Who is RichUncles, and, what does it intend to do?

RichUncles, LLC (“**RichUncles**”, formerly named Nexregen, LLC) is a Delaware limited liability company that was founded by Raymond E. Wirta and Harold C. Hofer for a single purpose – to make direct real estate investment easier and less expensive for the small investor. Typically, the sponsor of a non-exchange listed public REIT has an in-house dealer-manager that is responsible for marketing shares in its REIT to broker-dealers licensed with FINRA and investment advisers or financial planners who are licensed with the SEC or state securities administrators. The broker-dealer or financial planner usually receives 5% to 7% of his or her clients’ investment in the REIT as a commission. Additionally, the dealer-manager may also receive a commission, in the 2% to 3% range. Finally, the broker-dealer or financial planner may be reimbursed for costs associated with due diligence in an amount equal to 1% to 2% of the investment amount. When one adds up all of these commissions and reimbursements, approximately 10% of the cost of the REIT shares is spent on broker-dealer and dealer-manager costs. RichUncles has created an alternate distribution channel for the sale of non-exchange listed public REITs that excludes payment of commissions and expense reimbursements to advisory intermediaries. This alternate channel embraces the large scale reach of the internet, and the ease of access to and transparency of information contained over the internet. Thus, RichUncles believes that with this ease and transparency, RichUncles can deliver a real estate product to the market that has roughly 10% more of the investment amount actually being invested in real estate rather than being paid to others in the form of commissions and reimbursements. To bring its concept to the market in California, RichUncles formed RichUncles Real Estate Investment Trust I (formerly named Nexregen Real Estate Investment Trust I) to acquire the Properties.

Who is RichUncles Real Estate Investment Trust I, and, what do you intend to do?

RichUncles Real Estate Investment Trust I is a California real estate investment trust organized in 2012 that intends to qualify as a real estate investment trust for federal income tax purposes. We anticipate that the Properties that we acquire and hold, either directly or indirectly, will primarily consist of single-tenant income-producing corporate properties principally located in California, which are leased to creditworthy tenants under long-term net leases; however, we may invest up to 20.0% of the net proceeds of this Offering in properties located outside of California. For tax, financing and other reasons, we may hold title to Properties in the names of wholly-owned subsidiaries.

What are your investment objectives? What is your distribution policy?

Our primary investment objectives are:

- to provide you with attractive and stable cash dividends; and
- to preserve and return your capital contribution.

We will also seek to realize growth in the value of our investment by timing the sale of the Properties to maximize asset value. We may return all or a portion of your capital contribution in connection with the sale of the REIT or the Properties. Alternatively, you may be able to obtain a return of all or a portion of your capital contribution in connection with the sale of your Shares. Though we intend to make quarterly distributions to our shareholders from cash flow from our operations, we may be unable or limited in our ability to make distributions to you.

While initial purchases of Properties will be funded with funds received from the sale of Shares, we anticipate incurring mortgage debt (not to exceed 40.0% of total value of all of our Properties) against pools of individual Properties, pledging such Properties as security for that debt to obtain funds to acquire additional Properties.

Additionally, no later than the 10th anniversary date of the Termination Date, we intend to create a liquidity event for our Share owners, which liquidity event may include the sale of all of our Properties and the dissolution and winding up of our REIT, the listing of our Shares on a national exchange, or the merger of our REIT with another entity that is listed on a national exchange.

What is a REIT?

In general, a REIT is an entity that:

- combines the capital of many investors to acquire real estate investments;
- allows individual investors to invest in a professionally managed, large-scale real estate assets;
- pays dividends to investors of at least 90% of its annual REIT taxable income (computed without regard to the dividends paid deduction and excluding net capital gain); and
- avoids the “double taxation” treatment of income that normally results from investments in a corporation because a REIT is not generally subject to federal corporate income taxes on that portion of its income distributed to its shareholders, *provided* certain income tax requirements are satisfied.

However, under the Internal Revenue Code of 1986, as amended, REITs are subject to numerous organizational and operational requirements. If we fail to qualify for taxation as a REIT in any year after electing REIT status, our income will be taxed at regular corporate rates, and we may be precluded from qualifying for treatment as a REIT for the four-year period following our failure to qualify. Even if we qualify as a REIT for federal income tax purposes, we may still be subject to state and local taxes on our income and property and to federal income and excise taxes on our undistributed income.

Are there any risks involved in an investment in your shares?

Yes. Investing in our Shares involves a high degree of risk. You should carefully review the “Risk Factors” section of this Prospectus, which contains a detailed discussion of the material risks that you should consider before you invest in our common stock.

What percentage of the gross proceeds from this Offering will you invest in real estate?

Assuming that we sell all the Shares offered in this Offering, we expect to use approximately 97.0% of the gross proceeds to make investments in Properties. We will use the remaining approximately 3.0% of the gross proceeds to pay organization and Offering costs and acquisition fees.

What is the role of the Board of Trust Managers?

We operate under the direction of our board of trust managers, which has a fiduciary duty to act in the best interest of our shareholders. Additionally, the trust managers have a fiduciary duty to our shareholders to supervise our relationship with our Advisor. Our trust managers will approve our investment in the Properties, communicate with our Advisor, and oversee our operations.

Who is your Advisor and what will the Advisor do?

RichUncles, LLC is our Advisor and is responsible for the management of the REIT. As our Advisor, RichUncles will provide Advisory services and necessary administrative functions for the management of our REIT, including but not limited to regulatory compliance and investor relations. As the Advisor to the REIT, RichUncles will oversee the management the Properties. Messrs. Wirta and Hofer, two of our executive officers, acting through RichUncles, will make most of the decisions regarding asset-management, marketing, investor-relations and other administrative services on our behalf with the goal of maximizing our operating cash flow.

What is the experience of your Advisor?

RichUncles is a limited liability company that was formed in the State of Delaware on May 5, 2006 as Nexregen, LLC. RichUncles has sponsored one previous real estate investment trust, Nexregen Firewheel Real Estate Investment Trust (“**Firewheel**”), in 2007 to invest in a limited partnership that owned a shopping center in Garland Texas. RichUncles sold \$360,500 of the trust’s common stock and \$1,497,222 in direct limited partnership interests to the public in a Texas-only offering registered with the Texas State Securities Board in 2007 and 2008. The trust converted to a limited partnership in 2008 and continues to hold its interest in the shopping center. *See Prior Performance Summary, page 38.*

Messrs. Wirta and Hofer have each been involved in real estate acquisition, financing, management, and disposition for more than 30 years. They have experienced multiple real estate cycles in their careers and have the expertise gained through hands-on experience in acquisitions, asset management, dispositions, development, leasing and property and portfolio management. We believe the experience of Messrs. Wirta and Hofer will allow us to successfully execute our business model. *See Description of Business – Our Management, page 25.*

What conflicts of interest will your Advisor face?

Our Advisor and its affiliates will experience conflicts of interest in connection with the management of our business. Messrs. Wirta and Hofer, our executive officers, indirectly own and control RichUncles. Some of the material conflicts that RichUncles and its affiliates will face include the following:

- RichUncles and its affiliates will have to allocate their time between us and other real estate programs and activities in which they are involved;
- The negotiation of any fees paid to RichUncles or any of their affiliates will not be at arm’s length; and
- RichUncles may terminate the Advisory Agreement without penalty upon 60 days’ written notice and, upon termination of the Advisory Agreement, RichUncles may be entitled to a termination fee if (based upon an independent appraised value of the portfolio) it would have been entitled to a subordinated participation in net cash flows had the portfolio been liquidated on the termination date.

Who owns and controls the Advisor?

Mr. Wirta, through OIF, and Mr. Hofer, control and own our Advisor, RichUncles.

Do you pay fees to your Advisor or any of its affiliates?

Yes, our Advisor and its affiliates will receive compensation and reimbursement for services relating to this Offering, management of the REIT, and management and operation of the Properties. These payments are further described in the Prospectus Summary. As of the date of this Prospectus, Messrs. Wirta and Hofer have not received any compensation from us for services provided in their capacity as principals of our Advisor or its affiliates.

Who can buy Shares?

You can generally buy shares pursuant to this Offering if you have either: (i) a net worth of at least \$250,000; or (ii) annual gross income of at least \$75,000 and a net worth of at least \$75,000. In calculating your net worth, you should exclude the value of your home, furnishings and automobiles. In addition, the investment must not exceed ten percent (10%) of your net worth.

Is there a minimum purchase?

Yes, you must initially invest at least \$500 (50 Shares).

Who do I contact for additional information?

If you have more questions about this Offering, you can submit your inquiries to us at info@richuncles.com.

PROSPECTUS SUMMARY

This Prospectus Summary highlights material information regarding our business and this Offering that is not otherwise addressed in the *Questions and Answers about this Offering* section of this Prospectus. You should read and consider this entire Prospectus, including the section entitled *Risk Factors*, before deciding to purchase any common shares offered by this Prospectus.

RichUncles Real Estate Investment Trust I

RichUncles Real Estate Investment Trust I is a California real estate investment trust organized in 2012 as Nexregen Real Estate Investment Trust I that intends to qualify as a real estate investment trust for federal income tax purposes. We intend to use the proceeds of this Offering to acquire Properties. Our office is located at 3080 Bristol Street, Suite 550, Costa Mesa, CA 92626. Our telephone number is (949) 275-2658. Our Web site address is www.richuncles.com.

Our Board of Trust Managers

We operate under the direction of our board of trust managers, which has a fiduciary duty to act in the best interest of our shareholders. Additionally, the trust managers have a fiduciary duty to our shareholders to supervise our relationship with our Advisor. Our trust managers will approve our investment in the Properties, communicate with our Advisor, and oversee our operations. We currently have five trust managers, three of whom are independent trust managers. Our trust managers are elected annually by our shareholders. Our three independent trust managers are required to review and approve all matters the board of trust managers believes may involve a conflict of interest between us and our Advisor or its affiliates.

Our Advisor

Our Advisor is RichUncles, LLC, which is owned and controlled by Mr. Wirta, through OIF, and Mr. Hofer. Our Advisor will provide Advisory services and necessary administrative functions for the management of our REIT, including but not limited to regulatory compliance and investor relations. Our Advisor may contract with other RichUncles entities or affiliates to perform these functions. Our Advisor is also the sole member of NexFire GP, LLC, which is the general partner of Nexregen Firewheel, L.P., which owns a shopping center in Garland, TX. *See Prior Performance Summary, p. 39.*

All of our administrative functions and operations are managed and performed by our Advisor and its affiliates. We do not have any employees. Messrs. Wirta and Hofer, our executive officers, acting through our Advisor, make most of the decisions regarding asset-management, investor-relations and other administrative services on our behalf with the goal of maximizing our operating cash flow.

We entered into an Advisory Agreement with our Advisor, which was unanimously approved by our board of trust managers, including our independent trust managers, and which appointed our Advisor to manage, operate, direct and supervise our operations. Our Advisor is subject to the supervision of our board of trust managers and provides only the services that are delegated to it. Our independent trust managers are responsible for reviewing the performance of our Advisor and determining that the compensation paid to our Advisor is reasonable in relation to the nature and quality of services performed and that our investment objectives are being carried out.

Messrs. Wirta and Hofer have each been involved in real estate acquisition, financing, management, and disposition for more than 30 years. They have experienced multiple real estate cycles in their careers and have the expertise gained through hands-on experience in acquisitions, asset management, dispositions, development, leasing and property and portfolio management. We believe the experience of Messrs. Wirta and Hofer will allow us to successfully execute our business model. *See Description of Business – Our Management, page 25.*

Our Investment Objectives

Our primary investment objectives are:

- to provide you with attractive and stable cash dividends; and

- to preserve and return your capital contribution.

We will also seek to realize growth in the value of our investment by timing the sale of the Properties to maximize asset value. We may return all or a portion of your capital contribution in connection with the sale of the REIT or the Properties. Alternatively, you may be able to obtain a return of all or a portion of your capital contribution in connection with the sale of your Shares. Though we intend to make quarterly distributions to our shareholders from cash flow from our operations, we may be unable or limited in our ability to make distributions to you.

While initial purchases of Properties will be funded with funds received from the sale of Shares, we anticipate incurring mortgage debt (not to exceed 40.0% of total value of all of our Properties) against pools of individual Properties, pledging such Properties as security for that debt to obtain funds to acquire additional Properties.

Additionally, no later than the 10th anniversary date of the Termination Date, we intend to create a liquidity event for our Share owners, which liquidity event may include the sale of all of our Properties and the dissolution and winding up of our REIT, the listing of our Shares on a national exchange, or the merger of our REIT with another entity that is listed on a national exchange.

Our Properties

As of the date of this Prospectus, other than those described in Exhibit D, we have not acquired or contracted to acquire any real estate or real estate-related investments. Our Advisor has not identified any other real estate to purchase or any real estate-related investments to make with the net proceeds we will receive from this Offering. We anticipate that the Properties that we own, either directly or indirectly, will primarily consist of single-tenant income-producing corporate properties principally located in California, which are leased to creditworthy tenants under long-term net leases; however, we may invest up to 20.0% of the net proceeds of this Offering in properties located outside of California. For tax, financing and other reasons, we may hold title to Properties in the names of wholly-owned subsidiaries.

Compensation, expense reimbursement, and Advisor participation interest

Our Advisor and its affiliates will receive compensation and reimbursement for services relating to this Offering, management of the REIT, and management and operation of the Properties. We will also compensate our independent trust managers for their service to us.

COMPENSATION

<i>Type of Compensation or Expense and Recipient</i>	<i>Method of Payment</i>	<i>Estimated Minimum Investment / Maximum Amount</i>
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ORGANIZATIONAL AND OFFERING STAGE

Reimbursement of Organization and Offering	We will reimburse our Advisor actual organizational and offering expenses up to 3.0% of gross offering proceeds.	\$50.00 / \$3,000,000.00
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OPERATIONAL STAGE

Acquisition Fees	For each acquisition, we will pay our Advisor the greater of \$25,000 or 2.0% of the cost of the investment, not to exceed 6.0% when combined with all other broker fees related to such acquisition.	Indeterminate
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<i>Type of Compensation or Expense and Recipient</i>	<i>Method of Payment</i>	<i>Estimated Minimum Investment / Maximum Amount</i>
Asset Management Fee	We will pay our Advisor 0.6% of the average invested assets. For purposes of this fee, “average invested assets” means, for any period, the average of the aggregate book value of our assets invested, directly or indirectly, in Properties, before reserves for depreciation or bad debts or other similar non-cash reserves, computed by taking the average of these values at the end of each month during the period.	Indeterminate
Financing Coordination Fee	Other than with respect to any mortgage or other financing related to a Property concurrent with its acquisition, if our Advisor provides services in connection with the post-acquisition financing or refinancing of any debt that we obtain relative to Properties or the REIT, we will pay the Advisor or its assignees a financing coordination fee equal to 1.0% of the amount of such financing.	Indeterminate
Property Management Fees	If our Advisor provides property management services for our Properties, we will pay fees equal to 1.5% of gross revenues from the Properties managed. We also will reimburse the property manager for property-level expenses that it pays or incurs on our behalf, including salaries, bonuses and benefits of persons employed by the property manager except for the salaries, bonuses and benefits of persons who also serve as one of our executive officers or as an executive officer of the property manager. Our property manager may subcontract the performance of its property management duties to third parties and pay all or a portion of its property management fee to the third parties with whom it contracts for these services.	Indeterminate
Leasing Commissions	If our Advisor provides a substantial amount of the services in connection with the leasing of a Property or Properties to unaffiliated third parties, we will pay our Advisor leasing commissions equal to 6.0% of the rents due pursuant to such lease for the first ten years of the lease term; <i>provided, however</i> (i) if the term of the lease is less than ten years, such commission percentage will apply to the full term of the lease and (ii) any rents due under a renewal of a lease of an existing tenant upon expiration of the initial lease agreement (including any extensions provided for thereunder) shall accrue a commission of 3.0% in lieu of the aforementioned 6.0% commission. To the extent that unaffiliated real estate brokers assist in such leasing efforts, any compensation paid by us to such brokers will correspondingly reduce the fees due to our Advisor.	Indeterminate

<i>Type of Compensation or Expense and Recipient</i>	<i>Method of Payment</i>	<i>Estimated Minimum Investment / Maximum Amount</i>
Operating Expenses	Unless our trust managers make a finding, based on nonrecurring and unusual factors which they deem sufficient, that a higher level of expenses is justified for a period, we will reimburse our Advisor's costs of providing administrative services, subject to the limitation that we will not reimburse our Advisor for any amount by which our operating expenses (including the asset management fee) at the end of the four preceding fiscal quarters exceeds the greater of (i) 2% of average invested assets and (ii) 25% of net income other than any additions to reserves for depreciation, bad debt or other similar noncash reserves and excluding any gain from the sale of assets for that period. In the event that annual operating expenses exceed these limits as of the end of any fiscal quarter (for the 12 months then ended) the trust managers must within 60 days after the end of such quarter inform the shareholders of the factors the trust managers considered in arriving at the conclusion that such higher operating expenses were justified. If the trust managers do not determine the higher expenses were justified for the period, they must cause the Advisor to reimburse us to the extent these limitations were exceeded. Additionally, we will not reimburse our Advisor for personnel costs in connection with services for which the Advisor receives acquisition fees or disposition fees.	Indeterminate

DISPOSITION / LIQUIDATION STAGE

Disposition Fees	In connection with the sale of Properties, we will pay our Advisor one-half of the total brokerage commission paid; <i>provided, however</i> , that in no event may the disposition fee paid to our Advisor, exceed 3% of the contract sales price.	Indeterminate
Subordinated Participation Fee	15% of the proportionate share of net sales proceeds after return to investors (from all sources including operating cash flow) of gross offering proceeds plus a 6.0% cumulative, non-compounded return on gross offering proceeds payable to our Advisor; <i>provided, however</i> , our Advisor shall assign the pro rata portion of the Subordinate Participation Fee attributable to investors subscribing for at least 5000 shares (\$50,000) (the "Large Investors") to us for distribution, on a pro rata basis, to such Large Investors.	Indeterminate

Distributions to Shareholders

In order to qualify as a REIT for federal income tax purposes, we must distribute at least 90% of our taxable income (excluding capital gains) to our shareholders. We intend, although we are not legally obligated, to continue to make regular quarterly distributions to holders of our Shares at least at the level required to maintain our REIT status unless our results of operations, our general financial condition, general economic conditions or other factors inhibit us from doing so. Distributions are authorized at the discretion of our board of trust managers, which is directed, in substantial part, by its obligation to cause us to comply with the REIT requirements of the Internal Revenue Code. Our board of trust managers has not pre-established a percentage range of return for distributions to shareholders. We have not established a minimum distribution level, and our Amended and Restated Declaration of Trust, as amended does not require that we make distributions to our shareholders.

Generally, our policy is to pay distributions from cash flow from operations. Our Advisor, in its sole election, may defer reimbursements and fees otherwise due to it. A deferral of any fee or reimbursement owed to our Advisor will have the effect of increasing cash flow from operations for the relevant period and increase the cash available to make distributions to our shareholders because we will not have to use cash to pay any fee or reimbursement that was deferred during the relevant period. Any such deferred reimbursements and fees will not be interest-bearing and will be paid as and when determined by our board of trust managers. We do not use the proceeds from sales of our common stock or borrowed money to pay distributions but rather pay distributions from cash flow from operations, proceeds from the sale of Properties and/or, as elected solely by our Advisor, from deferred reimbursements and fees owed to our Advisor. Our operating performance cannot be accurately predicted and may deteriorate in the future due to numerous factors, including those discussed under “Risk Factors.” If our cash flow from operations decreases in the future, the level of our distributions may also decrease.

To maintain our qualification as a REIT, we must make aggregate annual distributions to our shareholders of at least 90% of our REIT taxable income (which is computed without regard to the dividends-paid deduction or net capital gain and which does not necessarily equal net income as calculated in accordance with U.S. generally accepted accounting principles, or GAAP). If we continue to meet the REIT qualification requirements, we generally will not be subject to federal income tax on the income that we distribute to our shareholders each year. Our board of trust managers may authorize distributions in excess of those required for us to maintain REIT status depending on our financial condition and such other factors as our board of trust managers deems relevant.

During the years ended December 31, 2014 and December 31, 2015, we made distributions to our shareholders as follows:

Dates Dividends Accrued and Distributed	Total Dividends Paid	Dividends Paid Per Share	Nontaxable Dividends Per Share	Ordinary Dividends Per Common Share
Accrued Q4 2013 and Distributed Q1 2014	\$ 8,266.00	\$ 0.1875	\$ 0.1875	\$ 0.00
Accrued Q1 2014 and Distributed Q2 2014	\$ 8,741.00	\$ 0.1875	\$ 0.1875	\$ 0.00
Accrued Q2 2014 and Distributed Q3 2014	\$ 13,228.00	\$ 0.1875	\$ 0.1875	\$ 0.00
Accrued Q4 2014 and Distributed Q1 2015	\$ 22,533.00	\$ 0.1875	\$ 0.1875	\$ 0.00
Accrued Q1 2015 and Distributed Q2 2014	\$ 30,730.00	\$ 0.1875	\$ 0.1875	\$ 0.00
Accrued Q2 2014 and Distributed Q3 2015	\$ 156,885.00	\$ 0.1875	\$ 0.1875	\$ 0.00
Accrued Q3 2015 and Distributed Q4 2015	\$ 315,656.00	\$ 0.1875	\$ 0.1875	\$ 0.00
Accrued Q4 2015 and Distributed Q1 2016	\$ 542,030.00	\$ 0.1875	\$ 0.1875	\$ 0.00

RISK FACTORS

In addition to the normal risks of business, we are subject to significant risks and uncertainties, including those listed below and other matters described elsewhere in this Prospectus. The following are some of the risks that are inherent to our business and this Offering, but should not be considered to be all of the risks that might be incurred in connection with an investment in the Shares. You should carefully consider, in addition to the matters set forth elsewhere in this Prospectus, the following factors relating to our business and this Offering:

RISKS RELATED TO OUR BUSINESS

This is a blind pool offering because, other than those described in Exhibit D, we have not identified any other specific real estate to purchase or real estate-related investments to make with the net proceeds we will receive from this Offering. If we are unable to find suitable investments, we may not be able to achieve our investment objectives.

As of the date of this Prospectus, other than those described in Exhibit D, we have not acquired or contracted to acquire any real estate or real estate-related investments. Our Advisor has not identified any other real estate to purchase or any real estate-related investments to make with the net proceeds we will receive from this Offering. As a result, investors in the Offering will have a more limited ability to evaluate the manner in which the net proceeds are invested and the economic merits of projects prior to investment. Additionally, you will not have the opportunity to evaluate the transaction terms or other financial or operational data concerning our real estate and real estate-related investments. You must rely on the investment committee of our Advisor to evaluate our investment opportunities, and the investment committee of our Advisor may not be able to achieve our investment objectives, may make unwise decisions or may make decisions that are not in our best interest because of conflicts of interest. Further, we cannot assure you that acquisitions of real estate or real estate-related investments made using the net proceeds of this Offering will produce a return on our investment or will generate any operating cash flow to enable us to make distributions to our shareholders.

Investors will not have the ability to review or approve our future investments.

Investors will not have the opportunity to evaluate the transaction terms or other financial or operational data concerning our real estate and real estate-related investments relative to properties we have not yet acquired. Investors must rely on the investment committee of our Advisor to evaluate our investment opportunities, and the investment committee of our Advisor may not be able to achieve our investment objectives, may make unwise decisions or may make decisions that are not in our best interest because of conflicts of interest. Further, we cannot assure investors that acquisitions of real estate or real estate-related investments made using the net proceeds of this Offering will produce a return on our investment or will generate any operating cash flow to enable us to make distributions to our shareholders.

We may suffer from delays in locating suitable investments, which could reduce our ability to make distributions to our shareholders and reduce the return on your investment.

As of March 31, 2016, we had invested \$46.3 million in Properties in the aggregate (including investments that were subsequently sold by us). There may be a substantial period of time before the remaining aggregate net proceeds of our Offering are fully invested in real estate or real estate-related investments. We will rely on the investment committee of our Advisor to identify and negotiate the terms of acquisitions of future real estate and real estate-related investments we make. Other than Properties acquired prior to the date hereof, there can be no assurance that the investment committee of our Advisor will be able to identify or negotiate acceptable terms for the acquisition of, or make real estate-related investments with respect to, real estate that meets our investment criteria, or that we will be able to acquire such real estate or make such real estate-related investments on terms favorable to us or at all. Any delays we encounter in identifying and negotiating acquisitions of real estate and real estate-related investments could reduce returns to our shareholders and our ability to make distributions to our shareholders.

The current market environment may adversely affect our operating results, financial condition and ability to pay distributions.

As of the date of this Prospectus, the capital and credit markets have been experiencing extreme volatility and disruption for a substantial portion of the last several years. A protracted economic downturn could have a negative impact on our portfolio. If real property or other real estate-related asset values continue to decline after we acquire them, we may have a difficult time making new acquisitions or generating returns on our investment. If the current economic downturn persists or if there is any further local, national or global worsening of the current economic downturn, our businesses and future profitability will be adversely affected.

We have a limited operating history on which you can evaluate our ability to successfully provide you with any return on your investment.

We were formed on March 7, 2012, for the explicit purpose of acquiring and operating the Properties. As of the date of this Prospectus, our total assets consist of the Properties described in Exhibit D. As such, we have a limited operating history upon which shareholders may base an evaluation of our performance. We are subject to the general business risk factors that similar early stage entities experience with the responsibilities and complexities attendant to a new organization, including the ability to attract and maintain competent and experienced management and operating personnel, the ability to maintain relationships with vendors and tenants, the ability to efficiently manage everyday business operations, and the ability to implement our operational strategy.

We may not have sufficient funds to pay dividends prior to the sale of Properties we acquire.

Our trust managers will determine the amount and timing of cash dividends to our shareholders based on many factors, including the amount of funds available for distribution, our financial condition, requirements we must meet to qualify to be taxed as a REIT, whether to reinvest or distribute such funds, capital expenditure and reserve requirements and general operational requirements. The amount of funds available for distribution will be affected by (i) our ability to identify and make real estate or real estate-related investments, (ii) the operating cash flow of those real estate or real estate-related investments we make and have been made, and (iii) the amount of the returns upon the sale of those real estate or real estate-related investments we make, and (iv) our operating expense levels, as well as many other variables. We may not always have sufficient funds to allow us to pay dividends or to meet other financial obligations and, when we do pay dividends, we may not be able to maintain or increase such dividends.

We are uncertain of our sources of debt and/or equity financing to fund future capital needs. If we are not able to locate sources of funding, our ability to make necessary capital improvements to our properties may be impaired or delayed.

The proceeds of our Offering have been and will be used to buy real estate, make real estate-related investments and pay various fees and expenses. In addition, to maintain our REIT status, we generally must distribute to our shareholders at least 90% of our taxable income each year, excluding capital gains. Because of this distribution requirement, it is not likely that we will be able to fund a significant portion of our future capital needs from retained earnings. We have not identified any sources of debt or equity for future funding, and we cannot assure you that such sources of funding will be available to us on favorable terms or at all. If we do not have access to sufficient funding in the future, we may not be able to make necessary capital improvements to our Properties, pay other expenses or expand our business.

We are dependent on the Advisor, which has limited prior experience managing a real estate investment trust.

Our Advisor has limited experience with respect to managing a real estate investment trust as it has only served as advisor to one previous real estate investment trust, Nexregen Firewheel Real Estate Investment Trust. Such real estate investment trust was formed in 2007 to invest in a limited partnership that owned a shopping center in Garland Texas. As such, we cannot be sure that the Advisor will achieve our objectives or that our board of trust managers will be able to act quickly to remove the Advisor if it deems removal necessary. The board of trust managers may fire the Advisor, with or without cause, but only subject to payment to the Advisor and release of the Advisor from all guarantees and other obligations incurred as Advisor.

RISKS RELATED TO INVESTMENTS IN REAL ESTATE

Real estate investments are long-term illiquid investments and may be difficult to sell in response to changing economic conditions.

Real estate investments are subject to certain inherent risks. Real estate investments are generally long-term investments that cannot be quickly converted to cash. In addition, our Properties consist primarily of net leased real estate properties that cannot generally be readily liquidated. Moreover, to the extent we invest in Properties indirectly through investments in unaffiliated entities, we would have no control over the sale of the underlying properties and our liquidity options would be limited to pursuing sales of such interests in the secondary market under terms and conditions that may not be acceptable to us.

Real estate investments are also subject to adverse changes in general economic conditions or local conditions that may reduce the demand for office, retail, industrial, multi-family residential or other types of properties. Other factors can also affect real estate values, including:

- possible U.S. federal, state or local regulations and controls affecting rents, prices of goods, fuel and energy consumption and prices, water and environmental restrictions;
- increasing labor and material costs;
- the attractiveness of the property to tenants;
- rises in operating costs, taxes and insurance costs; and
- changes in interest rates.

Uncertain market conditions relating to the future disposition of Properties could cause us to sell our Properties at a loss in the future.

We intend to hold our real estate and real estate-related investments until such time as our Advisor determines that a sale or other disposition appears to be advantageous to achieve our investment objectives. Our Advisor, subject to the oversight of our board of trust managers, may exercise its discretion as to whether and when to sell Properties, and we will have no obligation to sell Properties at any particular time, except upon our liquidation. We generally intend to hold Properties for an extended period of time, and we cannot predict with any certainty the various market conditions affecting real estate investments that will exist at any particular time in the future. The real estate market is affected by many factors, such as general economic conditions, the availability of financing, interest rates and other factors, including supply and demand for real estate investments, all of which are beyond our control. Because of the uncertainty of market conditions that may affect the future disposition of our Properties, we cannot assure you that we will be able to sell our Properties at a profit in the future nor can we predict the length of time that will be needed to find a willing purchaser and to close the sale of a particular Property. Additionally, we may incur prepayment penalties in the event we sell a Property subject to a mortgage earlier than we had planned. Accordingly, the extent to which you will receive cash distributions and realize potential appreciation on our real estate investments will, among other things, be dependent upon fluctuating unpredictable market conditions.

Properties that have vacancies for a significant period of time could be difficult to sell, which could diminish the return on your investment.

A Property may incur vacancies either by the continued default of tenants under their leases or the expiration of tenant leases. We may have difficulty obtaining new tenants for any vacant space in a Property, particularly if the space limits the types of businesses that can use the space without major renovation. If vacancies continue for a long period of time, we may suffer reduced revenues resulting in less cash to be distributed to shareholders. In addition, because Properties' market values depend principally upon the value of the Properties' leases, the resale value of Properties with prolonged vacancies could suffer, which could further reduce our shareholders' return.

We may be unable to secure funds for future tenant improvements or capital needs, which could adversely impact our ability to pay cash distributions to our shareholders.

When tenants do not renew their leases or otherwise vacate their space, it is usual that, in order to attract replacement tenants, we will be required to expend substantial funds for tenant improvements and tenant refurbishments to the vacated space. In addition, we will likely be responsible for any major structural repairs, such as repairs to the foundation, exterior walls and rooftops, even if our leases with tenants require tenants to pay routine property maintenance costs. We may maintain working capital reserves but cannot guarantee they will be adequate. Accordingly, if we need additional capital in the future to improve or maintain our Properties or for any other reason, we will have to obtain financing from other sources, such as cash flow from operations, borrowings, property sales or future equity offerings. These sources of funding may not be available on attractive terms or at all. If we cannot procure additional funding for capital improvements, our investments may generate lower cash flows or decline in value, or both.

We face possible liability for environmental cleanup costs and damages for contamination related to Properties we acquire or invest in, which could substantially increase our costs and reduce our liquidity and cash distributions to shareholders.

Due to the nature of our investments, are subject to various federal, state and local environmental laws, ordinances and regulations. Under these laws, ordinances and regulations, a current or previous owner or operator of real estate may be liable for the cost of remediation of hazardous or toxic substances on, under or in such Property. The costs of remediation could be substantial. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Environmental laws also may impose restrictions on the manner in which Property may be used or businesses may be operated, and these restrictions may require substantial expenditures. Environmental laws provide for sanctions in the event of noncompliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. Certain environmental laws and common law principles could be used to impose liability for release of and exposure to hazardous substances, including asbestos-containing materials into the air, and third parties may seek recovery from owners or operators of real estate for personal injury and/or property damage associated with exposure to released hazardous substances. In addition, new or more stringent laws and/or stricter interpretations of existing laws could change the cost of compliance or liabilities and restrictions arising out of such laws. The cost of defending these claims, complying with environmental regulatory requirements, conducting remediation of any contaminated Property, and/or of paying personal injury claims could be substantial, which would reduce our liquidity and cash available for distribution to our shareholders. In addition, the presence of hazardous substances on a Property or the failure to meet environmental regulatory requirements may materially impair our ability to sell a Property, or to use the Property as collateral for borrowing.

Competition with third parties in acquiring properties and other investments may reduce our profitability and the return on our shareholders' investment.

We compete with many other entities engaged in real estate investment activities, including individuals, corporations, bank and insurance company investment accounts, pension funds, other REITs, real estate limited partnerships, and foreign investors, many of which have greater resources than we do. Many of these entities may enjoy significant competitive advantages that result from, among other things, a lower cost of capital and/or enhanced operating efficiencies. In addition, the number of entities and the amount of funds competing for suitable investments may increase. As such, competition with third parties would result in increased demand for these assets and therefore increased prices paid for them. If we pay higher prices for Properties and other investments, our profitability will be reduced and our shareholders may experience a lower return (if any) on their investment.

We may experience uninsured or underinsured losses.

We maintain property and casualty insurance with respect to the Properties, and other insurance, in each case, with loss limits and coverage deemed reasonable by our Advisor. Our Advisor makes decisions with respect to deductibles, policy limits and terms based on its experience, our risk profile, the nature of the Properties, our loss prevention efforts, and the cost of insurance.

Various types of catastrophic losses, including those related to environmental, health and safety matters, may not be insurable or may not be economically insurable. In the event of a substantial loss, the insurance coverage may not cover the full current market value or replacement cost of the lost investment. Inflation, changes in building codes and ordinances, environmental considerations and other factors might cause insurance proceeds to be insufficient to fully replace or renovate real estate property after it has been damaged or destroyed. Accordingly, we cannot assure you that:

- the insurance coverage that we intend to obtain will fully protect us against insurable losses (i.e., losses may exceed coverage limits);
- we will not incur large deductibles that will adversely affect our earnings;
- we will not incur losses from risks that are not insurable or that are not economically insurable; or
- current coverage will continue to be available at reasonable rates.

Adverse economic conditions in the geographic region in which our Properties are located may negatively impact your overall returns.

Adverse economic conditions in the geographic region in which our Properties are located could affect real estate values and, to the extent that any of our tenants rely upon the local economy for their revenues, our tenants' businesses could also be affected by such conditions. Therefore, changes in local economic conditions could reduce our ability to pay dividends and the amounts we could otherwise receive upon a sale of a Property in a negatively affected region.

Because we will be dependent on our tenants for substantially all of our revenue, our success is materially dependent on the financial stability of our tenants.

Lease payment defaults by tenants could cause us to reduce the amount of distributions to shareholders. A default of a tenant on its lease payments would cause us to lose the revenue from the Property. In the event of such a default, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment and leasing our Property. If a lease is terminated, we cannot assure you that we will be able to lease the Property for the rent previously received or sell the Property without incurring a loss.

If one or more of our tenants file for bankruptcy protection, we may be precluded from collecting all sums due.

If one or more of our tenants, or the guarantor of a tenant's lease, commences, or has commenced against it, any proceeding under any provision of the U S federal bankruptcy code, as amended, or any other legal or equitable proceeding under any bankruptcy, insolvency, rehabilitation, receivership or debtor's relief statute or law (bankruptcy proceeding), we may be unable to collect sums due under relevant leases. Any or all of the tenants, or a guarantor of a tenant's lease obligations, could be subject to a bankruptcy proceeding. Such a bankruptcy proceeding may bar our efforts to collect pre-bankruptcy debts from these entities or their properties, unless we are able to obtain an enabling order from the bankruptcy court. If a lease is rejected by a tenant in bankruptcy, we would only have a general unsecured claim against the tenant, and may not be entitled to any further payments under the lease. A tenant's or lease guarantor's bankruptcy proceeding could hinder or delay efforts to collect past due balances under relevant leases, and could ultimately preclude collection of these sums. Such an event could cause a decrease or cessation of rental payments which would mean a reduction in our cash flow and the amount available for distribution to our shareholders. In the event of a bankruptcy proceeding, the tenant or its trustee may decide not to assume our lease. If a given lease, or guaranty of a lease, is not assumed, our cash flow and the amounts available for distribution to our shareholders may be adversely affected.

Adverse economic conditions affecting the particular industries of our tenants may negatively impact our shareholders' overall returns.

Adverse economic conditions affecting a particular industry of one or more of our tenants could affect the financial ability of one or more of our tenants to make payments under their leases, which could cause delays in our receipt of rental revenues or a vacancy in one or more of our Properties for a period of time. Therefore, changes in

economic conditions of the particular industry of one or more of our tenants could reduce our ability to pay dividends and the value of one or more of our properties at the time of sale of such Properties.

RISKS ASSOCIATED WITH DEBT FINANCING

We have incurred and expect to incur mortgage and other indebtedness, which may increase our business risks and impair our ability to make distributions to our shareholders.

We have made and expect to make investments with both the net proceeds from the Offering and debt. In addition, we have incurred and may incur mortgage debt by obtaining loans secured by some of our real estate. We may also borrow funds if necessary to satisfy the requirement that we distribute to shareholders as dividends at least 90% of our annual REIT taxable income, or otherwise as is necessary or advisable to assure that we maintain our qualification as a REIT for federal income tax purposes. Our charter and bylaws limit the level of indebtedness we may incur to 40% of the aggregate value of the Properties we own.

Although we intend not to have a debt to equity ratio that exceeds 40% of our total assets, incurring mortgage debt increases our risks since defaults on indebtedness secured by a Property may result in foreclosure actions initiated by lenders and our loss of the Property securing the loan that is in default. For tax purposes, a foreclosure of any of our Properties would be treated as a sale of the Property for a purchase price equal to the outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the Property, we would recognize taxable income on foreclosure, but would not receive any cash proceeds. We may give full or partial guarantees of mortgage debt to the entities that own our Properties. When we give a guaranty on behalf of an entity that owns one of our Properties, we will be responsible to the lender for satisfaction of the debt if it is not paid by such entity. If any mortgages contain cross-collateralization or cross-default provisions, there is a risk that more than one Property may be affected by a default. If any of our Properties are foreclosed upon due to a default, we may have less cash available for distributions to our shareholders.

If mortgage debt is unavailable at reasonable rates, we may not be able to finance or refinance the Properties, which could reduce the number of Properties we can acquire and the amount of cash distributions we can make.

If mortgage debt is unavailable at reasonable rates, we may not be able to finance Properties we wish to acquire, even if such acquisition would otherwise be in our best interests, which could reduce the number of Properties we can acquire. In addition, once we have placed mortgage debt on Properties, we run the risk of being unable to refinance the entire outstanding loan balance when the loans come due, or of being unable to refinance any amount on favorable terms. In addition, if interest rates are higher when Properties require refinancing, we may not be able to refinance the entire outstanding loan balance or our debt service may be higher if we do refinance the loan balance, either of which could reduce our income from those Properties and reduce cash available for distribution to our shareholders.

Lenders may require us to enter into restrictive covenants relating to our operations, which could limit our ability to make distributions to our shareholders.

In connection with obtaining debt financing, a lender could impose restrictions on us that affect our ability to incur additional debt and affect our distribution and operating policies. Loan documents we enter into may contain customary negative covenants that may limit our ability to further mortgage the property, to discontinue insurance coverage, to replace our Advisor, and/or to impose other limitations. Any such restriction or limitation may have an adverse effect on our operations.

Fluctuations in interest rates could increase our expenses, require us to sell investments and/or make it more difficult to make attractive investments.

We expect that a portion of our indebtedness may bear interest at a variable rate. Accordingly, increases in interest rates would increase our interest costs, which could have a material adverse effect on our operating cash flow and our ability to pay dividends. In addition, if rising interest rates cause us to need additional capital to repay indebtedness in accordance with its terms or otherwise, we would be required to liquidate one or more of our investments in Properties at times which may not permit realization of the maximum return on such investments.

Further, increases in interest rates may make investments in other entities more attractive than an investment in us. Conversely, decreases in interest rates may cause the price of real estate and real estate-related investments to increase, thus making it more difficult for us to make otherwise attractive investments. Any of these circumstances could reduce our profitability and our ability to pay dividends to our shareholders.

We have entered into financing arrangements involving balloon payment obligations, and the repayment of the balloon payments may require us to enter into unfavorable refinancings and/or to divert funds from other sources, which would reduce dividends paid.

Our financing arrangements require us to make a lump-sum or “balloon” payment at maturity. Our ability to make a balloon payment at maturity is uncertain and may depend upon our ability to obtain additional financing or our ability to sell the Property. At the time the balloon payment is due, we may or may not be able to refinance the balloon payment on terms as favorable as the original loan or sell the Property at a price sufficient to make the balloon payment, which could require us to incur debt on unfavorable terms and/or divert funds from other sources to make the balloon payment. As a result, financing arrangements with balloon payments could result in increased costs and reduce our liquidity. In addition, payments of principal and interest to service our debts may leave us with insufficient cash to pay the distributions that we are required to pay to maintain our qualification as a REIT. Any of these results would have a significant, negative impact on your investment.

RISKS RELATED TO THE OFFERING

There is no public market for our Shares.

Our Shares are not readily transferable. No public market currently exists for our Shares, and none is expected to develop. Consequently, the Shares may not be acceptable as collateral for a loan, a shareholder may not be able to liquidate an investment in the Shares, and even if a shareholder is able to sell their Shares, they may have to sell them at a substantial discount from their fair value. In addition, the transfer of the Shares is subject to certain limitations. For instance, no transfer of the Shares may be made unless, among other things, the transfer does not violate applicable federal or state securities laws or affect the status of the REIT for federal income tax purposes. Shareholders may not sell their Shares unless the buyer meets applicable suitability and minimum purchase standards. No one may own more than 8.0% of our stock unless exempted by our board of trust managers (but in no event, may such percentage exceed 9.9%). If a shareholder is able to sell their Shares, they would likely have to sell them at a substantial loss.

Because we established the Offering price on an arbitrary basis, it may not be indicative of the price at which our Shares would trade if they were actively traded.

We arbitrarily determined the selling price of the Shares and such price bears no relationship to our book or asset values, or to any other established criteria for valuing issued or outstanding shares. Our offering price may not be indicative of the price at which our Shares would trade if they were listed on an exchange or inter-dealer quotation system or actively traded by brokers or of the proceeds that a shareholder would receive if we were liquidated or dissolved.

RISKS RELATED TO OUR ORGANIZATION AND STRUCTURE

Shareholders will have no control over the REIT.

An individual shareholder is allowed to vote, on an annual basis, with respect to the election of the trust managers but takes no part in the management or control of the REIT. An individual shareholder will be allowed to vote on other extraordinary matters such as the amendment or modification of the Amended and Restated Declaration of Trust, the amendment or repeal of the bylaws, the removal of a trust manager, and termination of our status as a REIT.

Conflicts of interest could result in the Advisor or its affiliates acting other than in your best interest.

Our executive officers (Messrs. Wirta and Hofer) are also officers, managers and/or holders of a direct or indirect controlling interest in our Advisor and other affiliated entities. As a result, our executive officers, some of

our trust managers, our Advisor and its affiliates face conflicts of interest, including significant conflicts created by our Advisor's compensation arrangements with us and other programs and investors advised by our Advisor and its affiliates, and conflicts in allocating time among us and these other programs and investors. These conflicts could result in action or inaction that is not in the best interests of our shareholders. Pursuant to our Amended and Restated Declaration of Trust, as amended, a majority of our trust managers will be independent trust managers. Some of the material conflicts that our Advisor and its affiliates face include the following:

- our Advisor and its affiliates will have to allocate their time between us and any other real estate programs and activities in which they are involved;
- the negotiation of the Advisory Agreement (including the substantial fees our Advisor and its affiliates will receive thereunder) will not be at arm's length; an
- our Advisor may terminate the Advisory Agreement without penalty upon 60 days' written notice and, upon termination of the Advisory Agreement, our Advisor may be entitled to a termination fee if (based upon an independent appraised value of the portfolio) it would have been entitled to a subordinated participation in net cash flows had the portfolio been liquidated on the termination date.

We pay substantial fees to our Advisor.

Our Advisor and its affiliates receive fees in connection with transactions involving the purchase and management of the Properties. These fees are based on the cost of the investment, and not based on the quality of the investment or the quality of the services rendered to us. These fees are substantial, which may increase the risk that a shareholder will not earn a profit on their investment.

The limit on the number of Shares a person could own may discourage a takeover attempt.

Our Amended and Restated Declaration of Trust, as amended prohibits the ownership of more than 8.0% of the total authorized Shares by any one investor. This restriction may discourage a change of control and may deter individuals or entities from making offers for our Shares, which offers might otherwise be financially attractive to our shareholders and/or which might cause a change in our management. Furthermore, this restriction may limit the opportunity for shareholders to receive a premium for their Shares that might otherwise exist if an investor attempted to acquire in excess of 8.0% of our Shares or otherwise to effect a change of control of us.

We depend on our Advisor, its affiliates and their key personnel.

We are dependent upon our Advisor. Our future success depends, to a significant extent, upon the continued service of the Advisor and its key management personnel, including, Raymond E. Wirta and Harold C. Hofer. Under the Advisory Agreement, our Advisor may terminate the agreement without penalty upon 60 days' written notice and, upon termination of the agreement, our Advisor may be entitled to a termination fee if (based upon an independent appraised value of our portfolio) it would have been entitled to a subordinated participation in net cash flows had our portfolio been liquidated on the termination date. There can be no assurance that (i) the Advisor will not withdraw or cease to provide services in the future, or (ii) Messrs. Wirta and Hofer will continue to be involved with the Advisor. The loss of services of the Advisor, or of one or more of their key personnel could have a material adverse impact on our business, results of operations and financial condition.

Our Shareholders investment return may be reduced if we are required to register as an investment company under the Investment Company Act.

We are not registered as an investment company under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"). If we were required to register as an investment company, our ability to enter into certain transactions would be restricted by the Investment Company Act. Furthermore, the costs associated with registration as an investment company and compliance with such restrictions could be substantial. In addition, registration under and compliance with the Investment Company Act would require a substantial amount of time on the part of our Advisor and its affiliates, thereby decreasing the time they spend actively managing our **investments**. If we were required to register as an investment company but failed to do so, we would be prohibited from engaging in our business, and criminal and civil actions could be brought against us. In addition, our contracts would be

unenforceable unless a court were to require enforcement, and a court could appoint a receiver to take control of us and liquidate our business.

RISKS RELATED TO FEDERAL AND STATE TAXES

Our failure to qualify or remain qualified as a REIT would subject us to U.S. federal income tax and potentially state and local tax, and would adversely affect our operations and would reduce our cash available for distribution to you.

We elected to qualify to be taxed as a REIT commencing with our taxable year ending December 31, 2014. However, we may terminate our REIT qualification, if our board of trust managers determines that not qualifying as a REIT is in the best interests of our shareholders, or we may terminate our REIT qualification inadvertently. Our qualification as a REIT depends upon our satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis. We currently intend to structure our activities in a manner designed to satisfy all the requirements for qualification as a REIT. However, the REIT qualification requirements are extremely complex and interpretation of the U.S. federal income tax laws governing qualification as a REIT is limited. Accordingly, we cannot be certain that we will be successful in operating so we can qualify or remain qualified as a REIT. Our ability to satisfy the asset tests depends on our analysis of the characterization and fair market values of our assets, some of which are not susceptible to a precise determination, and for which we will not obtain independent appraisals. Our compliance with the REIT income or quarterly asset requirements also depends on our ability to successfully manage the composition of our income and assets on an ongoing basis. Accordingly, if certain of our operations were to be recharacterized by the IRS, such recharacterization could jeopardize our ability to satisfy all the requirements for qualification as a REIT. Furthermore, future legislative, judicial or administrative changes to the U.S. federal income tax laws could be applied retroactively, which could result in our disqualification as a REIT.

If we fail to qualify as a REIT for any taxable year, and we do not qualify for certain statutory relief provisions, we will be subject to U.S. federal income tax on our taxable income at corporate rates. In addition, we would generally be disqualified from treatment as a REIT for the four taxable years following the year of losing our REIT qualification. Losing our REIT qualification would reduce our net earnings available for investment or distribution to shareholders because of the additional tax liability. In addition, distributions to shareholders would no longer qualify for the dividends paid deduction, and we would no longer be required to make distributions. If this occurs, we might be required to borrow funds or liquidate some investments in order to pay the applicable tax.

Even if we qualify as a REIT, in certain circumstances, we may incur tax liabilities that would reduce our cash available for distribution to you.

Even if we qualify as a REIT, we may be subject to U.S. federal, state and local income taxes. For example, net income from the sale of Properties that are “dealer” properties sold by a REIT (a “prohibited transaction” under the Code) will be subject to a 100% tax. We may not make sufficient distributions to avoid excise taxes applicable to REITs. We also may decide to retain net capital gain we earn from the sale or other disposition of our Properties and pay income tax directly on such income. In that event, our shareholders would be treated as if they earned that income and paid the tax on it directly. However, shareholders that are tax-exempt, such as charities or qualified pension plans, would have no benefit from their deemed payment of such tax liability unless they file U.S. federal income tax returns and thereon seek a refund of such tax. We also may be subject to state and local taxes on our income or Properties, including franchise, payroll and transfer taxes, either directly or at the level of the other companies through which we indirectly own our assets, which are subject to full U.S. federal, state, local and foreign corporate-level income taxes. Any taxes we pay directly or indirectly will reduce our cash available for distribution to our shareholders.

To qualify as a REIT we must meet annual distribution requirements, which may force us to forgo otherwise attractive opportunities or borrow funds during unfavorable market conditions. This could delay or hinder our ability to meet our investment objectives and reduce our shareholders’ overall return.

In order to qualify as a REIT, we must distribute to our shareholders at least 90% of our annual REIT taxable income (excluding net capital gain), determined without regard to the deduction for distributions paid. We will be subject to U.S. federal income tax on our undistributed taxable income and net capital gain and to a 4%

nondeductible excise tax on any amount by which distributions we pay with respect to any calendar year are less than the sum of (a) 85% of our ordinary income, (b) 95% of our capital gain net income and (c) 100% of our undistributed income from prior years. These requirements could cause us to distribute amounts that otherwise would be spent on investments in real estate assets and it is possible that we might be required to borrow funds, possibly at unfavorable rates, or sell assets to fund these distributions. It is possible that we might not always be able to make distributions sufficient to meet the annual distribution requirements and to avoid U.S. federal income and excise taxes on our earnings while we qualify as a REIT.

Certain of our business activities are potentially subject to the prohibited transaction tax, which could reduce the return on our shareholders' investment.

For so long as we qualify as a REIT, our ability to dispose of Properties during the first few years following acquisition may be restricted to a substantial extent as a result of our REIT qualification. Under applicable provisions of the Code regarding prohibited transactions by REITs, while we qualify as a REIT, we will be subject to a 100% penalty tax on any gain recognized on the sale or other disposition of any Property (other than a foreclosure Property) that we own, directly or through any subsidiary entity, that is deemed to be inventory or property held primarily for sale to customers in the ordinary course of trade or business. Whether a Property is inventory or otherwise held primarily for sale to customers in the ordinary course of a trade or business depends on the particular facts and circumstances surrounding each Property. While we qualify as a REIT, we intend to avoid the 100% prohibited transaction tax by (a) conducting our operations in such a manner so that no sale or other disposition of an asset we own, directly or through any subsidiary, will be treated as a prohibited transaction, or (b) structuring certain dispositions of our Properties to comply with a prohibited transaction safe harbor available under the Code for Properties held for at least two years. However, despite our present intention, no assurance can be given that any particular Property we own, directly or through any subsidiary entity will not be treated as inventory or property held primarily for sale to customers in the ordinary course of a trade or business.

Distributions that we make to our shareholders generally will be taxable as ordinary income.

Distributions that we make to our taxable shareholders out of current and accumulated earnings and profits (and not designated as capital gain dividends, or, for taxable years beginning before January 1, 2013, qualified dividend income) generally will be taxable as ordinary income. However, a portion of our distributions may (1) be designated by us as capital gain dividends generally taxable as long-term capital gain to the extent that they are attributable to net capital gain recognized by us, or (2) constitute a return of capital generally to the extent that they exceed our accumulated earnings and profits as determined for U.S. federal income tax purposes. A return of capital is not taxable, but has the effect of reducing the basis of a shareholder's investment in our common stock.

Our shareholders may have tax liability on distributions that they elect to reinvest in common stock, but they would not receive the cash from such distributions to pay such tax liability.

If our shareholders participate in our dividend reinvestment plan, they will be deemed to have received, and for U.S. federal income tax purposes will be taxed on, the amount reinvested in Shares of our common stock to the extent the amount reinvested was not a tax-free return of capital. In addition, our shareholders will be treated for tax purposes as having received an additional distribution to the extent the Shares are purchased at a discount to fair market value. As a result, unless a shareholder is a tax-exempt entity, it may have to use funds from other sources to pay its tax liability on the value of the Shares of common stock received.

Dividends payable by REITs generally do not qualify for the reduced tax rates available for some dividends.

The maximum tax rate applicable to qualified dividend income payable to U.S. shareholders that are individuals, trusts and estates has been reduced by legislation to 20% for tax years beginning after December 31, 2013. Dividends payable by REITs, however, generally are not eligible for the reduced rates. Although this legislation does not adversely affect the taxation of REITs or dividends payable by REITs, the more favorable rates applicable to regular corporate qualified dividends could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the Shares of REITs, including our common stock.

TERMS OF THE OFFERING

The Offering

The Offering is being sold on a “best efforts” basis. We are offering to California residents, who meet the suitability standards, a maximum of 10,000,000 shares, \$0.01 par value per share, at a purchase price of \$10.00 per Share. The maximum aggregate offering proceeds will be \$100,000,000. Since we are relying upon the intra-state offering exemption from registration, as set forth in Section 3(a)(11) of the Securities Act, we are only offering the Shares to California residents.

Plan of Distribution

We will offer the Shares only through one of our trust managers, Harold C. Hofer, who will receive no commission or other remuneration for his selling efforts. No sales commissions or brokerage discounts will be paid by us to any person in connection with this Offering, although (i) with respect to any investor who elects to purchase 10,000 or more Shares in the name of an investment account administered by an independent custodian (including but not limited to, for example, SEP IRA accounts), our Advisor has agreed to pay, at its discretion, all custodial fees charged by such independent custodian and (ii) our Advisor may elect to pay additional fees, commissions or brokerage discounts directly to qualified third parties, at its discretion and at no charge or cost to us. We will pay to our Advisor three percent (3.0%) of the gross proceeds of the Offering to reimburse our Advisor for expenses related to the organization of the REIT and this Offering, all as disclosed and discussed elsewhere in this Prospectus.

We intend to offer and sell the Shares via our web site, www.richuncles.com. Our web site has been established to disseminate information regarding this Offering to qualified recipients, and to allow such recipients the opportunity to subscribe for Shares securely on our web site. Prior to the dissemination of this Prospectus and the Subscription Agreement, a potential investor will have to represent that he or she is a California resident.

On our web site, qualified recipients will be given access to this Prospectus, other summarized information regarding this Offering, and the Subscription Agreement, which will allow these recipients to purchase Shares online with a credit card. Alternatively, qualified recipients can receive copies of all such materials via the U.S. Mail or similar service and/or subscribe for Shares via the U.S. Mail or similar service, as has been traditionally done by other sponsors of real estate investments.

We are making the Shares available for purchase on our web site in order to take advantage of modern technology and, more importantly, to reduce the cost of selling the Shares. We are not selling the Shares through commission-based financial planners or broker-dealers (who typically charge fees totaling 10% or more of the investment amount). The resulting cost savings enables our investors to have more of their investment dollars actually working for them in the Properties, rather than being paid out to commission-based salespersons.

Investors will be admitted to the REIT on a weekly basis and will immediately enjoy the benefits of ownership, including any quarterly cash dividends as declared by our Advisor.

Offering Period

The Offering will remain open until the maximum number of Shares are sold or until April 18, 2019, unless extended by us. We have the option to terminate the Offering at any time before Closing whether or not any or all of the Shares have been subscribed.

Purchase of Shares

The minimum number of shares that may be purchased is 50. Whenever we review and accept a subscription of shares, we then immediately begin to invest the subscription proceeds as described in this Prospectus. We will continue to review, accept or reject, and close on any additional subscriptions for Shares received by us subject to the limitation on maximum number of Shares offered hereunder. We offer investors the option of making automatic monthly investments through an electronic funds transfer on our website. We expect that we will accept subscriptions weekly. As of March 31, 2016, we had 5,212,712 shares outstanding and no Excess Shares were issued and outstanding.

How to Subscribe

We reserve the right to approve or disapprove each investor in our sole discretion. If you desire to invest in the Shares, you must complete the Subscription Agreement and submit it to us along with payment for the Shares for which you have subscribed. This summary of the terms and conditions of this Offering is qualified in its entirety by reference to the Subscription Agreement.

The Subscription Agreement is attached to this Prospectus as Exhibit A and is also available on our web site. You may subscribe to Shares by following the instructions that accompany the Subscription Agreement, including completing the Subscription Agreement online or downloading a hard copy of the Subscription Agreement from our web site and submitting it to us via U.S. Mail or similar service.

ESTIMATED SOURCES AND USES OF PROCEEDS

Depending primarily on the number of shares we sell in this Offering, the amounts listed in the table below represent our current estimates concerning the use of the offering proceeds. Since these are estimates, they may not accurately reflect the actual receipt or application of the offering proceeds. The table below assumes that we sell the maximum number of 10,000,000 shares in this Offering at a price of \$10.00 per share. We estimate that for each share sold in this Offering, approximately \$9.70 will be available for the purchase of real estate in both the first scenario and second scenario. We anticipate that the Properties that we invest in, either directly or indirectly, will primarily consist of single-tenant income-producing corporate properties principally located in California, which are leased to creditworthy tenants under long-term net leases; however, we may invest up to 20.0% of the net proceeds of this Offering in properties located outside of California. This will be the case no matter how much we raise in connection with the Offering. We will use the remainder of the offering proceeds to pay the costs of the Offering and to pay a fee to our Advisor for its services in connection with the selection and acquisition of Properties.

	Maximum Offering	Percent
Sources of Funds:		
Offering Proceeds	\$100,000,000.00	100.0%
Less organizational and offering expenses	\$3,000,000.00	3.0%
Amount available to invest in Properties	\$97,000,000.00	97.0%
Uses of Funds:		
Investment in the Properties	<u>\$97,000,000.00</u>	97.0%

DESCRIPTION OF BUSINESS

Introduction

Rich Uncles, LLC, our Advisor, is a Delaware limited liability company that was founded by Raymond E. Wirta and Harold C. Hofer for a single purpose – to make direct real estate investment easier and less expensive for the small investor. Typically, the sponsor of a non-exchange listed public real estate investment trust or REIT has an in-house dealer-manager that is responsible for marketing shares in its REIT to broker-dealers licensed with FINRA and investment advisers or financial planners who are licensed with the SEC or state securities administrators. The broker-dealer or financial planner usually receives 5% to 7% of his or her clients' investment in the REIT as a commission. Additionally, the dealer-manager may also receive a commission, in the 2% to 3% range. Finally, the broker-dealer or financial planner may be reimbursed for costs associated with due diligence in an amount equal to 1% to 2% of the investment amount. When one adds up all of these commissions and reimbursements, approximately 10% of the cost of the REIT shares is spent on these commissions and reimbursements. Our Advisor has created an alternate distribution channel for the sale of non-exchange listed public REITs that excludes payment of commissions and expense reimbursements to advisory intermediaries. This alternate channel embraces the large-scale reach of the internet and the ease of access to and transparency of information provided over the internet. Thus, our Advisor believes that with this ease and transparency, it can deliver a real estate product to the market that has roughly 10% more of the investment amount actually being invested in real estate rather than being paid to others in the form of commissions and reimbursements. To bring its concept to the market in California, RichUncles formed RichUncles Real Estate Investment Trust I to acquire the Properties.

To bring its concept to the market in California, in 2012 our Advisor formed Rich Uncles Real Estate Investment Trust I as a California REIT. We were formed primarily to invest, directly or indirectly through investments in non-affiliated entities, in single-tenant income-producing corporate properties located principally in California, which are leased to creditworthy tenants under long-term net leases; however, we may invest up to 20.0% of our assets in properties located outside of California (collectively, the "Properties"). Our goal is to generate a relatively predictable and stable current stream of income for investors and the potential for long-term capital appreciation in the value of our Properties. We qualify as a real estate investment trust, or REIT, for federal income tax purposes, and we are externally managed by our Advisor, Rich Uncles, LLC, an affiliate of Messrs. Wirta and Hofer.

The Entities

We were formed on March 7, 2012, by our Advisor. Our Advisor is a private, for-profit Delaware limited liability company whose members include Messrs. Wirta and Hofer. Messrs. Wirta and Hofer own a majority interest in and thereby control our Advisor. Our Advisor is subject to the Delaware Limited Liability Company Act and the terms and provisions of its operating agreement.

Our Investment Objectives

Our primary investment objectives are:

- to provide you with attractive and stable cash dividends; and
- to preserve and return your capital contribution.

We also seek to realize growth in the value of our investments by timing the sale of the Properties to maximize asset value. We may return all or a portion of an investor's capital contribution in connection with the sale of the REIT or the Properties. Alternatively, an investor may be able to obtain a return of all or a portion of its capital contribution in connection with the sale of its Shares. Though we currently make quarterly distributions to our shareholders from cash flow from our operations, we may be unable or limited in our ability to make distributions in the future.

Our purchases of Properties have been funded with funds received from the sale of Shares, coupled with mortgage debt in excess 40.0% of total value of all of our Properties.

Additionally, no later than the 10th anniversary date of the Termination Date, we intend to create a liquidity event for our Share owners, which liquidity event may include the sale of all of our Properties and the dissolution and winding up of our REIT, the listing of our Shares on a national exchange, or the merger of our REIT with another entity that is listed on a national exchange.

Our Properties

The Properties that we have acquired through March 31, 2016 are described in Exhibit D. In 2012, we invested in four real estate limited partnerships which owned properties in California, and we received liquidation proceeds when the general partner of such partnerships dissolved them in January 2016. In March 2016, we also sold an undivided 29.86% tenant-in-common interest in our Chevron Property in Roseville, California.

Our Management

We operate under the direction of our board of trust managers, which has a fiduciary duty to act in the best interest of our shareholders. Additionally, the trust managers have a fiduciary duty to our shareholders to supervise our relationship with our Advisor. Our trust managers will approve our investments in the Properties, communicate with our Advisor, and oversee our operations. We have no employees and have retained our Advisor to manage our day-to-day operations, subject to the board's supervision, and to manage activities relating to this Offering.

We currently have six trust managers, four of whom are independent trust managers. In determining the composition of our board of trust managers, our board of trust managers' goal was to assemble a group of persons whose individual skills, character, judgment, leadership experience, real estate experience and business acumen would complement each other and bring a diverse set of skills and experiences to our board as a whole. As provided in the NASAA REIT Guidelines, trust managers must have had at least three years of relevant experience in these fields, and at least one trust manager must have had at least three years of relevant real estate experience. Two principals in our Advisor, Messrs. Hofer and Wirta, serve as our trust managers together with four independent directors. Our independent directors are Jeffrey Randolph, Vipe Desai, Jonathan Platt, and David Feinleib. Mr. Randolph, Platt and Feinleib have three years' relevant experience in the real estate business.

Our trust managers are elected annually by our shareholders. Our independent trust managers are required to review and approve all matters the board of trust managers believes may involve a conflict of interest between us and our Advisor or its affiliates. Two of our trust managers, Messrs. Wirta and Hofer, act as our executive officers, through our Advisor.

Set forth below is certain information concerning the individuals that are currently serving as our trust managers and executive officers. The ages of each officer and/or trust manager set forth below is as of March 31, 2016.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Harold C. Hofer	60	Chief Executive Officer and Trust Manager
Raymond E. Wirta	72	Chairman of the Board and Trust Manager
Jeffrey Randolph	59	Independent Trust Manager
Vipe Desai	47	Independent Trust Manager
David Feinleib	41	Independent Trust Manager
Jonathon Platt	31	Independent Trust Manager

Our trust managers are accountable to us and our shareholders as fiduciaries. Generally speaking, this means that our trust managers must perform their duties in good faith and in a manner each trust manager believes to be in the best interest of our shareholders. Our trust managers are not required to devote all or any specific amount of their time to our business. Our trust managers are only required to devote the time to our business as their duties require. Our trust managers meet at least quarterly or more frequently if necessary. In the exercise of their fiduciary responsibilities, our trust managers rely heavily on our Advisor. Therefore, our trust managers are dependent on our Advisor and information they receive from our Advisor in order to adequately perform their duties, including their obligation to oversee and evaluate our Advisor and its affiliates.

Only our independent trust managers receive compensation in their capacities as trust managers. The independent trust managers are compensated in an amount equal to one hundred shares per meeting attended.

Biographic descriptions of our trust managers follow:

Mr. Harold Hofer. Mr. Hofer is a sponsor of our REIT. Together with Mr. Wirta, he indirectly owns and controls our Advisor. Mr. Hofer has been a lawyer since 1980 and is an inactive member of the California State Bar. He was formerly the owner of Hofer Realty Advisors, a boutique real estate firm that acted as a principal and advised clients in various real estate transactions focused on investments in retail shopping centers. Mr. Hofer is a principal in a private investment fund known as REIT Opportunity Capital Advisors, or “ROCA”, which invests in the listed stocks of public REITs. He has participated in real estate transactions, as a principal and as a broker, valued in excess of \$2 billion in his 30-year real estate career. Mr. Hofer has extensive underwriting, acquisition and management experience, and has asset managed multi-million dollar portfolios of owned properties. As a principal of our Advisor, through which he acts as one of our executive officers, Mr. Hofer is best-positioned to provide our trust managers with insights and perspectives on the execution of our business strategy, our operations and other internal matters. Further, as a principal of our Advisor, Mr. Hofer brings to our board of trust managers demonstrated management and leadership ability. Mr. Hofer has been employed by our Advisor since it was founded in 2007, during which time he has also been engaged independently as a real estate investment sponsor and investor in California, Texas and elsewhere.

Mr. Raymond Wirta. Mr. Wirta is a sponsor of our REIT. Together with Mr. Hofer, he indirectly owns and controls our Advisor. Mr. Wirta is currently Chairman and the former Chief Executive Officer of CBRE (NYSE:CBG), a global real estate services firm and has been in this position since 1997. From 2009 through the present, he has been Chief Executive Officer of the Koll Company, a West Coast-based real estate investment and development company. He previously served as Chief Executive Officer for Koll Management Services and Bolsa Chica Company during time frames when both were publicly traded real estate companies. Based on these experiences, Mr. Wirta offers insights and perspective with respect to our real estate portfolio. From 2010 through the present, he has been president of Irvine Company, a privately held California based real estate development company with ownership of 115 million square feet of apartments, office, retail and resorts in California. As a principal of our Advisor, through which he acts as one of our executive officers, Mr. Wirta is also able to direct our board of trust managers to the critical issues facing our REIT.

Mr. Jeffrey Randolph. Mr. Randolph has extensive experience in investment management. Since 2002, Mr. Randolph has been employed as a Principal and the Chief Financial Officer and Chief Compliance Officer for Affinity Investment Advisors, LLC, a firm specializing in U.S. stock exchange investments. He has a long history with Affinity, having negotiated the transaction to sell Affinity to Morgan Stanley as well as the buy back from INVESCO that occurred in 2010. Mr. Randolph was part of the decision to re-launch Affinity as an independent to capitalize on the increasing investor interest in boutique management firms. Mr. Randolph brings 25 years of investment experience to our REIT. His previous work experience includes Managing Director at Morgan Stanley Investment Management and Van Kampen, Principal at Avalon Financial Group Inc., Chief Financial Officer for Bonutto-Hofer Investments and Vice President at Security Pacific National Bank. Mr. Randolph received his bachelor degree in Business Finance from California State University, Long Beach in 1978. He holds a California broker license.

Mr. Vipe Desai. Mr. Desai has extensive knowledge and understanding of marketing and branding. Mr. Desai has spent the majority of his professional career in the action sports industries. From 1993 to 1998, Mr. Desai owned and operated H2O Surf and Snowboard Shop in Orange County, CA. This professional experience exposed Mr. Desai to action sports industries and provided him with valuable knowledge regarding marketing and brand awareness vis-à-vis action sports enthusiasts. In 2000 Mr. Desai founded Propaganda HQ (“PHQ”), which he continues to manage. PHQ is a youth brand consulting agency which assists its clients in developing brand strategies, event production, social media marketing and digital marketing. PHQ’s clients have included Red Bull, Monster Energy, DaimlerChrysler, Surfrider Foundation, Billabong, DaKine, Electric Eyewear, Nixon Watches, O’Neill, Reef, HBO, and Ball Park Franks. From 2009 to 2010, Mr. Desai also held senior marketing positions with Monster Energy and TransWorld Media. While at Monster Energy, Mr. Desai was responsible for sponsored athlete relations, events and brand partnerships worldwide. Mr. Desai is the founder and director project BLUE (www.betrueoblue.com), a consortium of leading surf apparel companies which produce complementary lines of premium “project BLUE” products, with a portion of the sales proceeds being directed to the Surfrider Foundation

and the SIMA Environmental Fund. Mr. Desai is a current or past Board member of various charitable organizations, including project BLUE, the SIMA Humanitarian Fund, the Rob Dyrdek Foundation, the Surfrider Foundation and Life Rolls On. Mr. Desai brings a unique perspective on the “branding” of our REIT’s investment products, including web site design, public relations and marketing. He is a graduate of Point Loma Nazarene University.

Mr. David Feinleib. From 2011 through the present, Mr. Feinleib has served as the Managing Director of The Big Data Group and from 2013 through the present as Founder and CEO of Content Analytics, Inc. The Big Data Group provides strategy consulting to leading technology buyers and vendors to unlock the value of their data assets. Content Analytics, a leader in E-Commerce analytics, helps major brands and retailers optimize the Findability and Shopability of their products online. Mr. Feinleib’s Big Data Landscape has been viewed more than 200,000 times and is used as a reference by Intel, Dell, VMWare, and the US Government, among others. His book Big Data Bootcamp is available from Apress in the United States. Mr. Feinleib has been quoted by Business Insider and CNET, and his writing has appeared on Forbes.com and in Harvard Business Review China. From 2006 to 2011, Mr. Feinleib was a general partner at Mohr Davidow Ventures, where he led investments in Software as Service (SaaS) companies, including Infusion Software, which completed a \$55M Series D round of funding led by Bain Capital Ventures, Goldman Sachs, and others in 2014. From 2001 to 2003, Mr. Feinleib co-founded Conserra Software and worked as Vice President of Products, which was acquired by HP, and from 2004 to 2012, co-founded Likewise Software and served as Director, which was acquired by EMC. A lifelong entrepreneur, Mr. Feinleib taught himself how to program and joined Microsoft at age 16. Mr. Feinleib holds a BA from Cornell University and an MBA from the Graduate School of Business at Stanford University. He is an avid violinist and a four-time Ironman distance finisher.

Mr. Jonathan Platt. Mr. Platt is a real estate lawyer, investor and manager. Mr. Platt has more than three years’ relevant experience in the real estate business. Mr. Platt is a principal in Kingstone Properties, founded in 2011, serving as both counsel and its chief financial officer. Kingstone Properties is a full service commercial real estate firm, specializing in investments and property management. Mr. Platt is also a partner in Platt Law Group, LLP, a real estate law firm founded in 2011. Prior to joining Kingstone Properties, Mr. Platt briefly served as a financial analyst at LSA, working on transactions including municipal securities stripping, HUD multi-family refinancings, real estate loan syndication and special situations. Mr. Platt received his J.D. from the Benjamin N. Cardozo School of Law, where he served as an editor on the Cardozo Public Law, Policy & Ethics Journal, and he is an active member of the State Bar of California (admitted 2010). He received his bachelor’s degree in finance, graduating cum laude, from Sy Syms School of Business at Yeshiva University. He is also a licensed real estate broker in California.

Our Advisor

Our Advisor is Rich Uncles, LLC, which is majority owned and controlled by Messrs. Wirta and Hofer. Its address is 3080 Bristol Street, Suite 550, Costa Mesa, CA 92626. Our Advisor is a limited liability company that was formed in the State of Delaware on May 5, 2006 as Nexregen, LLC. Our Advisor has sponsored one previous real estate investment trust, Nexregen Firewheel Real Estate Investment Trust (“**Firewheel**”), in 2007 to invest in a limited partnership that owned a shopping center in Garland Texas. Our Advisor sold \$360,500 of Firewheel’s common stock and \$1,497,222 in direct limited partnership interests to the public in a Texas-only offering registered with the Texas State Securities Board in 2007 and 2008. Firewheel’s converted to a limited partnership in 2008 and continues to hold its interest in the shopping center.

All of our administrative functions and operations are managed and performed by our Advisor and its affiliates. We do not have any employees. Messrs. Wirta and Hofer, our executive officers, acting through our Advisor, make most of the decisions regarding asset-management, investor-relations and other administrative services on our behalf with the goal of maximizing our operating cash flow.

We entered into an Advisory Agreement with our Advisor, which was unanimously approved by our board of trust managers, including our independent trust managers, and which appointed our Advisor to manage, operate, direct and supervise our operations. Our Advisor is subject to the supervision of our board of trust managers and provides only the services that are delegated to it. Our independent trust managers are responsible for reviewing the performance of our Advisor and determining that the compensation paid to our Advisor is reasonable in relation to the nature and quality of services performed and that our investment objectives are being carried out.

Our Advisor and its affiliates will experience conflicts of interest in connection with the management of our business. Messrs. Wirta and Hofer, two of our executive officers, indirectly own and control our Advisor. In connection with advising us and managing our operations, our Advisor will face conflicts of interest. See “Risk Factors”, beginning on page 10. Some of the material conflicts that our Advisor and its affiliates face include the following:

- Our Advisor and its affiliates, including Messrs. Wirta and Hofer have to allocate their time between us and other real estate programs and activities in which they are involved;
- The negotiation of any fees paid to our Advisor or any of their affiliates was not at arm’s length; and
- Our Advisor may terminate the Advisory Agreement without penalty upon 60 days’ written notice and, upon termination of the Advisory Agreement, our Advisor may be entitled to a termination fee if (based upon an independent appraised value of our portfolio) the Advisor would have been entitled to a subordinated participation in net cash flows had the portfolio been liquidated on the termination date.

Our Advisor’s duties include, in general terms, advisory and administrative services, including but not limited to regulatory compliance and investor relations. More specifically, the advisory services include overseeing the acquisition and management of our Prospectus and other assets, collecting rent and other payments from the tenants of our Properties and paying our bills, and calculating and paying distributions to us. The administrative services include, but are not limited to, the following: (i) maintain accounting data and any other information requested concerning our activities as shall be appropriate or necessary, (ii) perform all record keeping requirements, prepare all financial statements, and prepare and file all periodic financial reports and returns required to be filed with any regulatory agency, (iii) arrange for administrative, legal, accounting and other services necessary and incidental to our business and operations, (iv) perform tax and compliance services, and (v) manage communications with our shareholders, including responding to e-mails, preparing and sending written and electronic reports and other communications. Our Advisor may contract with other Rich Uncles entities or affiliated to perform its functions under the Advisory Agreement.

The current term of the Advisory Agreement ends on March 8, 2017, and the Advisory Agreement may be renewed for an unlimited number of successive one-year periods upon the mutual consent of us and our Advisor. Renewals of the Advisory Agreement must be approved by a majority of our independent trust managers. The Advisor may terminate the Advisory Agreement for any reason and without penalty upon 60 days’ written notice; and we may terminate the Advisory Agreement for “cause” as defined therein. Upon termination of the Advisory Agreement, our Advisor may be entitled to receive a subordinated participation fee if (based upon an independent appraised value of our portfolio), our Advisor would have been entitled to a subordinated participation in net cash flows had the portfolio been liquidated on the termination date.

Our Advisor and its affiliates receive certain compensation and are reimbursed for certain expenses and receive certain other payments in connection with services provided to us. Specifically, our Advisor is compensated as follows: (i) an acquisition fee, with respect to each acquisition, equal to the greater of \$25,000 or 2.0% of the cost of the investment, not to exceed 6.0% when combined with all other broker fees related to such acquisition, (ii) an annual asset management fee equal to 0.6% of the “average invested assets”, payable monthly, (iii) for assistance in financing or refinancing of any debt related to Properties or the REIT, excluding financing made in conjunction with and simultaneous to the acquisition of a Property or other asset, a finance coordination fee equal to 1.0% of the amount available and/or outstanding under such financing or refinancing, (iv) a property management fee of 1.5% of gross revenues from Properties managed by our Advisor, (v) for assistance with our initial leasing of a Property or Properties to unaffiliated third parties, leasing commissions equal to 6.0% of the rents due pursuant to such lease for the first ten years of the lease term; provided, however (x) if the term of the lease is less than ten years, such commission percentage will apply to the full term of the lease and (y) any rents due under a renewal of a lease of an existing tenant upon expiration of the initial lease agreement (including any extensions provided for thereunder) shall accrue a commission of 3.0% in lieu of the aforementioned 6.0% commission, (vi) reimbursement for actual costs incurred in providing administrative services, subject to the limitation that we will not reimburse our Advisor for any amount by which our operating expenses (including the asset management fee) at the end of the four

preceding fiscal quarters exceeds the greater of (x) 2% of average invested assets and (y) 25% of net income, other than any additions to reserves for depreciation, bad debt or other similar noncash reserves and excluding any gain from the sale of assets for that period, (vii) for assistance in connection with the sale of Properties, one-half of the total brokerage commission paid (provided, however, in no event may the real estate commissions paid to our Advisor exceed 3% of the contract sales price), and (viii) 15.0% of net sale proceeds after return of capital plus payment to investors of a 6.0% cumulative, non-compounded return (from all sources including operating cash flow) on the capital contributed by investors.

Additionally, we have, and will continue to, reimburse our Advisor for the costs incurred by our Advisor or its affiliates in connection with our organization and offering subject to a limit of 3.0% of the gross proceeds from the Offering. Organization and Offering expenses consist of the actual legal, accounting, printing, marketing, filing fees, transfer agent costs and other accountable Offering-related expenses. Except as provided above, the expenses and payments subject to reimbursement by us do not include personnel and related direct employment or overhead costs of our Advisor or its affiliates, unless such costs are approved by a majority of our independent trust managers in the future.

If (i) we request that our Advisor perform services that are outside of the scope of the Advisory Agreement or (ii) there are changes to the regulatory environment in which we and our Advisor operate that would significantly increase the level of services performed by our Advisor, such that the costs and expenses borne by our Advisor for which it is not entitled to separate reimbursement for personnel and related employment direct costs and overhead under the Advisory Agreement would increase significantly, such services will be separately compensated at rates and in amounts as are agreed to by our Advisor and our independent trust managers.

TRANSACTIONS WITH AFFILIATES

We were created by Rich Uncles, LLC, our Advisor, who is responsible for the management of the REIT. Two of our executive officers (Messrs. Wirta and Hofer) are also officers, managers and/or holders of a direct or indirect controlling interest in our Advisor, our Sponsor and other affiliated entities. Messrs. Wirta and Hofer, acting through Rich Uncles, will make most of the decisions regarding asset management, marketing, investor relations and other administrative services on our behalf. Moreover, we have entered into an Advisory Agreement with our Advisor. As a result, our Advisor and its affiliates may experience conflicts of interest in connection with the management of our business.

Our Advisor and its affiliates will experience conflicts of interest in connection with the management of our business. Messrs. Wirta and Hofer, our executive officers, indirectly own and control our Advisor. In connection with advising us and managing our operations, our Advisor will face conflicts of interest. See “Risk Factors,” beginning on page 10. Some of the material conflicts that our Advisor and its affiliates face include the following:

- Our Advisor and its affiliates, including Messrs. Wirta and Hofer have to allocate their time between us and other real estate programs and activities in which they are involved;
- The negotiation of any fees paid to our Advisor or any of their affiliates was not at arm’s length; and
- Our Advisor may terminate the Advisory Agreement without penalty upon 60 days’ written notice and, upon termination of the Advisory Agreement, our Advisor may be entitled to a termination fee if (based upon an independent appraised value of our portfolio) the Advisor would have been entitled to a subordinated participation in net cash flows had the portfolio been liquidated on the termination date.

SUMMARY OF CERTAIN PROVISIONS OF OUR AMENDED AND RESTATED DECLARATION OF TRUST AND BYLAWS

Amended and Restated Declaration of Trust

Overview

We are a California real estate investment trust formed in 2012 under the laws of the State of California. Our purpose is to purchase, hold, lease, manage, sell, exchange, develop, subdivide and improve real property and interests in real property, and otherwise engage in any lawful act or activity for which a real estate investment trust may be organized under the law of the State of California. We maintain our principal place of business in California. We have authorized 10,000,000 common shares (the “**Common Shares**”) and 5,000,000 excess shares (the “**Excess Shares**”). The holders of the Common Shares will be those investors that purchase Shares pursuant to this Offering. You should carefully review the entire Amended and Restated Declaration of Trust, as amended before subscribing. The following is a summary of some of the significant provisions of the Amended and Restated Declaration of Trust, as amended. Investors should carefully review the entire Amended and Restated Declaration of Trust, as amended and bylaws.

Trust Managers

The REIT was formed by our trust managers. As trust managers, our trust managers will manage all of our assets for our shareholders. Initially, we will have five trust managers, three of whom will be independent trust managers. The other two trust managers will be Messrs. Wirta and Hofer. To qualify as an independent trust manager, a person may not have been associated within the last two years, directly or indirectly, with our Sponsor or our Advisor. A majority of the independent trust managers must approve various matters, including, but not limited to, the following: (i) the Advisory Agreement (including compensation paid to our Advisor), (ii) the reasonableness of our total fees and expenses, (iii) the expenses associated with the organization of our REIT and this Offering, (iv) fees and expenses associated with the acquisition of the Properties, (v) the issuance of shares of our capital stock, (vi) loans from our Sponsor, Advisor or any of their affiliates, and (vii) investments in a joint venture with our Sponsor, Advisor or any of their affiliates. The trust managers are deemed to be in a fiduciary relationship to the REIT and our shareholders.

Conflicts of Interest and Investment Restrictions

Pursuant to Section 10.1 of the declaration of trust, (i) we will not purchase Property from our Sponsor, our Advisor, any trust manager, or any of their affiliates unless a majority of the trust managers (including a majority of the independent trust managers) not otherwise interested in the transaction approve the transaction as being fair and reasonable to us and at a price no greater than the cost of the asset, or if the price is in excess of such cost, that substantial justification for such excess exists and such excess is reasonable, (ii) none of our Sponsors, Advisors, trust managers, or any of their affiliates may acquire assets from us unless approved by a majority of the trust managers (including a majority of the independent trust managers) not otherwise interested in the transaction approve the transaction as being fair and reasonable, (iii) except under very limited circumstances, we cannot loan money to any of our Sponsors, Advisors, trust managers, or any of their affiliates, (iv) we will not borrow money from our Sponsors, Advisors, trust managers or any of their affiliates unless a majority of the trust managers (including a majority of the independent trust managers) not otherwise interested in the transaction approve the transaction as being fair, competitive, and commercially reasonable and no less favorable to us than loans between unaffiliated parties under the same circumstances, (v) we will not invest in a joint venture with our Sponsors, Advisors, trust managers or any of their affiliates unless a majority of the trust managers (including a majority of the independent trust managers) not otherwise interested in the transaction approve the transaction as being fair and reasonable to us and on substantially the same terms and conditions as those received by the other joint venturers, (vi) we will not invest in equity securities unless a majority of the trust managers (including a majority of the independent trust managers) not otherwise interested in the transaction approve the transaction as being fair, competitive, and commercially reasonable.

The specific investment objective of the REIT is to obtain current income through its investment in the Properties. The independent trust managers will review our investment policies with sufficient frequency and at least annually to determine that our policies are in the best interests of our shareholders.

The method for the allocation of the acquisition of Properties by two or more programs of the same Sponsor or Advisor seeking to acquire similar types of assets shall be reasonable. It shall be the duty of the trust managers (including the independent trust managers) to insure such method is applied fairly to us. Additionally, all other transactions between us and our Sponsors, Advisor, trust managers, or any of their affiliates, shall require approval by a majority of the trust managers (including a majority of the independent trust managers) not otherwise interested in such transactions as being fair and reasonable to us and on terms and conditions not less favorable to us than those available from unaffiliated third parties. The consideration paid for real property acquired by us shall ordinarily be based on the fair market value of the Property as determined by a majority of the trust managers. In cases in which a majority of the independent trust managers so determine, and in all cases in which assets are acquired from our Advisor, trust managers, Sponsors or any of their affiliates, such fair market value shall be as determined by an independent expert selected by the independent trust managers.

Suitability of our Shareholders

Our Sponsor will have to determine that the purchase of Shares by you is a suitable and appropriate investment for you. In making this determination, our Sponsor will need to ascertain that you: (i) meet the minimum income and net worth standards; (ii) can reasonably benefit from the REIT based on your overall investment objectives and portfolio structure; (iii) are able to bear the economic risk of the investment based on your overall financial situation; and (iv) have the apparent understanding of the fundamental risks of the investment in the Shares, the risk that you may lose your entire investment, the lack of liquidity of the Shares, the restrictions on your transferability of the Shares, the background and qualifications of our Sponsor and our Adviser, and the tax consequences of your investment in the Shares. Our Sponsor will make this determination on the basis of information it obtains from you. Relevant information for this purpose will include at least your age, investment objectives, investment experience, income, net worth, financial situation, and your other investments, as well as any other pertinent factors.

Voting Rights – Generally

The holders of the Shares will be entitled to one vote for each Share. The holders of the Shares are entitled to vote on certain matters, including, but not limited to, the following: (i) the amendment or modification of the Amended and Restated Declaration of Trust, (ii) the amendment or repeal of the bylaws, (iii) the removal of a trust manager, and (iv) termination of our status as a REIT. You do not have any cumulative voting rights in the election of trust managers.

Ownership, Transfer Limitations, and Reporting Requirements

For so long as we remain a REIT, and except as otherwise provided in the Amended and Restated Declaration of Trust, as amended, no Person (as defined in the Amended and Restated Declaration of Trust, as amended) may own in excess of 8% of the outstanding Shares. The Amended and Restated Declaration of Trust, as amended contains various restrictions on your ability to transfer your Shares. These restrictions are to help ensure that we can qualify or remain qualified as a REIT. For instance, you will not be able to transfer your Shares if, after giving effect to the transfer, we would have fewer than 100 shareholders. Additionally, you cannot transfer your shares if, after giving effect to the transfer, we would fail to qualify as a REIT by reason of being closely held. To the extent that a purported transfer was to occur in violation of the Amended and Restated Declaration of Trust, as amended, the Shares that were the subject of the transfer will be automatically exchanged for an equal number of Excess Shares. The Excess Shares generally are (i) not entitled to any dividends or distributions, (ii) not entitled to vote on matters, and (iii) subject to a right of repurchase by us. Additionally, should you own more than 5% of the outstanding Shares, or any lesser percentage as determined by the trust managers, you will be required to provide to us certain information concerning the ownership of your Shares.

No Preemptive Rights

You do not have any preemptive rights or any other preferential right of subscription for the purchase of any shares of any class or series or for the purchase of any securities convertible into shares of any class or series.

Reports

Our trust managers are required to take such reasonable steps as necessary to cause to be prepared and delivered to each shareholder an annual report for each fiscal year, which report shall include: (i) financial statements prepared in accordance with generally accepted accounting principles; (ii) the ratio of the costs of raising capital during the period to the capital raised; (iii) the aggregate amount of advisory fees and the aggregate amount of other fees paid to our Advisor and any affiliate of our Advisor by us and including fees or charges paid to our Advisor and any affiliate of our Advisor by third parties doing business with us; (iv) our total operating expenses, stated as a percentage of our average invested assets and as a percentage of our net income; (v) a report from the independent trust managers that the policies being followed by us are in the best interests of our shareholders and the basis for such determination; and (vi) separately stated, full disclosure of all material terms, factors, and circumstances surrounding any and all transactions involving us, our trust managers, Advisor, and any of its affiliates occurring in the year for which the annual report is made. Our independent trust managers are specifically charged with a duty to examine and comment in the report on the fairness of such transactions.

Bylaws

Access to Books and Records

Any shareholder and any designated representative thereof shall be permitted access to all of our records at all reasonable times, and may inspect and copy any of them. A copy of the shareholders list shall be mailed to any shareholder requesting the shareholders list within ten (10) days of our receipt of the request. The copy of the shareholders list shall be printed in alphabetical order, on white paper, and in a readily readable type size (in no event smaller than ten-point type). A reasonable charge for copy work may be charged by us. The purposes for which a shareholder may request a copy of the shareholders list include, without limitation, matters relating to shareholders' voting rights, and the exercise of shareholders' rights under federal proxy laws. If we neglect or refuse to exhibit, produce, or mail a copy of the shareholders list as requested, the responsible party including any advisor and the trust managers shall be liable to any shareholder requesting the list for the costs, including attorneys' fees, incurred by that shareholder for compelling the production of the shareholders list, and for actual damages suffered by any shareholder by reason of such refusal or neglect. It shall be a defense that the actual purpose and reason for the requests for inspection or for a copy of the shareholders list is to secure such list of shareholders or other information for the purpose of selling such list or copies thereof, or of using the same for a commercial purpose other than in the interest of the applicant as a shareholder relative to our affairs. We may require the shareholder requesting the shareholders list to represent that the list is not requested for a commercial purpose unrelated to the shareholder's interest in us. The remedies provided to shareholders requesting copies of the shareholders list are in addition to, and shall not in any way limit, other remedies available to shareholders under federal law, or the laws of any state.

Meetings

Our Amended and Restated Declaration of Trust, as amended and bylaws provide that annual meetings are to be held each year on such date and at such time as determined by our trust managers. Additionally, special meetings of our shareholders may be called by the board of trust managers, the chairman of the board, the president or the holders of not less than 10% of the outstanding Shares then entitled to vote at such meeting. Our bylaws provide that only those matters set forth in the notice of the special meeting may be considered or acted upon at the special meeting.

Trust Managers

Our trust managers are elected on an annual basis. Nominations for our trust managers may be made by the trust managers or any shareholder that complies with the notice procedures in our bylaws. With respect to the election of trust managers, you will have the right to vote the number of Shares owned by you for as many persons as there are to be elected and for whose election you have the right to vote. You are only allowed to cumulate your votes if you comply with the provisions in our bylaws relating to cumulative voting. You will have one vote for each Share you own.

Indemnification

Our bylaws provide that we shall, to the maximum extent permitted by the laws of the State of California, indemnify each of our trust managers and officers against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact any such person is or was a trust manager or officer of the real estate investment trust and shall advance to such trust manager or officer expenses incurred in defending any such proceeding to the maximum extent permitted by such law. Our board may in its discretion provide by resolution for such indemnification of, or advance of expenses to, other agents of the real estate investment trust, and likewise may refuse to provide for such indemnification or advance of expenses except to the extent such indemnification is mandatory under the laws of the State of California.

Amendment

New bylaws may be adopted or our bylaws may be amended or repealed by the vote or written consent of holders of a majority of the outstanding shares entitled to vote; *provided, however*, that the authorized number of trust managers may be changed only by an amendment of the Amended and Restated Declaration of Trust. Subject to the preceding sentence, other than a bylaw or an amendment thereof changing the authorized number of trust managers, our bylaws may be adopted, amended or repealed by the Board of Trust Managers.

DIVIDEND REINVESTMENT PLAN

We have adopted a dividend reinvestment plan pursuant to which you may elect to have your dividends and other distributions reinvested in additional shares of our common stock. On March 8, 2012, our board of trust managers adopted a dividend reinvestment plan. The following discussion summarizes the principal terms of the plan. Exhibit E to this Prospectus contains the full text of our dividend reinvestment plan. The plan clarifies (i) that the purchase price of shares under the dividend reinvestment plan will be \$10.00 until we establish an estimated value per share that is not based on the price to acquire a share in this offering and (ii) that we expect to establish an estimated value per share upon the completion of our offering stage. The dividend reinvestment plan states that we will consider our offering stage complete when we are no longer publicly offering equity securities and have not done so for 18 months. We currently expect to update the estimated value per share every 12 to 18 months thereafter. The dividend reinvestment plan also allows us to notify participants of amendments to or termination of the plan by sending such information in a separate mailing to participants.

Eligibility

All of our shareholders are eligible to participate in our dividend reinvestment plan. At any time prior to the listing of our shares on a national stock exchange, you must cease participation in our dividend reinvestment plan if you no longer meet the suitability standards or cannot make the other investor representations set forth in the then-current Prospectus or in the subscription agreement. Participants must agree to notify us promptly when they no longer meet these standards. *See the "Suitability Standards" section of this Prospectus* (immediately following the cover page) and the form of subscription agreement attached hereto as Exhibit A.

Election to Participate

You may elect to participate in the dividend reinvestment plan by completing the subscription agreement or other approved enrollment form available from us. Your participation in the dividend reinvestment plan will begin with the next distribution made after receipt of your enrollment form. You can choose to have all or a portion of your distributions reinvested through the dividend reinvestment plan. You may also change the percentage of your distributions that will be reinvested at any time by completing a new enrollment form or other form provided for that purpose.

Stock Purchases

Shares will be purchased under the dividend reinvestment plan on the any distribution payment dates. The purchase of fractional shares is a permissible and likely result of the reinvestment of distributions under the dividend reinvestment plan.

The purchase price for shares purchased under the dividend reinvestment plan will initially be \$10.00 per share. Once we establish an estimated value per share that is not based on the price to acquire a share in this offering, shares issued pursuant to our dividend reinvestment plan will be priced at the estimated value per share of our common stock, as updated from time to time and as determined by our Advisor or another firm chosen for that purpose. We expect to establish an estimated value per share not based on the price to acquire a share in this offering after the completion of our offering stage. We will consider our offering stage complete when we are no longer publicly offering equity securities and have not done so for 18 months. For this purpose, we do not consider a "public equity offering" to include offerings on behalf of selling shareholders or offerings related to any dividend reinvestment plan or employee benefit plan. We currently expect to update the estimated value per share every 12 to 18 months thereafter.

Account Statements

You or your designee will receive a confirmation of your purchases under the dividend reinvestment plan no less than quarterly. Your confirmation will disclose the following information:

- each dividend reinvested for your account during the period;
- the date of the reinvestment;
- the number and price of the shares purchased by you; and

- the total number of shares in your account.

In addition, within 90 days after the end of each calendar year, we will provide you with an individualized report on your investment, including the purchase dates, purchase price, number of shares owned and the amount of distributions made in the prior year. We will also provide to all participants in the plan, without charge, all supplements to and updated versions of this Prospectus, as required under applicable securities laws.

Use of Proceeds

We expect to use the net proceeds from the sale of shares under our dividend reinvestment plan for general corporate purposes, including, but not limited to, the following:

- capital expenditures, tenant improvement costs and leasing costs related to our investments in real estate properties;
- reserves required by any financings of our investments in real estate properties;
- investments in real estate properties and real estate-related assets, which would include payment of fees to our Advisor; and
- the repayment of debt.

We cannot predict with any certainty how much, if any, dividend reinvestment plan proceeds will be available for specific purposes.

Voting

You may vote all shares, including fractional shares, that you acquire through the dividend reinvestment plan.

Tax Consequences of Participation

If you elect to participate in the dividend reinvestment plan and are subject to federal income taxation, you will incur a tax liability for distributions allocated to you even though you have elected not to receive the distributions in cash but rather to have the distributions withheld and reinvested pursuant to the dividend reinvestment plan. Specifically, you will be treated as if you have received the distribution from us in cash and then applied such distribution to the purchase of additional shares. In addition, to the extent you purchase shares through our dividend reinvestment plan at a discount to their fair market value, you will be treated for tax purposes as receiving an additional distribution equal to the amount of the discount.

At least until we establish an estimated value per share not based on the last price paid to acquire a share in this offering, we expect that (i) we will sell shares under the dividend reinvestment plan at \$10.00 per share, (ii) no secondary trading market for our shares will develop and (iii) our Advisor will estimate the fair market value of a share to be \$10.00. Therefore, at least until we establish an estimated value per share not based on the last price paid to acquire a share in this offering, participants in our dividend reinvestment plan will be treated as having received a distribution of \$10.00 for each \$10.00 reinvested by them under our dividend reinvestment plan. You will be taxed on the amount of such distribution as a dividend to the extent such distribution is from current or accumulated earnings and profits, unless we have designated all or a portion of the distribution as a capital gain distribution. We will withhold 28% of the amount of dividends or distributions paid if you fail to furnish a valid taxpayer identification number, fail to properly report interest or distributions or fail to certify that you are not subject to withholding.

Termination of Participation

Once enrolled, you may continue to purchase shares under our dividend reinvestment plan until we have sold all of the shares registered in this offering, have terminated this offering or have terminated the dividend reinvestment plan. You may terminate your participation in the dividend reinvestment plan at any time by providing us with written notice. Unless you are terminating your participation in connection with an announcement of a new estimated value per share of our common stock, for your termination to be effective for a particular distribution, we must have received your notice of termination at least 10 business days prior to the day to which the distribution

relates. If we announce a new estimated value per share in a mailing to you, then you have no less than two business days after the date of such announcement to notify us in writing of your termination of participation in the dividend reinvestment plan, and your termination will be effective for the next date shares are purchased under the dividend reinvestment plan. Any transfer of your shares will effect a termination of the participation of those shares in the dividend reinvestment plan. We will terminate your participation in the dividend reinvestment plan to the extent that a reinvestment of your distributions would cause you to violate the ownership limit contained in our Amended and Restated Declaration of Trust, as amended, unless you have obtained an exemption from the ownership limit from our board of trust managers.

Amendment or Termination of Plan

We may amend or terminate the dividend reinvestment plan for any reason at any time upon 10 days' notice to the participants. We may provide notice by including such information in a separate mailing to the participants.

SHARE REPURCHASE PROGRAM

We have adopted a share repurchase program pursuant to which all of our shareholders are eligible to sell their shares back to us for any reason on a quarterly basis. Shareholders who wish to participate in the share repurchase program must notify our Advisor, in writing, no later than the 15th day of the last month of the then current calendar quarter of such shareholder's desire to participate in the program and the number of shares that it wants to have repurchased by us. Any shareholder who elects to participate in the share repurchase program will receive a confirmation of its redemption of shares setting forth the number and price of the shares sold back to us, and the total number of shares remaining in such shareholder's account, if any.

In exchange for the shares redeemed by us from shareholders, we shall pay such shareholders a per share purchase price in cash equal to the lesser of (i) the net asset value per share, as calculated and published by our Advisor and (ii) the per share price paid for the shares by the redeeming shareholder.

The share repurchase program will be funded by, and limited to, proceeds realized from our sale of shares under our dividend reinvestment plan.

We reserve the right to reject any request for the redemption of shares. Additionally, we may terminate, suspend or amend the share repurchase program at any time without shareholder approval if we believe such action is in the best interest of all shareholders or if we determine the funds otherwise available to fund our share repurchase program are needed for other purposes.

Share repurchase requests will be made on a first-come, first served basis. We cannot guarantee that we will have sufficient available cash flow to accommodate all requests when made. If we do not have such sufficient funds available, at the time when redemption is requested, the redeeming shareholder may (i) withdraw their request for redemption or (ii) ask that we honor their request, if and when sufficient funds become available. Such pending requests will generally be honored on a first-come, first-serve basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview

We were organized on February 16, 2012 under the laws of the State of California that apply to unincorporated associations. We were formed primarily to invest, directly or indirectly through investments in non-affiliated entities, in single-tenant income-producing corporate properties located principally in California, which are leased to creditworthy tenants under long-term net leases; however, we may invest up to 20.0% of our assets in Properties located outside of California. Our goal is to generate a relatively predictable and stable current stream of income for investors and the potential for long-term capital appreciation in the value of our Properties. We qualify as a real estate investment trust, or REIT, for federal income tax purposes, and we are externally managed by our Advisor, Rich Uncles, LLC, an affiliate of Messrs. Wirta and Hofer.

We sold and will sell our Shares directly to investors and not through registered broker-dealers and investment advisors who would be paid commissions and fees. As a result, we believe that our total expenses are significantly less than those of other non-exchange listed public REITs that do pay commissions and fees, and, as a consequence, we are able to invest a significantly higher percentage of the proceeds generated from the sale of our Shares into Properties, compared to such other non-exchange listed public REITs.

Summary of Critical Accounting Policies

The summary of significant accounting policies presented below is designed to assist in understanding our financial statements. These financial statements and accompanying notes are the representations of our management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America ("GAAP") in all material respects, and have been consistently applied in preparing the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions affect the amounts reported in our financial statements and the related disclosures could differ if different assumptions or estimates were used. Although these estimates reflect management's best estimates, it is at least reasonably possible that a material change to these estimates could occur in the near term.

Fair Value of Financial Instruments

FASB ASC 820 "Fair Value Measurements and Disclosures" establishes a three-tier fair value hierarchy, which prioritizes the inputs in measuring fair value. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

These tiers include:

Level 1: defined as observable inputs such as quoted prices in active markets;

Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and

Level 3: defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The carrying amounts of financial assets and liabilities, such as cash and accrued liabilities approximate their fair values because of the short maturity of these instruments.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and cash in checking and savings accounts, and all investment instruments with an original maturity of three months or less. We had cash of \$2,102,868 and \$200,403 and did not have cash equivalents as of December 31, 2015 and 2014, respectively. Our deposits exceeded federally insured amounts by \$1,716,041 and \$100,403 as of December 31, 2015 and 2014, respectively.

Concentration of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash and cash equivalents. We place our cash with high quality banking institutions. From time to time, including as of December 31, 2015, we have maintained cash balances at certain institutions in excess of the Federal Deposit Insurance Corporation's limit on insurance; however, no losses have been incurred nor are any expected in the future.

Property and Depreciation

Property is recorded at cost and is composed primarily of building and land. Depreciation is provided using the straight-line method over an estimated useful life of 39 years for all properties except for land. Site and tenant improvements are depreciated using the straight-line method of the shorter of 15 years or the remaining lease term. Value allocated to pre-existing leases, upon purchase of the underlying property, are amortized over the remaining lease life.

Revenues

Rental income, which is generally earned pursuant to month-to-month leases for the building, is recognized as earned. Dividend income is recognized on an accrual basis to the extent that we expect to collect such amount.

Discontinued Operations and Held for Sale

A discontinued operation is a component (or group of components) of the Company, the disposal of which would represent a strategic shift that has (or will have) a major effect on the Company's operations and financial results, when such component (or group of components) have been disposed of or classified as held for sale. The results of operations of properties that have been classified as discontinued operations are reported as discontinued operations for all periods presented. We classify real property as held for sale when our management commits to a plan to sell the property, the plan has appropriate approvals, the sale of the property is probable, and certain other criteria are met. At such time, the respective assets and liabilities are presented separately on our balance sheet and depreciation is no longer recognized. Assets held for sale are reported at the lower of their carrying amount or their estimated fair value less the costs to sell the assets. We recognize an impairment loss if the current net book value of a property exceeds its fair value, less selling costs. As of December 31, 2014, an investment in four related limited partnerships was classified as held for sale and no impairment loss had been recognized. The investment was liquidated during 2015.

Income Taxes

We avoid the double taxation treatment of income that normally results from investments in a corporation because a REIT is not generally subject to federal corporate income taxes on that portion of its income distributed to its shareholders, provided certain income tax requirements are satisfied, which, among others, include the requirement to pay dividends to investors of at least 90% of its annual REIT taxable income (computed without regard to the dividends paid deduction and excluding net capital gain).

If we fail to qualify for taxation as a REIT in any year after electing REIT status, our income will be taxed at regular corporate rates, and we may be precluded from qualifying for treatment as a REIT for the four-year period following its failure to qualify. Even if we qualify as a REIT for federal income tax purposes, we may still be subject to state and local taxes on our income and property and to federal income and excise taxes on our undistributed income.

We must pass these four tests annually in order to retain our special tax status as a REIT:

1. We must distribute at least 90% of our annual taxable income, excluding capital gains, as dividends to our shareholders.
2. We must have at least 75% of our assets invested in real estate, mortgage loans, shares in other REITs, cash, or government securities.
3. We must derive (a) at least 75% of our gross income from rents, mortgage interest, and gains from the sale of real property and (b) at least 95% of our gross income from rents, mortgage interest, gains from the sale of real property, dividends, interest and gains from securities sales.
4. We must have at least 100 shareholders and must have less than 50% of our outstanding shares concentrated in the hands of five or fewer shareholders.

Recently Adopted Accounting Pronouncements

We have reviewed all the recent accounting pronouncements issued to date of the issuance of our financial statements and do not believe any of these pronouncements will have a material impact on our financial statements.

Results of Operations

Comparison of the year ended December 31, 2015 to the year ended December 31, 2014

The following discussion is based on our Consolidated Statements of Operations for the years ended December 31, 2015 and 2014, and the following table shows information from our income statement for such periods.

	2015	2014
Revenue:		
Rentals	\$976,982	\$113,171
Operating Expenses:		
Property operating expenses	\$48,060	\$45,132
Advertising and marketing	\$930,404	\$129,888
Fees to related party	\$308,040	\$13,103
General and administrative	\$187,528	\$211,965
Fair value adjustment	(\$40,686)	-
Depreciation and amortization expense	\$554,022	\$33,952
Total Operating Expenses	\$1,987,367	\$434,040
Income (Loss) from Operations	(\$1,010,386)	(\$320,869)
Other (Expense) Income:		
Interest expense	(\$154,241)	(\$33,100)
Income from Continuing Operations	(\$1,164,627)	(\$353,969)
Discontinued Operations:		
Gain on sale of assets from discontinued operations	\$456,991	-
Income from discontinued operations	\$93,148	\$78,676
Net Income (loss)	(\$614,488)	(\$275,293)
Earnings per share	(\$0.45)	(\$2.95)

Revenue

Revenue, which consists of rental revenue under our leases, increased from \$113,171 in 2014 to \$976,982 in 2015, principally due to the fact that we increased our portfolio of Properties from five Properties in 2014 to twelve Properties in 2015.

Operating Expenses

Total operating expenses increased from \$434,040 in 2014 to \$1,987,367 in 2015. This increase principally resulted from (i) an increase in advertising and marketing expenses from \$129,888 in 2014 to \$930,404 in 2015 reflecting our substantial increase in our level of advertising to prospective investors during 2015 and (ii) an increase in depreciation and amortization expense from \$33,952 in 2014 to \$554,022 in 2015 resulting from the fact that our portfolio of Properties increased from five Properties in 2014 to twelve Properties in 2015.

Income (Loss) from Operations

Our loss from operations increased from a loss of \$320,869 in 2014 to \$1,010,386 in 2015. This resulted mainly from our increase in total operating expenses.

Other (Expense) Income

Our other expense increased from \$33,100 in 2014 to \$154,241 in 2015. This resulted from (i) two additional loans that we entered into in connection with real estate acquisitions and (ii) an increase in the balance carried under our revolving loan of credit with Pacific Mercantile Bank in 2015.

Income from Continuing Operations

Our loss from continuing operations increased from \$353,969 in 2014 to \$1,164,627 for the reasons outlined in “*Income (Loss) from Operations*” and “*Other (Expense) Income*” above.

Discontinued Operations

Our income from gain on sale of assets from discontinued operations increased from zero in 2014 to \$456,991 in 2015 due to the disposition of our interest in four Del Taco partnerships, which were dissolved in December 2015. Income from discontinued operations represents income from the Del Taco partnerships prior to their disposition. We announced our plans to dispose of our interest in the Del Taco partnerships in late 2014. Income from discontinued operations increased from \$78,676 in 2014 to \$93,148 in 2015 because the income from the Del Taco partnerships was included for the full year in 2015 as income from discontinued operations.

Net Income (Loss)

As a result of the above, our net loss increased from \$275,293 in 2014 to \$614,488 in 2015.

Liquidity and Capital Resources

General

Our principal demands for funds are to purchase real estate properties and make other real estate investments, for the payment of operating expenses and distributions, and for the payment of principal and interest on any indebtedness we incur.

Our cash needs for the purchase of real estate properties and other real estate investments are funded primarily from the sale of our shares, including those offered for sale through our distribution reinvestment plan, and from debt proceeds.

We may incur indebtedness in the form of bank borrowings, purchase money obligations to the sellers of properties, and publicly or privately placed debt instruments or financing from institutional investors or other lenders. We may obtain a credit facility or separate loans for each acquisition. Our indebtedness may be unsecured or may be secured by mortgages or other interests in our Properties. We may use borrowing proceeds to finance acquisitions of new properties, to pay for capital improvements, repairs or buildouts, to refinance existing indebtedness, to fund repurchases of our shares or to provide working capital. To the extent we borrow on a short-term basis, we may refinance such short-term debt into long-term, amortizing mortgages once a critical mass of properties has been acquired and to the extent such debt is available at terms that are favorable to the then in-place debt. To date, our practice has been to use our unsecured acquisition line of credit, cash and/or property-specific mortgages to purchase Properties. Thereafter, the acquisition line of credit has been repaid by the issuance of additional shares or by the funding of secured, long-term mortgage financing, or both.

There is no limitation on the amount we can borrow for the purchase of any individual property. Our aggregate borrowings, secured and unsecured, must be reasonable in relation to the total value of all of our Properties, and we intend to utilize up to 40% leverage in connection with our acquisition strategy. Our Amended and Restated Declaration of Trust, as amended limits our borrowing to 40% of our the total value of all of our Properties unless any excess borrowing is approved by a majority of our independent trust managers and is disclosed to our shareholders in our next quarterly report, along with the justification for such excess.

Except as set forth in our Amended and Restated Declaration of Trust, as amended regarding debt limits, we may re-evaluate and change our debt strategy and policies in the future without a shareholder vote. Factors that we could consider when re-evaluating or changing our debt strategy and policies include then-current economic and market conditions, the relative cost of debt and equity capital, any acquisition opportunities, the ability of our properties to generate sufficient cash flow to cover debt service requirements and other similar factors.

We may borrow amounts from our Advisor if such loan is approved by a majority of our trust managers, including a majority of our independent trust managers, not otherwise interested in the transaction, as fair, competitive, commercially reasonable and no less favorable to us than comparable loans between unaffiliated parties under the circumstances. Any such loan will be included in determining whether we have complied with the borrowing limit in our Amended and Restated Declaration of Trust, as amended. Our Advisor does not any obligation to make any loans to us.

Debt financing for acquisitions and investments may be obtained at the time an asset is acquired or an investment is made or at such later time as determined to be appropriate. In addition, debt financing may be used from time to time for property improvements, lease inducements, tenant improvements and other working capital needs.

Generally, we have and continue to expect to meet operating cash needs and make distributions from our cash flows from operating activities. There may be a delay between the sale of our Shares and our purchase of assets with the proceeds of such sale of Shares, which could result in a delay in our ability to generate income to pay operating expenses or make distributions to our shareholders from operating activities or could reduce the amount of such distributions. Pending investment in real estate assets, we have and may continue to decide to temporarily invest any unused proceeds from sale of Shares in certain investments that could yield lower returns than those earned on real estate assets. These lower returns may affect our ability to make distributions or reduce the amount of such distributions.

Generally, our policy is to pay distributions from cash flow from operations. However, because we receive income from interest or rents at various times during our fiscal year and because we often need cash flow from operations during a particular period to fund capital expenditures and other expenses, we have declared and may continue to declare, from time to time, distributions in anticipation of cash flow that we expect to receive during a later period and we have and will continue to pay these distributions in advance of our actual receipt of these funds. In these instances, our Advisor may elect in its sole discretion to defer, but not waive, fees and/or reimbursements to which it is otherwise entitled to fund some or all of our distributions. Any such deferred reimbursements and fees will not be interest-bearing. Our Advisor has no obligation to defer any of its fees or reimbursements. We do not use the proceeds from sales of our common stock or borrowed money to pay distributions but rather pay distributions from cash flow from operations and, as elected solely by our Advisor, from deferred reimbursements and fees. If we

pay distributions from sources other than our cash flow from operations, we will have less funds available for investment in Properties and other assets, the overall return to our shareholders may be reduced and subsequent stockholders will experience dilution. A deferral of any fee or reimbursement owed to our Advisor will have the effect of increasing cash flow from operations for the relevant period because we will not have to use cash to pay any fee or reimbursement that was deferred during the relevant period. Any fee or reimbursement that was deferred, or any amounts advanced, that we later pay or reimburse, will have the effect of reducing cash flow from operations for the applicable period in which we pay or reimburse these amounts.

Generally, we have made payments of principal and interest on any indebtedness we incur from our cash flows from operating activities, including the proceeds from the sale of assets. Our cash flow from normal operations not involving the sale of assets has been and we anticipate will continue to be sufficient to make regularly scheduled payments of principal and interest. We will seek to structure our financing for acquisitions of assets such that any balloon payments or maturity dates involving extraordinary payments of principal are timed to match our expected receipt of funds from ownership and operation of the assets or the disposition by us of such assets. If cash flow from ownership and operation of an asset is not expected to be sufficient to make such payments of principal, and we do not anticipate that we will sell the asset at the time the principal payment comes due, we intend to make payments of principal out of proceeds from the refinancing of such indebtedness or out of cash flow from operation of our other assets or from our reserves. We may also use proceeds to pay down principal on indebtedness, including any balloon or monthly mortgage payments.

Our Advisor establishes working capital reserves from net offering proceeds, out of cash flow generated by operating assets and out of proceeds from the sale of assets. Working capital reserves are typically utilized to fund tenant improvements, leasing commissions and major capital expenditures. Our lenders also may require working capital reserves.

Loans

In 2014, we assumed an existing loan with RaboBank in the amount of \$2,000,000 that has an annual interest rate of 4.37%. As of December 31, 2015 and December 31, 2014, the amount of principal outstanding was \$6,254,505 and \$1,991,881, respectively. This loan was entered into primarily in connection with the purchase of the Chase Bank Office & Great Clips property and building in Antioch, California. The term of the loan is four and a half years. As of December 31, 2015 and 2014, the accrued interest was \$0 and \$16,052, respectively.

In 2015, we executed two loan agreements with RaboBank in the amounts of \$2,250,000 and \$2,046,000. Both loans were closed and funded on December 31, 2015, and we received the proceeds on January 4, 2016. These loans were entered into in connection with the purchase of land and buildings of the Levin's Auto Supply in Sacramento, California and the Island Pacific Supermarket in Elk Grove, California, respectively. Both loans are five year term loans and have a fixed interest rate equal to 3.74%.

In 2016, we obtained two additional loans in the amounts of \$2,517,000 and \$4,460,000 with respect to the Dollar General property in Bakersfield, California and the PMI Preclinical property in San Carlos, California, respectively. The Dollar General loan and the PMI Preclinical loan are both five year term loans with a fixed rate of interest equal to 3.38% per annum.

The following table summarizes the annual payments due under mortgage loans for the next five years:

	Antioch	Levins	Island Pacific	Dollar General	PMI Preclinical
Monthly Payment	\$9,980	\$10,477	\$9,527	\$11,202	\$19,849
Payments for following years					
2015	\$119,758	-	-	-	-
2016	\$119,758	\$125,721	\$114,322	\$112,018	\$198,491
2017	\$119,758	\$125,721	\$114,322	\$112,018	\$198,491
2018	\$119,758	\$125,721	\$114,322	\$112,018	\$198,491
2019	\$1,882,597	\$125,721	\$114,322	\$112,018	\$198,491
Loan due date:	2/5/2019	1/5/2021	1/5/2021	3/5/2021	3/5/2021

Revolving Line of Credit

In 2015, we obtained an unsecured line of credit from Pacific Mercantile Bank which is personally guaranteed by Messrs. Wirta and Hofer. The maturity date of the line of credit is January 15, 2017. The line of credit was initially \$3,000,000 at an interest rate equal to the higher of 5% or 1.5% over the Wall Street Journal Prime Rate as published in the Wall Street Journal, which indexed rate is the consensus rate on corporate loans posted by at least 75% of the USA's thirty largest banks. In December 2015, the line of credit was increased to \$12,000,000 and the interest rate was lowered to 1.0% over the index rate. At December 31, 2015, the balance on the line of credit was \$8,044,432, with \$3,955,568 available and unused. The line of credit was completely paid off in January 2016, and, at March 31, 2016, the line of credit had a zero balance.

Cash Flow Analysis

Year ended December 31, 2014 as compared to year ended December 31, 2015

Cash flows provided by operating activities were \$125,464 for the year ended December 31, 2014 compared to \$915,465 for the year ended December 31, 2015. The increase in cash flows provided by operating activities is principally attributable to an increase in our portfolio of Properties from five Properties in 2014 to twelve Properties in 2015.

Cash flows used in investing activities for the year ended December 31, 2014 were \$3,868,618 compared to \$41,930,547 for the year ended December 31, 2015. The increase in cash flows used in investing activities is principally attributable to the increase in purchases of buildings and land from \$3,798,666 for the year ended December 31, 2014 to \$34,719,457 for the year ended December 31, 2015.

Cash flows provided by financing activities for the year ended December 31, 2014 were \$3,943,457 compared to \$42,917,548 for the year ended December 31, 2014. This increase in cash flows provided by financing activities is principally attributable to (1) increased proceeds from our line of credit; (2) increased proceeds from the sale of our common stock; and (3) increased proceeds from bank loans. Such increases were partially offset by increased distributions to our shareholders in 2015 as compared to 2014 and shareholder stock repurchases undertaken in 2015.

Off-Balance Sheet Arrangements

As of the date hereof, we do not have any off-balance sheet arrangements.

PRIOR PERFORMANCE SUMMARY

RichUncles Real Estate Investment Trust I

Exhibit G contains the Audited Financial Statements of RichUncles Real Estate Investment Trust I. The following table summarizes our statement of income for the period ending December 31:

	2013	2014	2015
Rental income	-	\$113,171	\$ 976,982
Dividend income (1)	\$83,066		
<u>Operating expenses:</u>			
Property operating expenses		45,132	48,060
Interest Expense	23,503	33,100	154,241
Advertising and Marketing	17,954	129,888	930,404
Depreciation and Amortization Expense	981	33,952	554,022
Fees to related party	7,702	13,103	308,040
General and administrative (1)	<u>7,273</u>	<u>211,965</u>	<u>146,842</u>
Total operating expenses	57,413	467,140	2,141,603
Income from continuing operations	25,653	(353,969)	(1,164,627)
 Income from discontinued operations:			
Dividend income (1)	-	78,676	93,148
Gain upon disposition (1)			456,991
Income/(Loss) before income taxes	25,653	(275,293)	(614,488)
Income taxes (2)	(13,943)	-	-
Net Income/(Loss)	\$11,710	\$(275,293)	\$(614,488)

- (1) The company had an investment in four limited partnerships. In 2014, the general partner of the partnerships announced the plan to dispose of the underlying properties held by the limited partnerships and liquidation of the partnerships as of the end of 2015.
- (2) 2015 includes (\$40,686) fair value adjustment to real property.
- (3) REIT election was made effective 2014.

Prior Investment Programs

The information presented in this section represents the historical experience of the real estate programs managed and sponsored over the last ten years by Messrs. Wirta and Hofer. Investors should not assume that they will experience returns, if any, comparable to those experienced by investors in such prior real estate programs. The prior performance of the real estate investment program sponsored by affiliates of Messrs. Wirta and Hofer may not be indicative of our future results. The information summarized below is current as of December 31, 2013. Future offerings may be undertaken by one or more public and private real estate entities sponsored by Messrs. Wirta and Hofer and their affiliates. To the extent that such entities have the same or similar objectives as ours or involve similar or nearby properties, such entities may be in competition with the Properties acquired by us.

Nexregen Firewheel Real Estate Investment Trust

Firewheel was formed in 2007 as a Texas real estate investment trust to make a public, intra-state offering of common stock registered with the Texas State Securities Board. The proceeds were used by Firewheel to invest in the Firewheel Village Shopping Center located in Garland, Texas. Firewheel's investment in the shopping center was made by purchasing a limited partnership interest in Nexregen Firewheel, L.P., a partnership formed by the sponsors of Firewheel for the purpose of acquiring the shopping center. In December 2008, Firewheel was converted from a real estate investment trust to a Texas limited partnership. Firewheel raised a total of \$360,500 from investors. Firewheel continues to hold its interest in the shopping center, which is its only investment. To date, Firewheel has produced funds from operations in excess of \$200,000.

Exhibit A

Subscription Agreement

Exhibit B

Amended and Restated Declaration of Trust, as amended

Exhibit C

Bylaws

Exhibit D

List of Properties

Exhibit E

Dividend Reinvestment Plan

Exhibit F

Advisory Agreement, as amended

Exhibit G

Audited Financial Statements of Nexregen Real Estate Investment Trust I

**(In 2015, the name of Nexregen Real Estate Investment Trust I was changed
to RichUncles Real Estate Investment Trust)**