



PG Sugarloaf DST

The Date of this Private Placement Memorandum is April 2, 2024.

CONFIDENTIAL

DST Interests are speculative and involve a high degree of risk. A prospective investor should be able to bear a complete loss of his, her or its investment. The Interests are illiquid and should be considered a long-term investment.

Prospective investors should carefully review the entire Private Placement Memorandum, including the "Risk Factors" beginning on page v and "A Warning About Forward Looking Statements" on page vii, prior to investing.

Investments are only suitable for accredited investors. Each prospective Investor should consult with his, her or its own tax advisor regarding an investment in the Interests and the qualification of his, her or its transaction under Section 1031 for his, her or its specific circumstances.

For Accredited Investor Use Only

Summary of Risk Factors

Investing in PG Sugarloaf DST, a Delaware statutory trust ("Trust") is speculative, illiquid, and involves a high degree of risk, including the loss of principal invested. You should carefully review the Risk Factors section of the Private Placement Memorandum (the "Memorandum") relating to the offer of interests (the "Interests") in the Trust. Some of the risks relating to an investment in the Trust include:

- Investors have limited control over the Trust.
- The Trustees have limited duties to Investors, and limited authority.
- There are inherent risks with real estate investments generally.
- The Property is operated as a hotel, and hotels and hospitality projects have certain unique risks. Adverse trends in the hospitality industry may negatively affect the Trust's revenues.
- The success of the Hotel depends, to a large extent, on the ability of the Brand, one of the Hilton Worldwide brands, to shape and stimulate consumer tastes and demands.
- The Trust will depend on the Master Tenant for revenue, and the Master Tenant will depend on the Hotel's occupancy and room revenue and any default by the Master Tenant will adversely affect the operations of the Trust.
- The Property has been designed for its particular use, which could result in substantial re-leasing costs or a lower sale price.
- If the Franchisor terminates the Franchise Agreement due to a default by the Master Tenant, or upon any early termination of the Franchise Agreement (except for certain early terminations specified in the Franchise Agreement), the Master Tenant will owe substantial liquidated damages to the Franchisor pursuant to the Franchise Agreement.
- If the Master Tenant pays liquidated damages, its ability to pay the rent and satisfy its other obligations under the Master Lease will be adversely impacted, and this will adversely affect the Trust's operations.
- The Trust and the Master Tenant depend on the Property Manager to operate the Property.
- A deterioration in global financial, economic and social conditions could adversely impact the Master Tenant's operations and the Trust's financial results.
- The Trust may suffer adverse consequences due to the financial difficulties, bankruptcy or insolvency of the Master Tenant.
- There are certain risks to the Master Lease structure, including that the Master Tenant is an affiliate of the Sponsor that will have limited capital and may not pay rent or perform its other obligations under the Master Lease.
- The costs of complying with environmental laws and other governmental laws and regulations may adversely affect the Trust.
- There is, and will be, no public market for the Interests.
- The Interests are not registered with the Securities and Exchange Commission (the "SEC") or any state securities commissions.
- Investors may not realize a return on their investment for years, if at all.
- The Trust is not providing any prospective Investor with separate legal, accounting or business advice or representation.
- Various tax risks, including the risk that an acquisition of an Interest may not qualify as replacement property in a Section 1031 Exchange.
- Future legislative or regulatory action impacting Section 1031 could significantly change the tax aspects of an investment in an Interest.
- The Investors could suffer adverse consequences from the exercise of rights of the Bridge Lender with respect to the Bridge Loan made to the Depositor in connection with the acquisition of the Property.

This information may be superseded by, and is qualified in its entirety by, reference to the Memorandum, which contains more detailed information about a prospective investment in the Trust. To the extent that there is any inconsistency between this document and the Memorandum, the provisions of the Offering Documents control.

In connection with the Offering, the Trust has entered into an exclusive managing broker-dealer agreement with Peachtree PC Investors, LLC, an affiliate of Peachtree Hotel Group II, LLC ("Sponsor"), who will receive selling commissions, a managing broker-dealer fee, a marketing allowance fee and/or placement agent fees in connection with this Offering. As managing broker-dealer, Peachtree PC Investors, LLC has certain obligations under the federal securities laws to undertake a due diligence investigation with respect to the parties involved in this Offering, including the Sponsor. Peachtree PC Investors, LLC's affiliation with the Sponsor will cause a conflict of interest for Peachtree PC Investors, LLC in carrying out its due diligence obligations. The absence of an independent due diligence review by Peachtree PC Investors, LLC will increase the risk and uncertainty investors face as a potential purchasers of Interests in the Trust. Also, there is a conflict of interest between the Trust, the Sponsor and its affiliates, including Peachtree PC Investors, LLC, as dealer manager since the agreements for services, including the dealer manager agreement, are not arm's length agreements and will not be as favorable to investors as if the parties were operating at arm's length. Finally, the Sponsor is the indirect owner of Peachtree PC Investors, LLC. As a result, Peachtree PC Investors, LLC's operation and management will be influenced or affected by conflicts.

The Trust will not be registered under the Investment Company Act of 1940, as amended. Neither the Securities and Exchange Commission nor any other U.S. or Non-U.S. securities regulatory authority has passed upon the accuracy or adequacy of this document or approved or disapproved of the prospective investment described herein. Any representation to the contrary is a criminal offense. Neither the Attorney General of the State of New York nor any other state regulator have passed on or endorsed the merits of this Offering. The Interests will be subject to restrictions on transferability and resale, and you will not be able to transfer or resell Interests or any beneficial interest therein unless the Interests are registered pursuant to or exempted from such registration requirements.

THIS OFFERING CONTAINS REGISTERED TRADEMARKS, INCLUDING HILTON® AND HOME2 SUITES BY HILTON®, THAT ARE THE EXCLUSIVE PROPERTY OF HILTON WORLDWIDE HOLDINGS, INC. AND ITS SUBSIDIARIES AND AFFILIATES. NONE OF HILTON WORLDWIDE HOLDINGS, INC., ITS PARENTS, SUBSIDIARIES OR AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, MEMBERS, MANAGERS, STOCKHOLDERS, OWNERS, AGENTS OR EMPLOYEES, WHICH THE TRUST REFERS TO COLLECTIVELY AS THE "HILTON PARTIES," IS AN ISSUER OR UNDERWRITER OF THE SECURITIES BEING OFFERED IN THIS OFFERING, PLAYS (OR WILL PLAY) ANY ROLE IN THE OFFER OR SALE OF THE INTERESTS, OR HAS ANY RESPONSIBILITY FOR THE CREATION OR CONTENTS OF THIS OFFERING. IN ADDITION, NONE OF THE HILTON PARTIES HAS OR WILL HAVE ANY LIABILITY OR RESPONSIBILITY WHATSOEVER ARISING OUT OF OR RELATED TO THE SALE OR OFFER OF THE SECURITIES BEING OFFERED IN THIS OFFERING, INCLUDING ANY LIABILITY OR RESPONSIBILITY FOR ANY FINANCIAL STATEMENTS, PROJECTIONS, FORECASTS OR OTHER FINANCIAL INFORMATION OR OTHER INFORMATION CONTAINED IN THIS OFFERING OR OTHERWISE DISSEMINATED IN CONNECTION WITH THE OFFER OR SALE OF THE SECURITIES OFFERED BY THIS OFFERING. YOU MUST UNDERSTAND THAT, IF YOU PURCHASE SECURITIES IN THIS OFFERING, YOUR SOLE RECOURSE FOR ANY ALLEGED OR ACTUAL IMPROPRIETY RELATING TO THE OFFER AND SALE OF THE SECURITIES AND THE OPERATION OF THE TRUST'S BUSINESS WILL BE AGAINST THE TRUST AND IN NO EVENT MAY YOU SEEK TO IMPOSE LIABILITY ARISING FROM OR RELATED TO SUCH ACTIVITY, DIRECTLY OR INDIRECTLY, UPON ANY OF THE HILTON PARTIES.

Forward-Looking Statements

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

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
BENEFICIAL INTERESTS IN
PG SUGARLOAF DST

\$32,201,767 of Delaware Statutory Trust Interests
Minimum Purchase for Section 1031 Investors: \$100,000
Minimum Purchase for Cash Investors: \$100,000

PG Sugarloaf DST, a newly formed Delaware statutory trust (the “**Trust**”) and an affiliate of Peachtree Hotel Group II, LLC, a Georgia limited liability company (the “**Sponsor**”), is hereby offering (the “**Offering**”) to sell to certain qualified, accredited investors (the “**Investors**”) pursuant to this Confidential Private Placement Memorandum (as amended and supplemented and with all exhibits hereto, the “**Memorandum**”) up to 100% of the beneficial interests (the “**Interests**”) in the Trust. The Sponsor is a private equity firm focusing on opportunistically deploying capital across its distinct operating and real estate divisions, including hospitality development and management, commercial real estate lending, and capital markets.

THE PROPERTY

The Trust owns the land and improvements commonly known as the “Home2 Suites by Hilton Lawrenceville Atlanta Sugarloaf,” located at 1765 N. Brown Road, Lawrenceville, Georgia 30043 (the “**Property**”). The Property consists of an approximately 4.43 acre parcel of land and a 4-story hotel building comprised of approximately 80,912 square feet and 130 guest rooms and related service areas (the “**Hotel**”). Amenities at the Hotel include a breakfast dining area, 990 square feet of meeting space, outdoor pool, a fitness room, a lobby workstation, a market pantry, a guest laundry area, and an outdoor patio and barbeque area. Pursuant to the Franchise Agreement (as defined below), the Hotel is operated under the brand Home2 Suites by Hilton (the “**Brand**”), which is a brand of Hilton Worldwide Holdings, Inc. (“**Hilton**”). For the avoidance of doubt, the Brand does not mean Hilton, its affiliates, or any other brands, product lines, or chains of hotels that include the words “Home,” “Suites,” or “Hilton” as any part of their name.

THE SPONSOR

The Sponsor, Peachtree Hotel Group II, LLC, a Georgia limited liability company (“**Peachtree Group**”), focuses on acquiring high quality hospitality properties in fast-growing markets across the United States. Peachtree Group is a privately held real estate investment company that finances, owns, operates, manages, and develops hotel and hotel-related assets throughout the United States. Founded in 2008, Peachtree Group has invested more than \$3.8 billion of equity, through acquisition, origination or development, in properties and mortgage loans secured by properties, with a cost basis of approximately \$9 billion as of the date of this Memorandum. The Sponsor is wholly owned and controlled by Greg Friedman, Jatin Desai, and Mitul Patel (the “**Key Principals**”).

Peachtree Group and its affiliates seek to maximize returns to their stakeholders by implementing a disciplined investment strategy, developing and maintaining strategic partnerships throughout the hotel industry, and maintaining an alignment of interests with investors.

ACQUISITION OF THE PROPERTY

On March 28, 2024, the Trust acquired the Property from PHG Lawrenceville, LLC, a Georgia limited liability company and an affiliate of the Sponsor (the “**Seller**”), for a purchase price of \$25,500,000 (the “**Purchase Price**”) pursuant to that certain Purchase and Sale Agreement, as amended, by and between the Trust and the Seller (the “**Purchase and Sale Agreement**”), a copy of which is available in the Investor Data Room (as defined herein). The Property was acquired by the Trust “free and clear” without utilization of a mortgage secured by the Property. For purposes of complying with certain provisions of Georgia state law, bare legal title to the Property will be held by the Administrative Trustee (as defined below). The Administrative Trustee will

hold title to the Property on behalf of the Trust for the sole and exclusive purpose of satisfying certain state law requirements that bare legal title to the Property be held by the trustees of the Trust. The Trust funded the acquisition of the Property with cash, a portion of which came from (1) bridge capital (the “**Bridge Capital**”) provided by Ameris Bank, a subsidiary of Ameris Bancorp (Nasdaq: ABCB), a state chartered bank (the “**Bridge Capital Provider**”) provided as a capital contribution from the PG Sugarloaf Depositor, LLC, a Delaware limited liability company (the “**Depositor**”); and (2) seller financing provided by the Seller, PHG Lawrenceville, LLC, a Georgia limited liability company and an affiliate of the Sponsor.

Concurrently with acquiring the Property, the Trust leased the Property to PG Sugarloaf Master Tenant, LLC, a newly formed Delaware limited liability company and an affiliate of the Sponsor (the “**Master Tenant**”), pursuant to a master lease agreement (the “**Master Lease**”). All personal property acquired by the Trust in connection with the Trust’s acquisition of the Property, together with all other personal property associated with the Property, has been conveyed to the Master Tenant, and accordingly, all such personal property is owned by the Master Tenant and the Trust has no ownership interest in such personal property.

THE PROPERTY MANAGEMENT AGREEMENT

Further, concurrently with entering into the Master Lease, the Master Tenant entered into a property management agreement (the “**Property Management Agreement**”) with Peachtree Hospitality Management, LLC, a Georgia limited liability company and an affiliate of the Sponsor (the “**Property Manager**”), pursuant to which the Property Manager will (1) operate and manage the Hotel; and (2) provide development management services related to the completion of property improvements required by Hilton Franchise Holding LLC, a Delaware limited liability company (the “**Franchisor**”) pursuant to the Franchise Agreement (as defined below). A copy of the Property Management Agreement is in the Investor Data Room.

THE FRANCHISE DOCUMENTS

The Master Tenant has entered into a franchise agreement (the “**Franchise Agreement**”) with the Franchisor and related ancillary agreements (the “**Franchise Related Documents**” and together with the Franchise Agreement, the “**Franchise Documents**”) with the Franchisor or its affiliates. Pursuant to the terms and conditions of the Franchise Documents, a limited, non-exclusive license will be granted to the Master Tenant to operate the Hotel under the Brand. The Franchise Agreement has a term of approximately fifteen (15) years (the “**Franchise Term**”), commencing on the date of the execution of the Franchise Agreement (the “**Franchise Effective Date**”), unless earlier terminated in accordance with the Franchise Agreement.

THE TRUST AND THE TRUST AGREEMENT

The terms of the Trust are governed by a trust agreement, a copy of which is attached as Exhibit B to this Memorandum (the “**Trust Agreement**”). PG Sugarloaf Manager, LLC, a newly formed Delaware limited liability company and an affiliate of the Sponsor, is the administrative trustee under the Trust Agreement (the “**Administrative Trustee**”) and is responsible for the operation and management of the Trust.

As of the date of this Memorandum, the Depositor owns 100% of the Interests. If any Interests cannot be sold, the Depositor and/or its affiliate will own the remaining Interests, provided that the holder of such unsold Interests (whether the Depositor or otherwise) reserves the right to sell or otherwise transfer such unsold Interests, to persons affiliated with the Sponsor or otherwise, whether pursuant to a secondary offering or otherwise. The Interests owned will be held for investment purposes and not for resale. For purposes of this Memorandum, various fees have been calculated based on 100% of the Interests, equivalent to \$32,201,767 (the “**Maximum Offering Amount**”).

The principal objectives of the Trust are to (1) acquire and lease the Property to the Master Tenant pursuant to the terms of the Master Lease with the intent that it manage the Property to realize its maximum operating performance by maintaining a national hotel brand; (2) pay regular distributions to the Investors out of net cash flows, as described in the Financial Forecast attached as Exhibit F to this Memorandum; (3) preserve the intrinsic value of the Property; and (4) sell the Property. **There can be no assurance that any of these**

objectives will be achieved. This Memorandum should be read in its entirety before making an investment decision.

Acquisition of the Interests is designed for, but not limited to, prospective Investors (each, a “**Section 1031 Investor**”) seeking to defer the recognition of gain on the sale of other real property (the “**Relinquished Property**”) under Section 1031 (“**Section 1031**”) of the Internal Revenue Code of 1986, as amended (the “**Code**”). A Section 1031 transaction (a “**Section 1031 Exchange**”) generally allows the seller of real estate to defer federal and state capital gains taxation on the sale by exchanging the Relinquished Property for another property of like kind. The Trust has not requested, and does not plan to request, a ruling from the United States Internal Revenue Service (the “**IRS**”) that the Interests will be treated as a direct acquisition of the Property by the Investors for purposes of Section 1031. However, tax counsel to the Trust has provided a tax opinion that the acquisition of an Interest by an Investor **should** be treated as a direct acquisition of the Property by an Investor for purposes of Section 1031. This opinion, however, is limited in scope and does not opine on all matters necessary for the prospective Investor’s acquisition to qualify under Section 1031.

The minimum amount of Interests that a Section 1031 Investor may purchase is \$100,000, unless the Trust waives this minimum requirement. The minimum amount of Interests that a prospective Investor making a cash investment without a Section 1031 Exchange (each, a “**Cash Investor**”) may purchase is \$100,000, unless the Trust waives this minimum requirement.

Unless extended by the Sponsor in its sole discretion, the Offering will terminate on or before the earlier of March 31, 2025 (which date is subject to extension by the Sponsor), or the date on which all \$32,201,767 of the Interests offered hereby have been sold.

	<u>Price to Investors</u>	<u>Selling Commissions and Offering Expenses</u> ⁽¹⁾	<u>Proceeds to Trust</u> ⁽²⁾
Minimum Cash Purchase ⁽³⁾	\$100,000	\$9,900	\$90,100
Maximum Offering Amount	\$32,201,767	\$3,187,975	\$29,013,792

(1) Offers and sales of Interests will be made on a “best efforts” basis by broker-dealers (the “**Selling Group Members**”) who are members of the Financial Industry Regulatory Authority, Inc. (“**FINRA**”). Peachtree PC Investors LLC, a Georgia limited liability company and affiliate of the Sponsor (the “**Managing Broker-Dealer**”), a member of FINRA, serves as the Managing Broker-Dealer and will receive selling commissions (“**Selling Commissions**”) of approximately 6.0% of the purchase price of the Interests sold by Selling Group Members (the “**Total Sales**”), some or all of which it will re-allow to the Selling Group Members; provided, however, that this amount will be reduced in the event a lower commission rate is requested by a Selling Group Member and the commission rate will be the lower agreed upon rate. Thus, certain Investors may acquire Interests net of Selling Commissions. The Managing Broker-Dealer will also receive: (a) a non-accountable marketing and due diligence allowance of up to 1.0% of the Total Sales (the “**Marketing and Due Diligence Allowance**”), which may be re-allowed, in whole or in part, to the Selling Group Members, (b) a managing broker-dealer fee of up to 1.9% of the Total Sales (the “**Managing Broker-Dealer Fee**”), which may be re-allowed, in whole or in part, to the Selling Group Members, which may be reallowed to wholesalers or other associated persons eligible to receive such compensation, and may sell Interests as a Selling Group Member, thereby becoming entitled to Selling Commissions. In the event a Marketing and Due Diligence Allowance greater than 1.0% is re-allowed, the Managing Broker-Dealer will reduce its Managing Broker-Dealer Fee by an equal amount. The Trust will also reimburse the Sponsor, its affiliates and certain third parties for offering and organizational expenses (the “**O&O Expenses**”) in an amount equal to 1.0% of the gross cash proceeds of the Offering. The Selling Commissions, the Marketing and Due Diligence Allowance, the Managing Broker-Dealer Fee, the O&O Expenses, as well as other costs of the Offering (collectively, the “**Selling Commissions and Offering Expenses**”), will be paid by the Trust out of the gross Offering proceeds.

(2) The proceeds shown above are after deducting the Selling Commissions and Offering Expenses, but before deducting fees and expenses incurred in connection with the acquisition of the Property, including those payable to the Sponsor and its affiliates, which will be paid by the Trust out of gross Offering proceeds. See “ESTIMATED USES OF PROCEEDS.” The Sponsor and its affiliates will be entitled to additional compensation in connection with this Offering and the operation of the Property. See “COMPENSATION OF THE SPONSOR AND ITS AFFILIATES.”

- (3) The minimum amount of Interests that a Cash Investor may purchase is \$100,000, unless the Trust waives this minimum requirement. The minimum amount of Interests that a Section 1031 Investor may purchase is \$100,000, unless the Trust waives this minimum requirement.

This Confidential Private Placement Memorandum is dated April 2, 2024.

A WARNING ABOUT INVESTING IN THE INTERESTS

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

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

- Investors have limited control over the Trust.
- The Trustees (as defined herein) have limited duties to Investors, and limited authority.
- There are inherent risks with real estate investments generally.
- The Property is operated as a hotel, and hotels and hospitality projects have certain unique risks. Adverse trends in the hospitality industry may negatively affect the Trust's revenues.
- The success of the Hotel depends, to a large extent, on the ability of the Brand, one of the Hilton brands, to shape and stimulate consumer tastes and demands.
- The Trust will depend on the Master Tenant for revenue, and the Master Tenant will depend on the Hotel's occupancy and room revenue and any default by the Master Tenant will adversely affect the operations of the Trust.
- The Property has been designed for its particular use, which could result in substantial re-leasing costs or a lower sale price.
- If the Franchisor terminates the Franchise Agreement due to a default by the Master Tenant, or upon any early termination of the Franchise Agreement (except for certain early terminations specified in the Franchise Agreement), the Master Tenant will owe substantial liquidated damages to the Franchisor pursuant to the Franchise Agreement.
- If the Master Tenant pays liquidated damages, its ability to pay the rent and satisfy its other obligations under the Master Lease will be adversely impacted, and this will adversely affect the Trust's operations.
- The Trust and the Master Tenant depend on the Property Manager to operate the Property.
- A deterioration in global financial, economic and social conditions could adversely impact the Master Tenant's operations and the Trust's financial results.
- The Trust may suffer adverse consequences due to the financial difficulties, bankruptcy or insolvency of the Master Tenant.
- There are certain risks to the Master Lease structure, including that the Master Tenant is an affiliate of the Sponsor that will have limited capital and may not pay rent or perform its other obligations under the Master Lease.
- The costs of complying with environmental laws and other governmental laws and regulations may adversely affect the Trust.
- There is, and will be, no public market for the Interests.
- The Interests are not registered with the Securities and Exchange Commission (the "SEC") or any state securities commissions.
- Investors may not realize a return on their investment for years, if at all.
- The Trust is not providing any prospective Investor with separate legal, accounting or business advice or representation.

- Various tax risks, including the risk that an acquisition of an Interest may not qualify as replacement property in a Section 1031 Exchange.

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

The Interests are being offered only to persons who are “accredited investors,” as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”) and applicable state securities laws, which definition is set forth below in “WHO MAY INVEST.”

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

Neither the Trust, the Sponsor, nor any of their respective affiliates has authorized any person to make any representations or furnish any information with respect to the Interests or the Property, other than as set forth in this Memorandum or other documents or information the Trust or the Sponsor may furnish to Investors. Investors are encouraged to ask the Trust or the Sponsor questions concerning the terms and conditions of this Offering and the Property.

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

This Memorandum contains summaries of certain agreements and other documents. Although the Sponsor believes these summaries are accurate, potential Investors should refer to the actual agreements and documents available in the Investor Data Room for more complete information about the rights, obligations and other matters in the agreements and documents. In addition, prospective Investors are strongly encouraged to have independent legal counsel closely review this Memorandum and all documents referenced herein and attached hereto.

The mailing address of the Trust is PG Sugarloaf DST, c/o PG Sugarloaf Manager, LLC, One Alliance Center, 3500 Lenox Road NE, Suite 625, Atlanta, GA 30326, and the telephone number is (404) 497-4111.

A WARNING ABOUT FORWARD LOOKING STATEMENTS

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

A WARNING ABOUT INFORMATION PROVIDED BY THIRD PARTIES

Certain information set forth in this Memorandum and in other materials provided to prospective Investors by the Trust or the Sponsor in connection with this Offering, including but not limited to information regarding the Property, were obtained from third party sources not affiliated with the Trust or the Sponsor. In many cases these third-party source materials were not prepared by third parties expressly or exclusively for the Trust, the Sponsor or their respective affiliates, or for the Investors, for the purpose of evaluating an investment decision with respect to the Interests. The Trust and the Sponsor have relied upon these third-party materials in preparing this Memorandum and establishing the terms of this Offering and they believe such reliance is reasonable. However, neither the Trust, the Sponsor nor any of their respective affiliates have independently verified the information or data obtained from these sources and no assurances can be given regarding the accuracy or completeness of the information or data. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements in this Memorandum.

LEGENDS

NOTICE TO INVESTORS IN ALL U.S. STATES

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

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

ADDITIONAL NOTICE TO FLORIDA INVESTORS

IF SALES ARE MADE TO FIVE (5) OR MORE PERSONS IN FLORIDA, AND YOU PURCHASE SECURITIES HEREUNDER, THEN YOU MAY VOID SUCH PURCHASE EITHER WITHIN THREE (3) DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY YOU TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT OR WITHIN THREE (3) DAYS AFTER THE AVAILABILITY OF THIS PRIVILEGE IS COMMUNICATED TO YOU, WHICHEVER OCCURS LATER.

THIS OFFERING MAY CONTAIN REGISTERED TRADEMARKS THAT ARE THE EXCLUSIVE PROPERTY OF HILTON WORLDWIDE HOLDINGS, INC. AND ITS SUBSIDIARIES AND AFFILIATES. NONE OF HILTON WORLDWIDE HOLDINGS, INC., ITS PARENTS, SUBSIDIARIES OR AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, MEMBERS, MANAGERS, STOCKHOLDERS, OWNERS, AGENTS OR EMPLOYEES, WHICH THE TRUST REFERS TO COLLECTIVELY AS THE “HILTON PARTIES,” IS AN ISSUER OR UNDERWRITER OF THE SECURITIES BEING OFFERED IN THIS OFFERING, PLAYS (OR WILL PLAY) ANY ROLE IN THE OFFER OR SALE OF THE INTERESTS, OR HAS ANY RESPONSIBILITY FOR THE CREATION OR CONTENTS OF THIS OFFERING. IN ADDITION, NONE OF THE HILTON PARTIES HAS OR WILL HAVE ANY LIABILITY OR RESPONSIBILITY WHATSOEVER ARISING OUT OF OR RELATED TO THE SALE OR OFFER OF THE SECURITIES BEING OFFERED IN THIS OFFERING, INCLUDING ANY LIABILITY OR RESPONSIBILITY FOR ANY FINANCIAL STATEMENTS, PROJECTIONS, FORECASTS OR OTHER FINANCIAL INFORMATION OR OTHER INFORMATION CONTAINED IN THIS OFFERING OR OTHERWISE DISSEMINATED IN CONNECTION WITH THE OFFER OR SALE OF THE SECURITIES OFFERED BY THIS OFFERING. YOU MUST UNDERSTAND THAT, IF YOU PURCHASE SECURITIES IN THIS OFFERING, YOUR SOLE RECOURSE FOR ANY ALLEGED OR ACTUAL IMPROPRIETY RELATING TO THE OFFER AND SALE OF THE SECURITIES AND THE OPERATION OF THE TRUST’S BUSINESS WILL BE AGAINST THE TRUST AND IN NO EVENT MAY YOU SEEK TO IMPOSE LIABILITY ARISING FROM OR RELATED TO SUCH ACTIVITY, DIRECTLY OR INDIRECTLY, UPON ANY OF THE HILTON PARTIES.

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EXHIBITS

A	Form of Investor Questionnaire and Purchase Agreement
B	Trust Agreement
C	Master Lease
D	Opinion of Special Tax Counsel
E	Track Record
F	Financial Forecast

Additional information related to the Offering is available in the Sponsor’s investor data room (the “**Investor Data Room**”), access to which is available through your broker-dealer and/or investment representative. However, paper copies are available upon request. To obtain paper copies, please contact the Sponsor at One Alliance Center, 3500 Lenox Road NE, Suite 625, Atlanta, GA 30326, or via telephone at (404) 497-4111.

Copies of the following additional documents are available in the Investor Data Room located at <https://tinyurl.com/PG-Sugarloaf-DST-2024>.

- Appraisal
- Assignment and Assumption of Leases and Contracts (the Trust to the Master Tenant)
- Demand Note
- Investor Confidentiality Agreement (Franchise Agreement)
- Phase I Environmental Site Assessment
- Plumbing and Mechanical Assessment
- Pro Forma Title Policy and material underlying exception documents thereto
- Property Condition Report

- Property Management Agreement
- Survey
- Zoning Report

THE DOCUMENTS THAT ARE AVAILABLE IN THE INVESTOR DATA ROOM ARE IMPORTANT TO PROSPECTIVE INVESTORS' REVIEW OF THE OFFERING. IF YOU ARE NOT ABLE TO ACCESS THE INVESTOR DATA ROOM, PLEASE CONTACT THE SPONSOR IMMEDIATELY.

IMPORTANT NOTE: The Franchise Documents restrict the Franchisee (and therefore, the Trust) from disclosing the content of any “negotiated terms” of the Franchise Documents, including the Franchise Agreement. The Trust is permitted to disclose information contained in the Franchise Documents, which is not generally known to the public (such information, “**Confidential Information**”) to certain persons, including prospective Investors, on a “need to know basis.” References in this Memorandum to the Franchise Documents, including the Franchise Agreement, describe only the non-negotiated terms of the Franchise Agreement. If a prospective Investor wishes to obtain a copy of the Franchise Agreement, he, she or it may execute a Confidentiality Agreement, and submit the Confidentiality Agreement, along with the Investor Questionnaire and Purchase Agreement, to his, her or its investment representative. A copy of the Franchise Agreement will be made available to Investors prior to an Investor’s purchase of Interests, subject to the submission of a Confidentiality Agreement, a copy of which is available in the Investor Data Room.

WHO MAY INVEST

The offer and sale of the Interests is being made in reliance on an exemption from the registration requirements of the Securities Act. Accordingly, distribution of this Memorandum has been strictly limited to persons who meet the requirements and make the representations set forth below. The Trust may declare any prospective Investor ineligible to purchase an Interest for any legal reason. **The Interests will be sold only to “accredited investors,” as defined in Rule 501(a) of Regulation D under the Securities Act.**

Investment in the Interests involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity in this investment. The Interests will be sold only to persons or entities who (i) make the applicable minimum investment and (ii) represent in writing that they meet the Investor suitability requirements established by the Trust and as may be required under federal or state law. The Trust may accept purchases smaller than the applicable minimum investment. **The Trust will not accept subscriptions from, or made on behalf of, (i) non-United States investors, or (ii) tax-exempt entities, including but not limited to qualified employee pension and profit-sharing trusts, individual retirement accounts, Simple 401(k) plans, annuities and charitable remainder trusts.**

Each prospective Investor must represent in writing that the Investor meets, among others, ALL of the following requirements:

(a) The Investor has received, read, and fully understands the Memorandum, all exhibits hereto, and all other materials provided to the Investor. The Investor is basing the Investor’s decision to invest on the Memorandum. The Investor has relied only on the information contained in said materials and has not relied upon any representations made by any other person; and

(b) The Investor understands that an investment in the Interests involves substantial risk and he is fully cognizant of and understands all of the risk factors relating to a purchase of the Interests, including, without limitation, those risks set forth below in the section entitled “RISK FACTORS”; and

(c) The Investor’s overall commitment to investments that are not readily marketable is not disproportionate to the Investor’s individual net worth, and the Investor’s investment in the Interests will not cause such overall commitment to become excessive; and

(d) The Investor has adequate means of providing for the Investor’s financial requirements, both current and anticipated, and has no need for liquidity in this investment; and

(e) The Investor can bear and is willing to accept the economic risk of losing the Investor’s entire investment in the Interests; and

(f) The Investor is acquiring the Interest for the Investor’s own account and for investment purposes only and has no present intention, agreement or arrangement for the distribution, transfer, assignment, resale or subdivision of the Interests; and

(g) The Investor is an “accredited investor,” as defined in Rule 501(a) of Regulation D under the Securities Act, which includes:

(1) If a natural person, a person that has (i) an individual net worth, or joint net worth with the Investor’s spouse, of more than \$1,000,000 exclusive of the value of the Investor’s primary residence or (ii) individual income in excess of \$200,000, or joint income with the Investor’s spouse in excess of \$300,000, in each of the two most recent years and has a reasonable expectation of reaching the same income level in the current year. For purposes of this definition, “**net worth**” means the excess of total assets at fair market value over total liabilities, except that the value of the principal residence owned by a natural person will be excluded for purposes of determining such natural person’s net worth. In addition, for purposes of this definition, the related amount of indebtedness secured by the primary residence up to the primary residence’s fair market value may also be excluded, except in the event such indebtedness increased in the 60 days preceding the purchase of Interests and was unrelated to the

acquisition of the primary residence, then the amount of the increase must be included as a liability in the net worth calculation. Moreover, indebtedness secured by the primary residence in excess of the fair market value of such residence should be considered a liability and deducted from the natural person's net worth.

(2) If not a natural person, one of the following: (i) a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring an Interest, with total assets in excess of \$5,000,000; (ii) a trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring an Interest and whose purchase is directed by a person who has such knowledge and experience in financial and business matters that the Investor is capable of evaluating the merits and risks of an investment in an Interest; (iii) a broker-dealer registered pursuant to section 15 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"); (iv) an investment company registered under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"); (v) a business development company (as defined in section 2(a)(48) of the Investment Company Act); (vi) a Small business investment company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958, as amended; (vii) a private business development company (as defined in section 202(a)(22) of the Investment Advisers Act of 1940, as amended); (viii) a bank as defined in section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity or (ix) an entity in which all of the equity owners are accredited investors.

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

Representations with respect to the foregoing and certain other matters must be made by each Investor in the Investor Questionnaire and Purchase Agreement, forms of which are attached as exhibits to this Memorandum. The Trust will rely on the accuracy of each person's or entity's representations set forth therein and may require additional evidence that any such person or entity meets the applicable standards at any time prior to the Trust's acceptance of the Purchase Agreement. An Investor is not obligated to supply any information requested by the Trust, but the Trust may reject any Investor who fails to supply any information so requested.

Prospective Investors that do not meet the requirements described above must not read further and must immediately return this Memorandum to the Trust or the applicable broker-dealer. If the prospective Investor does not meet such requirements, this Memorandum does not constitute an offer to sell the Interests to the prospective Investor.

Also, each prospective Investor must represent and warrant that:

The Investor understands that neither the Sponsor nor the Trust has obtained a ruling from the IRS that the Interests will be treated as undivided interests in real estate as opposed to partnership interests or interests in another entity that is separately taxable rather than disregarded for tax purposes. The Investor understands that the tax consequences of an investment in an Interest, especially the qualification of the Interests under Section 1031, are complex and vary with the facts and circumstances of each individual Investor. The Investor represents and warrants that: (i) the Investor has consulted his, her or its own independent tax advisor regarding an investment in an Interest and the qualification of the transaction under Section 1031, (ii) the Investor is not relying on (a) the Trust, the Sponsor, any of their respective affiliates, or their agents, including their counsel and accountants, or (b) any broker-dealer, or the representatives of a broker-dealer through whom the Interest is purchased, for any tax advice regarding the qualification of the Interest under Section 1031 or any other matter, and (iii) except as expressly provided in the Tax Opinion attached as Exhibit D to this Memorandum, which is based on numerous assumptions and qualifications that may not be applicable to the Investor, the Investor is not

relying on any statements made in this Memorandum regarding the qualification of the Interests under Section 1031.

Trust's Discretion to Accept Investors

The investor suitability requirements stated above represent the Trust's minimum suitability requirements for Investors. However, satisfaction of these requirements by any person or entity will not necessarily mean that an Interest is a suitable investment for such person or entity, or that the Trust will accept such person or entity as an Investor. Furthermore, the Trust, as appropriate, may modify such requirements, and such modification may raise the suitability requirements for Investors.

The written representations made by the prospective Investors will be reviewed to determine the suitability of such person or entity for investment in the Trust. The Trust may refuse an offer to purchase the Interests if the Trust believes that a person or entity does not meet the applicable investor suitability requirements or the Interests otherwise constitute an unsuitable investment for a person or entity for any legal reason.

HOW TO PURCHASE

The Interests may only be purchased by accredited investors, as described above in “WHO MAY INVEST.” Prospective Investors must carefully read this Memorandum. Each prospective Investor will be required to return to the Trust an executed copy of a (1) complete and accurate Investor Questionnaire (the “**Investor Questionnaire**”) and Purchase Agreement (the “**Purchase Agreement**”), the forms of which are attached as Exhibit A to this Memorandum, and (2) signature page to the Trust Agreement, the form of which is attached to the Investor Questionnaire.

A prospective Investor who would like to purchase the Interests must carefully read this Memorandum, all exhibits hereto, and all other materials provided to the Investor. To purchase the Interests, a prospective Investor must:

1. Complete and sign an Investor Questionnaire and Purchase Agreement, and, **on the last page, sign the acknowledgment of the representations and warranties contained therein.** Deliver the Investor Questionnaire and Purchase Agreement to your investment representative. Upon receipt of such documents and verification of the prospective Investor’s investment qualifications, the Trust will elect whether to accept the prospective Investor’s investment. Upon the Trust’s acceptance of a prospective Investor for the purchase of an Interest, the Trust will so notify the prospective Investor.

Prospective Investors may be accepted or rejected by the Trust at any time within 30 days of receipt of the foregoing documents. Any proposed purchase of Interests not accepted within 30 days of receipt shall be deemed rejected. Prospective Investors cannot acquire Interests if the Trust does not approve such purchase. Investors whose subscriptions are accepted by the Trust must remit the entire purchase price for their Interests to the Trust by wiring such funds (wiring instructions will be provided by the Trust at such time) or by delivering a check for the purchase price made payable to the Trust.

2. Unless otherwise specified in the Investor Questionnaire and Purchase Agreement, your investment representative will forward the documents to his, her or its broker/dealer. The broker/dealer will then forward the documents to:

PG Sugarloaf DST
c/o PG Sugarloaf Manager, LLC
One Alliance Center
3500 Lenox Road NE, Suite 625
Atlanta, GA 30326

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

See also “SUMMARY OF THE PURCHASE AGREEMENT” and “PLAN OF DISTRIBUTION.”

Prospective Investors who wish to review the Franchise Agreement must agree not to disclose any Confidential Information by executing and submitting a Confidentiality Agreement, a copy of which is available in the Investor Data Room, along with their Investor Questionnaire and Purchase Agreement.

SUMMARY OF THE OFFERING

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

Terms of the Offering: The Trust is offering to Investors up to \$32,201,767 in Interests, representing 100% of the Interests in the Trust. The minimum exchange investment is \$100,000 for Section 1031 Investors acquiring an Interest by means of a Section 1031 Exchange. The minimum cash investment is \$100,000 for Cash Investors acquiring an Interest without a Section 1031 Exchange. The Trust may waive these minimum investment requirements in its sole discretion.

The Offering is designed for, but not limited to, Investors seeking to participate in a Section 1031 Exchange. No assurances, however, can be made that any particular prospective Investor's purchase of the Interests will qualify under Section 1031 as each prospective Investor's situation is unique.

As of the date of this Memorandum, the Depositor owns 100% of the Interests. If any Interests cannot be sold, the Depositor and/or its affiliate will own the remaining Interests, provided that the holder of such unsold Interests (whether the Depositor or otherwise) reserves the right to sell or otherwise transfer such unsold Interests, to persons affiliated with the Sponsor or otherwise, whether pursuant to a secondary offering or otherwise. The Interests owned will be held for investment purposes and not for resale. For purposes of this Memorandum, various fees have been calculated based on \$32,201,767, which represents 100% of the Interests.

The Offering will terminate on or before the earlier of March 31, 2025 (which date is subject to extension by the Sponsor) or the date on which all \$32,201,767 of the Interests offered hereby have been sold. *See* "PLAN OF DISTRIBUTION."

Business Objectives: The principal objectives of the Trust are to (1) acquire and lease the Property to the Master Tenant pursuant to the terms of the Master Lease with the intent that it manage the Property to realize its maximum operating performance by maintaining a national hotel brand; (2) pay regular distributions to the Investors out of net cash flows, as described in the Financial Forecast attached as Exhibit F to this Memorandum; (3) preserve the intrinsic value of the Property; and (4) sell the Property. **There can be no assurance that any of these objectives will be achieved.**

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

- **High Growth Market:** The Property is located in Lawrenceville, Georgia, 27 miles northeast of downtown Atlanta¹. The Atlanta Metropolitan Statistical Area ("MSA") is the sixth-largest and one of the fastest-growing MSAs in the country.² Within the metro area, the Property is in the I-85/Gwinnett County corridor.¹ The I-85 corridor stretches from Atlanta to the North Carolina-Virginia border.² It is a burgeoning industrial corridor, a stable office submarket, a significant manufacturing and distribution hub, and home to several fast-growing metropolitan areas. Gwinnett County is home to more than a million residents and historically has been one of the fastest growing counties in the country with the population nearly

¹ Google Maps

² https://en.wikipedia.org/wiki/Metropolitan_statistical_area

doubling since 2000.^{3,4} In 2020, the county was the second most-populous in the state of Georgia.⁵ Gwinnett County boasts a dynamic economy driven by various sectors including technology, healthcare, education, manufacturing and logistics. It is home to numerous corporate headquarters, business parks and industrial facilities.⁶ The Property's proximate location to employment centers, the I-85 and Sugarloaf Parkway interchange — the hub of Gwinnett County, the Gas South Arena/Convention Center (with a busy calendar of concerts, events and a minor league hockey team) and the Sugarloaf Mills outlet mall allows it to serve a wide range of guests.⁶

- **Healthcare and Higher Education:** Lawrenceville is home to an advanced medical center anchored by the 388-bed Northside Hospital Gwinnett with 1,400 physicians.⁷ The hospital, a Level II Trauma Center, includes cardiovascular specialties, the Gwinnett Women's Pavilion, and cancer genetic testing.⁷ Georgia Gwinnet College's enrollment has grown from 118 students when it opened in 2006 to nearly 12,000 for fall 2023.⁸ Major employers in the area include Northside Hospital Gwinnett Medical Center, Georgia Gwinnett College, Gwinnett Tech and Gwinnett Justice & Administration Center.⁹
- **Value-add Opportunity:** The quality of the Property will be enhanced through a brand-mandated property improvement plan ("PIP") renovation in three years that includes upgrades to the lobby area, corridors, and guestrooms (performed in a manner to minimize the impact to daily operations).
- **Best-in-class Hotel Management:** The Property will continue to be managed by the Property Manager, Peachtree Hospitality Management, LLC, a Georgia limited liability company and an affiliate of the Sponsor, to maximize financial performance and value, deliver efficiencies and enable Hotel staff to provide guests with an uncommon customer experience. The Property Manager currently manages the performance of 81 hotels, across 26 brands with more than 10,000 rooms located in 22 states.
- **Recognized Brand¹⁰:** Home2 Suites by Hilton is one of the extended-stay brands of Hilton Worldwide, which has a total of 22 brands encompassing more than 7,500 properties in 126 countries and territories. Hilton's customer reward program, Hilton Honors, offers several benefits to travelers, including the Hilton Honors discount rate, digital check-in/check-out, access to digital key, free Wi-Fi, and the ability to earn points toward free nights and other rewards. Additional benefits can be achieved through reaching Silver, Gold or Diamond elite status based on the stays, nights, or points earned in any calendar year. Hilton offers multiple ways for travelers to book direct including the Hilton Honors app, www.hilton.com, and a toll-free reservation number.

Prospective Investors must read and carefully consider the discussion set forth below in the section captioned "RISK FACTORS" in this Memorandum.

³ <https://www.gwinnettcounty.com/web/gwinnett/aboutgwinnett/fastfacts>

⁴ <https://www.gwinnettcounty.com/web/gwinnett/aboutgwinnett/fastfacts/populationgrowth>

⁵ https://www.georgia-demographics.com/counties_by_population

⁶ Appraisal

⁷ <https://www.northside.com/locations/northside-hospital-gwinnett>

⁸ <https://www.ggc.edu/about-ggc/ggc-at-a-glance/ggc-at-a-glance-history>

⁹ <https://www.lawrencevillega.org/DocumentCenter/View/1366/Lawrenceville-Economic-Development-Booklet-PDF>

¹⁰ <https://stories.hilton.com/brands/corporate>

Property – Description:

The Trust will be the beneficial owner of a fee simple interest in the Property. Solely for purposes of complying with certain provisions of Georgia state law, bare legal title to the Property will be held by the Administrative Trustee for the benefit of the Trust. The Property is located at 1765 N. Brown Road, Lawrenceville, Georgia 30043 and consists of an approximately 4.43 acre parcel of land and the Hotel, which is a four-story hotel building comprised of approximately 80,912 square feet and 130 guest rooms and related service areas. Amenities at the Hotel include a breakfast dining area, 990 square feet of meeting space, outdoor pool, a fitness room, a lobby workstation, a market pantry, a guest laundry area, and an outdoor patio and barbeque area. The Hotel was originally constructed in 2019 and is operated under the Home2 Suites by Hilton brand, which is a brand of Hilton.

Certain general information about the Property is summarized in the table below. See “DESCRIPTION OF THE PROPERTY” for additional information.

Address	Land Area*	Approximate Square Footage	Guest Rooms	Year Built	Parking*
1765 N. Brown Road Lawrenceville, Georgia 30043	4.43 acres	80,912 sq. ft.	130	2019	134 spaces (including 6 ADA)

* References in this Memorandum to (1) the acreage of the Property is based on the Survey; (2) the approximate square footage of the Hotel is based on the Appraisal; and (3) the number of parking spaces is based on the Zoning Report. Copies of the Survey, Appraisal and Zoning Report are available in the Investor Data Room.

Property – Acquisition and Financing:

On March 28, 2024, the Trust acquired the Property from the Seller, PHG Lawrenceville, LLC, a Georgia limited liability company, for a purchase price of \$25,500,000. The Trust funded the acquisition of the Property with cash, a portion of which came from (1) the Bridge Capital provided by the Bridge Capital Provider as a capital contribution from the Depositor; and (2) seller financing provided by the Seller. The Property was acquired by the Trust “free and clear” without utilization of a mortgage secured by the Property.

The purchase price for the Interests, \$32,201,767, represents the Purchase Price, plus closing costs and related transactional costs, various reserves, and acquisition fee to the Sponsor, reimbursement of the Franchise Fee to the Franchisor, and the Selling Expenses and Offering Expenses.

For purposes of complying with certain provisions of Georgia state law, bare legal title to the Property is held by the Administrative Trustee.

See “ACQUISITION AND FINANCING OF THE PROPERTY” for additional discussion regarding the acquisition of the Property.

Master Lease:

The Trust has entered into the Master Lease for the Property with the Master Tenant, which is an affiliate of the Sponsor. A copy of the Master Lease is attached as Exhibit C to this Memorandum.

The term of the Master Lease is for approximately ten (10) years (the “**Original Term**”); provided, however, that if the Trust owns the Property on the last day of the Original Term (i.e., December 31, 2033), the Master Lease will automatically be renewed for one additional six-year term (the “**Renewal Term**,” and together with the Original Term, the “**Term**”). The Master Lease will automatically terminate upon the sale or other disposition of the Property, whether during the Initial Term or the Renewal Term.

At the closing of the Trust’s acquisition of the Property, the Trust transferred all personal property associated with the operation of the Property (the “**Personalty**”) to the Master

Tenant. The Master Tenant will be responsible for all personal property replacements and all costs of operating, managing, and maintaining the Property, and the Trust will be responsible for all Capital Expenditures (as defined herein).

Pursuant to the Master Lease, the Trust is required to make funds available for the payment of “**Capital Expenditures**” which shall mean any and all costs and expenses incurred in connection with major repairs, replacements, and improvements relating to the structural elements of the Property which are not Operating Costs (as defined in the Master Lease), including, but not limited to (i) replacement of roofs, chimneys, gutters, downspouts, paving, curbs, ramps, driveways, parking lots, balconies, patios, windows, foundations, exterior walls and all load bearing walls, exterior doors and doorways, interior flooring and carpeting, windows, elevators, fences, gates, pools and the mechanical and structural components thereof, and HVAC and water heating and conditioning systems and components thereof; (ii) exterior painting or other façade maintenance; (iii) any obligations of the Landlord (as defined in the Master Lease) with respect to environmental matters and capital repairs made at the Property; and (iv) the PIP Work (as defined herein) in accordance with the Franchise Documents, as well as unanticipated costs.

The Trust will be required to pay Capital Expenditures that, in the Master Tenant’s reasonable discretion, are necessary to comply with the Franchise Documents, and, to the extent such Capital Expenditures are made by the Master Tenant, the Master Tenant may use funds in the Trust Reserves to pay such Capital Expenditures. If the Master Tenant determines that there is a need for Capital Expenditures, the Trust will be required to provide the funds for such Capital Expenditures within 60 days after receipt of Master Tenant’s request therefor. *See* “SUMMARY OF THE MASTER LEASE.”

**Master Lease
Rent:**

During the term of the Master Lease, the Master Tenant pays base rent in an annual amount set forth in the Master Lease, paid in monthly installments (“**Base Rent**”).

In addition to the Base Rent, the Master Tenant is responsible for paying additional rent and bonus rent. “**Additional Rent**” for each “**Lease Year**” of the Master Lease (which shall commence on January 1st and end on December 31st of each calendar year; provided, however, that Lease Year 1 shall commence on March 28, 2024 and end on December 31, 2024), consists of 100% of the Master Tenant’s gross income from the Property between a specifically stated hurdle for each Lease Year of the Master Lease and up to a cap amount for each such Lease Year. “**Bonus Rent**” consists of seventy percent (70%) of the Master Tenant’s gross income from the Property for each Lease Year of the Master Lease above a specifically stated hurdle for each Lease Year of the Master Lease. Additional Rent is paid monthly on an estimated basis and is subject to a year-end reconciliation within 120 days of the end of each Lease Year or as soon as practicable thereafter. Bonus Rent is paid annually within 120 days of the end of each Lease Year or as soon as practicable thereafter. Both Additional Rent and Bonus Rent are calculated on a Lease Year basis, with such calculations prorated for any partial Lease Year. The Base Rent, Additional Rent and Bonus Rent are collectively referred to herein as the “**Rent**.” In addition, the Master Lease provides that the Master Tenant is required to pay the real estate taxes, utility costs and Property insurance costs (collectively, the “**Uncontrollable Expenses**”) for each Lease Year of the Master Lease (prorated for any partial Lease Year) up to the amount of projected Uncontrollable Expenses for each Lease Year as set forth in the Financial Forecast attached as Exhibit F to this Memorandum (the “**Projected Uncontrollable Expenses**”). For the avoidance of doubt, to the extent the actual Uncontrollable Expenses for a Lease Year exceed Projected Uncontrollable Expenses for such Lease Year, the Trust is responsible for such difference through reduction in amounts otherwise payable by the Master Tenant as Additional Rent or Bonus Rent. However, if the actual Uncontrollable Expenses are less than the Projected Uncontrollable Expenses for a Lease Year, the difference is paid by the Master Tenant to the Trust as Additional Rent (not later than the completion of a year-end reconciliation of such

amounts, within 120 days of the end of each Lease Year or as soon as practicable thereafter).

Master Tenant Capitalization: The Master Tenant, PG Sugarloaf Master Tenant, LLC, is a newly formed Delaware limited liability company, which is owned ninety percent (90%) by the Sponsor and ten percent (10%) by PHG Capital, LLC, a Nevada limited liability company and affiliate of the Sponsor. In order to induce the Master Tenant to enter into the Master Lease, the Trust has made or is required to make the following transfers and payments to the Master Tenant:

(1) At the closing of its acquisition of the Property and upon the execution of the Master Lease, the Trust conveyed all Personalty to the Master Tenant.

(2) Upon the execution of the Master Lease and over the time frame of the Offering, the Trust is required to provide a payment to the Master Tenant (the “**Master Lease Inducement Payment**”) in the aggregate amount of \$574,938, consisting of: (a) \$200,000, to reimburse the Master Tenant for certain franchise application fees paid to the Franchisor in connection with the acquisition of the Property (the “**Franchise Fee Reimbursement**”); (b) \$66,331, to capitalize the Master Tenant with respect to certain operating proration funds at the execution of the Master Lease; and (c) the Master Tenant Reserve of \$308,607.

(3) On or before December 31, 2025, the Trust is required to make one or more payments to the Master Tenant (such payment the “**Master Lease PIP Payment**”) in the aggregate amount of \$2,600,000, which the Master Tenant will use to address working capital needs of the Property, including PIP Work required under the Franchise Agreement. A portion of the Master Lease PIP Payment (\$1,000,000) will be paid from the PIP Reserve (as defined below) created in connection with the Offering, and the remainder paid from Trust Reserves funded out of Rent received by the Trust from the Master Tenant.

(4) Between March 28, 2024 and December 31, 2033, the Trust is required to make one or more payments to the Master Tenant in the aggregate amount of up to \$300,000, which will be paid from Trust Reserves funded out of Rent received by the Trust from the Master Tenant.

(5) If the Master Lease is automatically extended for the Renewal Term, then the Trust is required to make one or more payments to the Master Tenant (the “**Master Lease Renewal PIP Payment**”) in the anticipated amount of \$2,800,000, but which amount is subject to final determination by the Franchisor pursuant to the Franchise Agreement, on or before December 31, 2034. The Master Lease Renewal PIP Payment will be paid from Trust Reserves funded out of Rent received by the Trust from the Master Tenant.

For the avoidance of doubt, the dates set forth above may be extended, in the sole and absolute discretion of the Trust, if and only if, the timing for such payments is extended by the Franchisor.

In addition to the foregoing, the Master Tenant will be capitalized with a \$300,000 demand note (the “**Demand Note**”) from the Sponsor. The Sponsor’s Demand Note obligations will be reduced by the amount of any net earnings the Sponsor retains in the Master Tenant. A copy of the Demand Note is available in the Investor Data Room.

Franchise Agreement

Concurrent with entering into the Master Lease, the Master Tenant entered into the Franchise Documents, including the Franchise Agreement, pursuant to which a limited, non-exclusive license will be granted to the Master Tenant to operate the Hotel under the Brand.

The Franchise Term is approximately fifteen (15) years, commencing on the date of the execution of the Franchise Agreement, unless earlier terminated in accordance with the Franchise Agreement. The Franchise Agreement is not renewable.

In connection with the acquisition of the Property by the Trust and the execution of the Franchise Agreement with the Master Tenant, the Franchisor will require the Master Tenant to perform certain work to the Hotel (the “**PIP Work**”) as described in the PIP attached to the Franchise Agreement. The Master Tenant estimates that the cost to complete the PIP Work will be approximately \$2,600,000. The PIP will provide for the PIP Work to be completed in approximately eighteen (18) months, which date may be subject to extension as set forth in the Franchise Agreement.

The Franchisor may periodically implement one or more additional PIPs in the future and require the Master Tenant to perform certain work to modernize, rehabilitate and/or upgrade the Hotel’s furnishings, fixtures, equipment, supplies and other items to meet the then-current Standards (as defined herein). The Master Tenant will be required to make these changes at its sole cost and expense (subject solely to any Trust Reserve payment rights it may have under the Master Lease) and in the time frame the Franchisor requires. *See* “SUMMARY OF THE FRANCHISE AGREEMENT,” for additional discussion.

Important Note to Prospective Investors: If a prospective Investor wishes to obtain a copy of the Franchise Agreement, he, she or it may execute a Confidentiality Agreement, and submit the Confidentiality Agreement, along with the Investor Questionnaire and Purchase Agreement, to his, her or its investment representative. See “HOW TO PURCHASE” for additional information regarding the submission of the Confidentiality Agreement. A copy of the Franchise Agreement will be made available to Investors prior to an Investor’s purchase of Interests, subject to the submission of a Confidentiality Agreement, as described herein.

Asset Management

The Trust has entered into an asset management agreement (the “**Asset Management Agreement**”) with Peachtree Hotel Group II, LLC, a Georgia limited liability company (the “**Asset Manager**”), to manage the day-to-day operations of the Trust. In its capacity as asset manager, the Asset Manager is responsible to ensure that the Trust is managed and operated in accordance with the Asset Management Agreement in a commercially reasonable manner.

Pursuant to the Asset Management Agreement, the Trust will pay the Asset Manager certain compensation, as described under “COMPENSATION OF THE SPONSOR AND AFFILIATES – *Asset Management Fees*” The Asset Manager may decide, in its sole discretion, to be paid an amount less than the total amounts to which it is entitled under the Asset Management Agreement, and any excess amount that is not paid may, in the Asset Manager’s sole discretion, be waived permanently or, as applicable, deferred or accrued, without interest, to be paid at a later point in time.

Property Management:

Concurrently with entering into the Master Lease, the Master Tenant entered into the Property Management Agreement with the Property Manager, Peachtree Hospitality Management, LLC, a Georgia limited liability company and an affiliate of the Sponsor. As of the date of this Memorandum, the Property Manager operates several other hotels in the MSA (the “**Affiliated Hotels**”).

The Property Management Agreement has an initial term of ten (10) years, and will automatically renew for successive one (1) year terms, unless either party notifies the other of its election not to renew at least forty-five (45) days before the end of the current term. The Property Management Agreement may be terminated: (a) by mutual written agreement of the Property Manager and the Master Tenant; (b) by the non-defaulting party, upon thirty (30) days' prior written notice to the defaulting party, if a Termination Event (as defined in the Property Management Agreement) occurs; (c) by either party in the event of a complete disposition of the fee interest of the Hotel to an unaffiliated third party in an arm's length transaction; (d) by the Master Tenant upon the termination of the Master Lease; or (e) as otherwise expressly set forth in the Property Management Agreement.

Except for management fees that are incurred in connection with a construction matter involving a Capital Expense (which are included as part of such Capital Expense and thus borne by the Trust under the terms of the Master Lease), the Master Tenant is responsible for any fees payable to the Property Manager. The Property Manager is entitled to the following fees under the Property Management Agreement:

(1) a monthly property management fee equal to four percent (4%) of the gross income generated by the Property during the applicable month (the "**Property Management Fee**");

(2) a monthly revenue management fee equal to \$1,000 (the "**Revenue Management Fee**");

(3) a monthly accounting fee of \$1,500 per month (the "**Accounting Fee**");

(4) after the date of termination of the Property Management Agreement by the Property Manager as a result of a Termination Event (as defined in the Property Management Agreement), a close-out management fee equal to the projected management fees that would have been due to the Property Manager during the 12 months following the termination (or until the date on which the Term would have expired if shorter) based on the pro forma projections for the Hotel during such time period (the "**Termination Fee**"); and

(5) a construction management fee of up 4% of the costs to plan, execute and supervise non-routine renovation or remodeling programs at the Hotel in the aggregate in excess of \$25,000 (the "**Construction Management Fee**"). For the avoidance of doubt, the Property Manager shall be entitled to the Construction Management Fee for any PIP Work it plans, executes, or supervises.

The Property Management Fee, Revenue Management Fee and Accounting Fee are subject to an annual CPI Adjustment upon the approval of the Master Tenant, which approval may not be unreasonably withheld.

Additionally, the Master Tenant is responsible for reimbursing the Property Manager for all expenses paid or incurred by the Property Manager in providing services under the Property Management Agreement, in accordance with the approved budget and the terms of the Property Management Agreement.

The compensation arrangements described above, and in more detail throughout this Memorandum, are not the result of arm's-length negotiations. See "MANAGEMENT – Property Management," "RISK FACTORS – Risks Related to the Master Lease and the Management of the Property" and "CONFLICTS OF INTEREST" for additional discussion.

A copy of the Property Management Agreement is available in the Investor Data Room. See "MANAGEMENT – Property Management" for additional information about the Property

Management Agreement and a description of the Property Manager and its management team.

Trust Reserves:

The Trust has established and will maintain a reserve account (the “**Trust Reserves**”) to make funds available for capital expenditures and unanticipated costs relating to the Property and the Trust. At the acquisition of the Property, \$1,000,000 was funded into a reserve for the PIP Work (the “**PIP Reserve**”). The Trust will make an initial contribution to the Trust Reserves of \$1,625,000 from proceeds of the Offering, and will contribute additional amounts funded out of Rent received under the Master Lease as set forth in the Financial Forecast attached to this Memorandum as Exhibit F.

Any interest earned on the funds in the Trust Reserves will be retained as additional reserves. If additional reserves are needed, the Administrative Trustee may withhold distributions from the Trust to the Investors, thereby reducing targeted distributions. See “**RISK FACTORS – Risks Related to the Master Lease and the Management of the Property – Unanticipated capital expenditures, maintenance costs and Uncontrollable Expenses related to the Property could affect Investors’ returns.**” Any amounts remaining in the Trust Reserves upon the sale of the Property will be distributed to the Investors (and any other holders of Interests) based on their respective pro rata Interests.

Trust Agreement:

The Trust is governed by the Trust Agreement, a copy of which is attached as Exhibit B to this Memorandum. The Trust Agreement sets forth the rights and duties of the Investors and the Trustees with respect to the Property. Sorensen Entity Services LLC, a Delaware limited liability company, serves as co-trustee of the Trust (the “**Delaware Trustee**” and, together with the Administrative Trustee, the “**Trustees**”). The Administrative Trustee is responsible for the operation and management of the Trust and the Property. The Administrative Trustee holds title to the Property on behalf of the Trust for the sole and exclusive purpose of satisfying certain state law requirements that bare legal title to the Property be held by a trustee of the Trust. See “**SUMMARY OF THE TRUST AGREEMENT – Authority and Duties of the Trustees**” for additional information.

In connection with each Investor’s purchase of Interests, the Investor will be required to enter into the Trust Agreement. The Trust will convey the respective Interests to each Investor by issuing each Investor an assignment of beneficial interest. However, pursuant to the Trust Agreement, which was designed to meet the parameters of Revenue Ruling 2004-86, 2004-2 C.B. 191, issued by the IRS, the Investors who own the beneficial interests in the Trust are not permitted to have any voting rights with respect to the operation and ownership of the Property.

Under the Trust Agreement, if: (1) the property of the Trust, including the Property (the “**Trust Property**”) or any portion thereof is subject to a casualty, condemnation or similar event that is not adequately compensated for through insurance or otherwise sufficient to permit restoration of the Trust Property to the same condition as previously existed; or (2) the Administrative Trustee determines that the Investors are at risk of losing all or a substantial portion of their investment in the Interests and the Administrative Trustee is prohibited from taking action to cure or mitigate such events because such action would “vary the investment” of the Investors, the Administrative Trustee shall terminate the Trust by either (a) converting it into a limited liability company (a “**Springing LLC**”) or (b) distributing tenant-in-common interests in the Trust Property to the Investors in proportion to their ownership of the Trust. As a result of converting the Trust into a Springing LLC, referred to herein as a “**Transfer Distribution**,” each of the Investors would become a member of the new Springing LLC, owning an interest in the Springing LLC identical to its Interests in the Trust, and the Administrative Trustee would become the manager of the Springing LLC (the “**LLC Manager**”). As a result of distributing tenant-in-common interests in the Trust

Property to the Investors in proportion to their ownership of the Trust, such interests (and the Investors) would be subject to an agency and/or co-ownership arrangement and other agreements that are in form and substance satisfactory to the Administrative Trustee as determined in its discretion and materially consistent with the terms and conditions set forth in IRS Revenue Procedure 2002-22 or such other IRS guidance as may apply to the treatment of tenancy-in-common arrangements as direct interests in the underlying property for purposes of Code Section 1031.

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

Conflicts and Compensation of the Sponsor and Affiliates:

Affiliates of the Sponsor serve in various capacities with respect to the Trust and the management of the Trust and the Property, as discussed throughout this Memorandum. *See* “THE SPONSOR AND PRIOR PERFORMANCE” for information regarding the Sponsor.

The Sponsor and certain of its affiliates will receive substantial fees and compensation from the Offering and the operation of the Property and will have conflicts of interest, as described in this Memorandum. *See* “COMPENSATION OF THE SPONSOR AND ITS AFFILIATES,” “CONFLICTS OF INTEREST,” and “RISK FACTORS – *Risks Related to the Master Lease and the Management of the Property.*”

Investor Suitability:

Investment in the Interests involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity and who can afford to lose their entire investment. The Trust will only accept a subscription from an “accredited investor,” as defined in Rule 501(a) of Regulation D under the Securities Act, who satisfies the investor suitability requirements set forth herein. The Trust will not accept subscriptions from, or made on behalf of, (i) non-United States investors, or (ii) tax-exempt entities, including but not limited to qualified employee pension and profit-sharing trusts, individual retirement accounts, Simple 401(k) plans, annuities and charitable remainder trusts. *See* “WHO MAY INVEST” for more information.

Use of Proceeds:

The Offering is being made for purposes of returning to the Depositor its capital contributions and reducing the Depositor’s beneficial ownership of the Trust, establishing reserves and paying all related fees and expenses. *See* “ESTIMATED USES OF PROCEEDS” and “COMPENSATION OF THE SPONSOR AND ITS AFFILIATES.”

Purchase of an Interest:

To purchase an Interest, a prospective Investor is required to return to the Trust an executed copy of a (1) complete and accurate Investor Questionnaire and Purchase Agreement, the forms of which are attached as Exhibit A to this Memorandum, and (2) signature page to the Trust Agreement, the form of which is attached to the Investor Questionnaire. Upon receipt of such documents and verification of the prospective Investor’s investment qualifications, the Trust will elect whether to accept the prospective Investor’s investment. Upon the Trust’s acceptance of a prospective Investor for the purchase of an Interest, the Trust will so notify the prospective Investor. Prospective Investors cannot acquire Interests if the Trust does not approve such purchase. Investors whose subscriptions are accepted by the Trust must remit the entire purchase price for their Interests to the Trust by wiring such funds (wiring instructions will be provided by the Trust at such time) or by delivering a check for the purchase price made payable to the Trust. If rejected, a prospective Investor’s funds will be returned to the prospective Investor or his, her, or its qualified intermediary. *See* “HOW TO PURCHASE” and “SUMMARY OF THE PURCHASE AGREEMENT.”

Sale or Transfer of Interests:

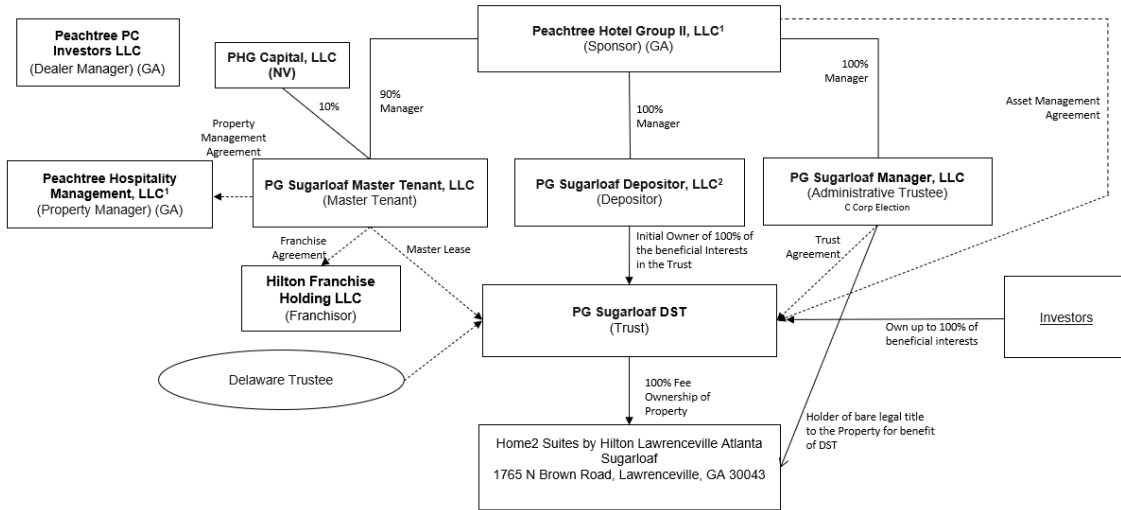
The Interests are being offered and sold pursuant to exemptions from the registration provisions of federal and state law. Accordingly, the Interests are subject to restrictions on transfer. The Trust Agreement contains additional restrictions on transfer. *See* “SUMMARY OF THE TRUST AGREEMENT – *Restrictions on Transfer of Interests.*” If an Investor is

able to sell the Investor's Interest, the Investor and the Investor's purchaser(s) will bear the costs, if any, of the sale or transfer.

Tax Considerations: Tax counsel to the Trust ("**Special Tax Counsel**") has provided a tax opinion (the "**Tax Opinion**") that the acquisition of the Interests by an Investor **should** be treated as a direct acquisition of the Property for purposes of Section 1031. The Tax Opinion is specifically limited to the treatment of an Interest for purposes of Section 1031, however, and does not address any other tax issues that may be of interest to Investors based on their own particular circumstances. Accordingly, all prospective Investors must consult their own independent legal, tax, accounting and financial advisors and must represent in the Purchase Agreement that they have done so as an investment requirement. In addition, the Tax Opinion has been provided to the Trust to support the marketing of the Interests, and is not intended to be used and cannot be used to avoid penalties that may be imposed under federal tax law (although other facts can be used to avoid penalties, such as evidence of an Investor's good faith reliance on advice of his, her or its own independent counsel or the existence of substantial legal authority). *See* the Tax Opinion attached as Exhibit D to this Memorandum, "FEDERAL INCOME TAX CONSEQUENCES," and "RISK FACTORS – *Tax Risks*" for additional discussion regarding tax considerations.

Tax Exempt Investors Prospective tax-exempt investors should be aware that investment in the Trust could generate income treated as unrelated business taxable income for U.S. federal income tax purposes. See "FEDERAL INCOME TAX CONSEQUENCES – *Taxation of Tax-Exempt Investors.*"

ORGANIZATIONAL CHART



Footnotes:

¹Peachtree Hotel Group II, LLC and Peachtree Hospitality Management, LLC are both owned and wholly controlled by Gregory M. Friedman, Jatin Desai and Mitul Patel, as members and co-managers.

²At the initial closing, the Depositor will own 100% of the beneficial interests in the Trust. The Depositor's beneficial interests will be redeemed by the Trust as the beneficial interests are sold by the Trust to investors. The Depositor's ownership in the Trust will be reduced to zero when all of the Beneficial Interests are sold to investors.

All entities have been formed in Delaware unless otherwise noted.

SUMMARY OF THE PURCHASE AGREEMENT

General

Each Investor will be required to execute a complete and accurate Investor Questionnaire and Purchase Agreement, the forms of which are attached as Exhibit A to this Memorandum. Prospective Investors should review the entire Investor Questionnaire and Purchase Agreement with their own independent legal counsel before submitting an offer to purchase an Interest. Except as set forth in this section below in “*Termination of the Purchase Agreement*,” the execution of the Investor Questionnaire and Purchase Agreement and tender of the requisite amount of money will constitute an irrevocable offer to purchase an Interest. The following is merely a summary of some of the significant provisions of the Purchase Agreement and is qualified in its entirety by reference thereto.

Each prospective Investor will be required to acknowledge and represent in the Purchase Agreement that the prospective Investor is acquiring the Interest for investment purposes and not with a view for resale or distribution. Further, each prospective Investor must acknowledge and represent that the prospective Investor is aware of the risks inherent in an investment such as the Interest, including, without limitation, the risks set forth in this Memorandum.

Submission of Offer to Purchase

A summary of the procedures for the offer and purchase of an Interest is set forth in the section of this Memorandum entitled “HOW TO PURCHASE.” Investors should read that section in its entirety.

Closing

Each prospective Investor will be required to return to the Trust an executed copy of a (1) complete and accurate Investor Questionnaire and Purchase Agreement, the forms of which are attached as Exhibit A to this Memorandum, and (2) signature page to the Trust Agreement, the form of which is attached to the Investor Questionnaire. Prospective Investors may be accepted or rejected by the Trust at any time within 30 days of receipt of the foregoing documents. Any proposed purchase of Interests not accepted within 30 days of receipt shall be deemed rejected.

Investors whose subscriptions are accepted by the Trust must remit the entire purchase price for their Interests to the Trust by wiring such funds (wiring instructions will be provided by the Trust at such time) or by delivering a check for the purchase price made payable to the Trust.

Within a reasonable time after closing the purchase of the Interests by an Investor, a confirmation statement reflecting the Interests purchased will be delivered to each Investor. *See* “PLAN OF DISTRIBUTION.”

Termination of the Purchase Agreement

In general, a purchase of Interests is irrevocable and may not be canceled, terminated or revoked. The Investor Questionnaire and the Purchase Agreement will survive the death or disability of the Investor and will be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, successors, legal representatives and assigns. An Investor’s Purchase Agreement will be terminated: (a) if a prospective Investor is not accepted by the Trust, (b) upon written request from an Investor who is not then in default until the close of business on the third day following the date upon which the Sponsor notifies the Investor that the Investor’s subscription has been accepted, or (c) if the Trust terminates the Offering for any reason.

If an offer to purchase is rejected in whole or in part, or if the Trust terminates the Offering for any reason, the prospective Investor will have no right to acquire an Interest in the Trust and will have no claims against the Trust for damages, expenses, lost profits or otherwise.

No Tax Advice

Other than the Tax Opinion issued by the Trust's Special Tax Counsel and attached hereto as Exhibit D, the Investors will acquire their Interests without any representations from the Trust regarding the tax implications of the transaction. Each Investor should consult his, her or its own independent attorneys and other tax advisors regarding the tax implications of the Investor's acquisition of the Interests, including whether such acquisition will qualify as part of a proposed Section 1031 Exchange, if one is contemplated. *See* "FEDERAL INCOME TAX CONSEQUENCES."

Indemnity

The Purchase Agreement contains an indemnity provision whereby each Investor will be required to indemnify, defend and hold harmless the Trust, its beneficiaries, the Administrative Trustee and certain other parties from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and costs) that they may incur by reason of the Investor's failure to fulfill all of the terms and conditions of the Investor Questionnaire and Purchase Agreement or untruth or inaccuracy of any of the representations, warranties, covenants or agreements contained therein.

Arbitration

Each Investor voluntarily waives the right to have any dispute arising out of the Investor Questionnaire and Purchase Agreement litigated in a court or decided by jury trial. Any dispute or controversy arising out of, or relating to, the Purchase Agreement will be resolved by final and binding arbitration brought in Atlanta, Georgia.

SUMMARY OF THE TRUST AGREEMENT

The Trust is governed by the Trust Agreement, a copy of which is attached as Exhibit B to this Memorandum. As of the date of this Memorandum, the Depositor owns 100% of the Interests. The Delaware Trustee of the Trust is Sorensen Entity Services LLC, a Delaware limited liability company, and the Administrative Trustee of the Trust is PG Sugarloaf Manager, LLC, a Delaware limited liability company and an affiliate of the Sponsor. The rights and obligations of the Investors and Trustees with respect to the Property are governed by the Trust Agreement.

EACH PROSPECTIVE INVESTOR SHOULD REVIEW THE ENTIRE TRUST AGREEMENT, A COPY OF WHICH IS ATTACHED AS EXHIBIT B, BEFORE INVESTING. THE SUMMARY BELOW IS A SUMMARY OF SOME OF THE SIGNIFICANT PROVISIONS OF THE TRUST AGREEMENT. IT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT THEREOF.

Purpose of the Trust

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

Term of the Trust

The Trust will terminate upon the earlier of: (a) December 31, 2074; or (b) the sale or other disposition of the Property.

Authority and Duties of the Trustees

The Trustees have the sole authority to manage, control, dispose of or otherwise deal with the Trust Property in a manner that is consistent with their duty to conserve and protect the Trust Property. The Trustees are not individually liable for their actions except: (1) in the event of their own willful misconduct or gross negligence; (2) for the inaccuracy of their representation that the Trust Agreement has been authorized, executed and delivered by each of the Trustees; (3) for engaging in any Prohibited Action (as defined below); (4) for their failure to use ordinary care in disbursing monies to Investors pursuant to the terms of the Trust Agreement; and (5) for their own income taxes based on fees, commissions or compensation received in the capacity of the Trustees. The Trustees are indemnified by the Trust from and against any liabilities, losses, claims, suits and expenses (including reasonable legal fees) that may be incurred or asserted against the Trustees in connection with the operation of the Trust or the Trust Property. Such indemnification does not apply, however, if the claim, suit or liability results from any action of the Trustees described in clauses (1) through (5) above. To the fullest extent permitted by law, the Trustees are entitled to advancement of expenses incurred in defending a claim prior to its final disposition, subject to repayment if a court renders a final, non-appealable judgment that the applicable Trustee is not entitled to indemnification.

The duties of the Delaware Trustee are limited to acting as Trustee in the State of Delaware to satisfy the requirement of the Delaware Statutory Trust Act that the Trust have at least one Trustee with a principal place of business in Delaware.

All other duties reside with the Administrative Trustee, including, but not limited to: (1) acquiring, owning, conserving, protecting, operating and selling the Trust Property; (2) entering into or assuming and complying with the terms of the Master Lease and other Transaction Documents; (3) collecting rents and making distributions to Investors; (4) conserving the Trust Property in a manner consistent with its duty to conserve and protect the Trust Property as provided in the Trust Agreement; (5) entering into agreements to enable Investors to complete Section 1031 Exchanges; (6) notifying relevant parties of any default by them under the Transaction Documents; (7) solely in the event of a bankruptcy or insolvency of the Master Tenant, renegotiating the Master Lease or entering into a new lease or renegotiating or refinancing any debt secured by the Property; and (8) taking

any action which, in the reasoned opinion of tax counsel to the Trust, should not have an adverse effect on the treatment of the Trust as an “investment trust” within the meaning of Treasury Regulation Section 301.7710-4(c).

In addition, for purposes of complying with certain provisions of Georgia state law, the Trust Agreement provides that the duties of the Administrative Trustee include holding bare legal title to the Property. The Trust Agreement states that, for the avoidance of doubt, the Administrative Trustee holds only bare legal title to the Property for purposes of compliance with state law, does not hold any ownership interest in the Property for income tax purposes or for any other legal or equitable purpose other than for purposes of compliance with state law, and expressly disclaims any ownership or other interest (legal, equitable or otherwise) in the Property other than such interest in bare legal title to the Property as is strictly necessary to comply with state law. The Administrative Trustee has all necessary powers that it is required to have under state law as holder of bare legal title of the Property, including the power and authority to execute documents with respect to the acquisition, financing, operation and conveyance of the Property.

Compensation and Reimbursement of the Trustees

The Trust is required to pay the Delaware Trustee an initial fee, monthly fees, and document execution fees for its services. The Administrative Trustee will serve in such capacity without compensation. The Trustees are entitled to be reimbursed for all reasonable expenses incurred or advanced in connection with the performance of their duties under the Trust Agreement or any other agreement that the Trustees enter into for the benefit of the Trust.

Limitation on Authority of the Trustees

To protect the tax-free exchange status for the Investors under Section 1031, the Trust Agreement prohibits the Trustees from taking any of the following actions, provided, however, that such prohibition will apply only if such action would constitute a power to “vary the investment” of the Investors as defined by Treasury Regulation Section 301.7701-4(c)(1) (any such action, a “**Prohibited Action**”). Specifically, actions that may constitute Prohibited Actions include: (1) reinvesting money held by the Trust except as provided in the Trust Agreement; (2) entering into new financing or renegotiating the Master Lease or entering into new leases except in the event of the bankruptcy or insolvency of the Master Tenant; (3) making other than minor non-structural modifications of the Property other than as required by law; (4) after the formation and capitalization of the Trust, accepting any additional capital contributions from any Investor, or any contributions from any prospective new investor; or (5) taking any other action that, in the reasoned opinion of tax counsel to the Trust, should be expected to cause the Trust to be treated as a “business entity” for federal income tax purposes.

Authority of Investors

Because the Trust Agreement is designed to meet the parameters of Revenue Ruling 2004-86 issued by the IRS and other relevant regulatory and judicial requirements with respect to the Delaware statutory trust, Investors are not permitted to have any vote over the operation and ownership of the Property, including deciding when to sell the Property.

Investors holding a majority of the Interests may remove a Trustee only if the Trustee has engaged in willful misconduct, fraud or gross negligence with respect to the Trust as determined by a final, nonappealable judgment of a court of competent jurisdiction; provided however, that a Trustee may not be removed without the consent of the Administrative Trustee (even if for cause) until the Administrative Trustee and its affiliates have been fully removed from any guarantee and indemnity obligations they may have with respect to any loan to the Trust. Upon the resignation or removal of a Trustee, Investors holding a majority of the Interests may appoint a successor Trustee.

Distributions

The Investors will be entitled, based on their respective Interests, to monthly cash distributions, net of amounts required to pay and reimburse the Trustees, and to retain amounts necessary to pay anticipated ordinary current and future expenses of the Trust. Such cash flow will be distributed on a monthly basis. Amounts retained may be invested only in certain short-term government obligations or certificates of deposit in banks or trust companies having a minimum stated capital and surplus of \$50,000,000.

Restrictions on Transfer of Interests

No Interest, or any portion thereof, may be assigned, pledged, encumbered or transferred without the prior consent of the Administrative Trustee. The Administrative Trustee's consent to each proposed transfer is subject to the sole discretion of the Administrative Trustee, including but not limited to, the satisfaction, as determined in the sole discretion of the Administrative Trustee, of the following: (1) the proposed transfer's compliance with all applicable securities laws; (2) a determination that the proposed transfer would not result in the Trust having to register as an investment company under the Investment Company Act of 1940, as amended, or require the Trust or any Trustee to register as an investment adviser under the Investment Advisers Act of 1940, as amended; (3) a determination that the proposed transfer would not cause the Trust Property to become "plan assets" (as defined in the Trust Agreement); (4) the execution by the proposed transferor and transferee(s) of documents to effectuate the transfer that are satisfactory to the Administrative Trustee; and (5) the payment of all expenses related to the proposed transfer by the transferor or transferee as they may agree. *See "RISK FACTORS – Risks Related to the Offering – There is no public market for the Interests"* for additional discussion.

Property Rights

The Trust, and not the Investors, hold legal title to the Property, except that, as described above, the Administrative Trustee will hold bare legal title to the Property to satisfy certain state law requirements. The Investors are not entitled to share in the use of the Property or to any in-kind distribution of the Property.

Termination in Certain Circumstances

Under the Trust Agreement, if: (a) the Trust Property or any portion thereof is subject to a casualty, condemnation or similar event that is not adequately compensated for through insurance or otherwise sufficient to permit restoration of the Trust Property to the same condition as previously existed; and (b) the Administrative Trustee determines that the Investors are at risk of losing all or a substantial portion of their investment in the Interests and the Administrative Trustee is prohibited from taking action to cure or mitigate such events because such action would "vary the investment" of the Investors; then the Administrative Trustee may in its sole discretion terminate the Trust by either: (1) converting the Trust to a Springing LLC; or (2) distributing tenant-in-common interests in the Trust Property to the Investors in proportion to their ownership of the Trust, which interests (and the Investors) would be subject to an agency and/or co-ownership arrangement and other agreements that are in form and substance satisfactory to the Administrative Trustee as determined in its discretion and materially consistent with the terms and conditions set forth in IRS Revenue Procedure 2002-22 or such other IRS guidance as may apply to the treatment of tenancy-in-common arrangements as direct interests in the underlying property for purposes of Code Section 1031.

As a result of the foregoing transactions, actions could be taken to conserve and protect the Property that could not have been taken had the Property continued to have been held by the Trust.

Investor Liability and Bankruptcy

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

Tax Status of Trust

The Trust Agreement provides that the Trust is intended to qualify as an “investment trust” and a “grantor trust” for federal income tax purposes, and not as a partnership or other business entity. Thus, although the Trust is respected as a separate entity for state law purposes, each Investor should be treated as owning a direct interest in the Property for purposes of Section 1031. *See* “FEDERAL INCOME TAX CONSEQUENCES.” Each Investor will be required to report its Interests in the Trust in a manner that is consistent with the foregoing.

DESCRIPTION OF THE PROPERTY

The Trust owns a fee simple interest in the Property, a Hilton brand hotel known as “Home2 Suites by Hilton Lawrenceville Atlanta Sugarloaf.” For purposes of complying with certain provisions of Georgia state law, bare legal title to the Property is held by the Administrative Trustee. The Administrative Trustee holds title to the Property on behalf of the Trust for the sole and exclusive purpose of satisfying certain state law requirements that bare legal title to the Property be held by a trustee of the Trust. The Property is 100% leased to the Master Tenant pursuant to the Master Lease. See “SUMMARY OF THE MASTER LEASE” for additional information regarding the Master Tenant and the terms of the Master Lease.

General Property Information

The Property consists of an approximately 4.43 acre parcel of land and the Hotel, which is a four-story hotel building comprised of approximately 80,912 square feet and 130 guest rooms and related service areas. Amenities at the Hotel include a restaurant with a breakfast dining area, 990 square feet of meeting space, outdoor pool, a fitness room, a lobby workstation, a market pantry, a guest laundry area, and an outdoor patio and barbeque area.

Property specific information for the Property is available in the Property Condition Report dated March 15, 2024 (the “**Assessment**”), prepared by Terracon Consultants, Inc. (“**Terracon**”). A copy of the Assessment is available in the Investor Data Room. Additional information concerning the Property is summarized in the tables below.

The following table is a summary of certain general information about the Property:

Address	Land Area*	Approximate Rentable SF*	Year Built	Guest Rooms	Parking*	Zoning
1765 N. Brown Road Lawrenceville, Georgia 30043	4.43 acres	80,912	2019	130	134 spaces (including 6 ADA)	C2 – General Business District

* References in this Memorandum to (1) the acreage of the Property is based on the Survey; (2) the approximate square footage of the Hotel is based on the Appraisal; and (3) the number of parking spaces is based on the Zoning Report. Copies of the Survey, Appraisal and Zoning Report are available in the Investor Data Room.

Detailed Description of the Hotel

Building Exterior/Structure

The foundation consists of continuous reinforced concrete wall footings at the perimeter and isolated spread footings at the interior columns. The ground floor is concrete slab-on-grade. The Hotel is a conventional steel-framed structure with steel columns and beams, and hollow-core concrete flooring planks. Exterior walls consist of brick veneer, and exterior insulation and finish system.

Windows are primarily configured as individual punched units consisting of insulated glazing set in milled aluminum frames. The Hotel features storefront glazing and doors that are part of the storefront system. The main entry doors are powered sliding doors that are part of the storefront system equipped with an air lock. Secondary doors are glass units set in milled frames. Service doors are painted hollow metal in metal frames.

Roof

The roofing consists of a low-slope single-ply Thermoplastic Olefin membrane over an unspecified rigid insulation. The roof drains to internal drains with overflow scuppers along the perimeter parapet walls of the roof. There did not appear to be any leaks when the Hotel was inspected. There is a 10-year extended warranty through 2029.

Building Interior

The main level of the Hotel has guest registration, business center, gathering area, breakfast serving and eating areas, restrooms, fitness center, guest laundry and meeting rooms. Each upper floor has an elevator lobby and common area corridors along the central atrium. The Hotel lobby consists of ceramic tile floors, painted drywall and vinyl wall coverings, and painted drywall and suspended acoustic tile ceilings. There are public restrooms with ceramic tile floors, ceramic tile and vinyl wall coverings, and painted drywall ceilings with plastic laminate toilet partitions. There is a meeting room located on the first floor with carpet floors, vinyl wall coverings, and painted drywall and suspended acoustic tile ceilings. The office area is located behind the front desk area with ceramic tile floors, vinyl wall coverings and painted drywall ceiling.

Guest rooms are located on all floors and are accessible from interior corridors accessed by two elevators and two stairwells. The Hotel has 130 (69 king and 61 double) guest suites, sixteen (16) of which are accessible suites for mobility impaired guests. Guest room finishes include ceramic tile and carpet flooring with painted drywall and vinyl wall covering and textured finish on concrete ceilings. Guest room bathroom floors are ceramic tile, walls are vinyl wall coverings, and the ceiling is painted drywall. Bathroom countertops are solid surface with under-mounted lavatory. The bathtub is enameled steel surrounded by acrylic panels. Toilet fixtures are floor-mounted, tank-type.

Elevators

There are two Thyssen Krupp hydraulic passenger elevators. The elevator cab finishes consist of a translucent plastic panels with fluorescent light fixtures, laminate wall paneling, and ceramic tile flooring.

Mechanical/Electrical/Plumbing

Heating and cooling are provided to guest rooms by individual packaged terminal air conditioning 1.5 ton cooling units manufactured by *Amana* and utilize R-410A refrigerant. Heating and cooling to common areas and public spaces are provided with 2 rooftop packaged DX units, with nominal cooling capacities of 30-tons, and totaling approximately 60 tons. The units appear to have been installed as part of original construction and are approximately 5 years old. The units were manufactured by *GREENHECK* and utilize R-410A refrigerant. Restrooms are provided with exhaust fans vented to the exterior.

Electrical service is supplied to the Property through a pad-mounted utility-owned transformer located at grade on the southeastern corner of the Hotel. The Hotel has a *Siemens* 2,500-amp 120/208-volt main electrical switchboard. Branch wiring is copper.

Interior lighting is primarily ceiling-mounted fluorescent tube fixtures and recessed compact fluorescent fixtures in office and public areas. The storage areas utilize high intensity discharge fixtures. Hotel entry is controlled by a card reader access system and the security cameras feed a closed-circuit television provided in the manager's office.

The domestic cold and hot water piping system supplies the common area restroom plumbing fixtures, break room areas, janitorial sinks, and service outlets. Domestic water piping consists of copper in the risers and branches. Domestic hot water is provided to the Hotel by five natural gas fired water heaters and circulation pumps located in mechanical the room. Sanitation piping is PVC.

Fire Protection/Life Safety

The Hotel is protected throughout by a wet-pipe automatic sprinkler system. Tamper switches, flow switches, and drain valves were observed. The system is inspected and maintained under a service agreement with Fire & Life Safety America, Inc. Fire extinguishers are installed throughout the building, a fire department connection was noted adjacent to the southwestern corner of the building and fire hydrants are located adjacent to the drive lanes. Municipal fire hydrants are also located along public streets bordering the Property and in landscape islands in the parking lots. Alarm devices consist of audible horns and visual strobe fixtures located

in common areas and restrooms and an audible gong was observed on the exterior wall near the fire riser room. Hard-wired smoke detectors are provided throughout and are connected to the fire alarm system. Hard-wired heat detectors were observed in electrical and elevator equipment rooms. Pull stations are located at the exits and near the main fire alarm control panel where provided. Emergency lighting and exit signs with battery back-up were observed along paths of egress and adjacent to the exit doors.

Utilities

Domestic water, sanitary sewer, and storm sewer are provided by Gwinnett Department of Water Resources. Electric services are provided by Jackson EMC and gas services are provided by Georgia Natural Gas.

Amenities

The Property has one outdoor swimming pool located along the north side of the Hotel and features a pergola on the front and southside of the Hotel that covers a seating and gathering area. The pool deck is concrete pavers, and the pool water is heated with a natural gas pool heater. There is a fitness center located on the first floor that contains 2 treadmills, 2 elliptical machines, and a variety of dumbbells. The Hotel contains a business center with computers and printers in the main lobby area. There is a bistro on the ground floor primarily used for serving breakfast as well as a kitchen with 3 reach-in coolers, 2 convection ovens, and an ice machine. There is a commercial laundry located on the ground floor with 2 UniMac 65-pound-capacity commercial washers, and 2 UniMac 75-pound-capacity, gas-fired commercial dryers.

Parking

There are 134 total surface parking spaces, including 6 ADA spaces.

Zoning

A zoning report dated March 15, 2024 (the “**Zoning Report**”), prepared by American National, LLC, was obtained for the Property. According to the Zoning Report, the Property and the current use thereof are in legal compliance and there are no outstanding zoning code violations, building code violations or fire code violations on file with the Gwinnett County Planning and Development and the Fire Marshal’s Office. American National, LLC, did not obtain information on building code violations at the Property. See “**RISK FACTORS – Risks Related to the Property – Compliance with various laws could affect the operation of the Property.**”

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

Flood Zone	Seismic Zone	Wind Zone	Hurricane Susceptible Region
Zone X (area outside of the 100 and 500-year flood plains)	Zone 2A (area of low to moderate probability of damaging ground motion)	Zone III (up to 160 mph winds)	No

Condition of the Property

Based on the systems and components observed during the site visit, Terracon indicated that the Property appeared to be in fair condition. Routine maintenance is anticipated to be necessary. Terracon identified \$1,500 in immediate repair items to correct certain deficiencies and failed systems identified by Fire & Life Safety America, Inc. during their last inspection of the Property on November 28, 2023. Terracon also identified

certain long-term repair needs for the Property relating to guest room remodeling, refinishing elevator cab, applying water-repellant coating to masonry surfaces and recoating exterior walls, sealing and recoating asphalt paving, water heater and air conditioner replacement, swimming pool resurfacing and equipment replacement. Based on a 10-year holding period, Terracon estimated the cost of the long-term repair needs at \$268,470 (in uninflated dollars) or approximately \$206.52 per guest room per year (in uninflated dollars).

The Trust also obtained a Mechanical and Plumbing Assessment from Allana Buick Bers (“**ABB**”) dated March 12, 2024 (the “**Plumbing Assessment**”). A copy of the Plumbing Assessment is available in the Investor Data Room. ABB made several recommendations for the improvement/protection of certain plumbing and mechanical units at the Hotel, including the repair of guestroom water heater, adding condensation neutralization kits for five water heaters to prevent corrosion, service makeup air units and re-seal lines in laundry and common area HVAC. The cost for such items is approximately \$8,800 and the recommended time frame for completion is as soon as possible.

Related Reserves

The Trust will maintain the Trust Reserves to make funds available for Capital Expenditures that, in the Master Tenant’s reasonable discretion, are necessary to comply with the Franchise Documents. To the extent such Capital Expenditures are made by the Master Tenant, the Master Tenant may use funds in the Trust Reserves to pay such Capital Expenditures. If the Master Tenant determines that there is a need for Capital Expenditures, the Trust will be required to provide the funds for such Capital Expenditures within 60 days after receipt of Master Tenant’s request therefor. Beginning March 28, 2024 and continuing through December 31, 2033, the Trust is required to make one or more payments to the Master Tenant in the aggregate amount of up to \$300,000, which will be paid from Trust Reserves funded out of Rent received by the Trust from the Master Tenant. If additional reserves are needed, the Administrative Trustee may withhold distributions from the Trust to Investors, thereby reducing projected distributions set forth in the Financial Forecast attached hereto as Exhibit F. See “**RISK FACTORS – Risks Related to the Master Lease and the Management of the Property – Unanticipated capital expenditures, maintenance costs and Uncontrollable Expenses related to the Property could affect Investors’ returns.**” Any amounts remaining in the Trust Reserves upon the sale of the Property will be distributed to the Investors (and any other holders of Interests) based on their respective pro rata Interests.

In developing its projections of future reserve requirements, the Sponsor took into consideration both the reserve estimates described above, its own evaluation of the Property, as well as other third-party estimates of long-term repair and reserves needs for the Property to develop projections that reflect the Sponsor’s past experiences as an owner and manager of other similar properties, including budgeting for unforeseen circumstances that often arise when conducting maintenance and repairs.

Environmental

The Trust obtained a Phase I Environmental Site Assessment for the Property from Terracon, dated March 7, 2024 (the “**Phase I**”). A copy of the Phase I is available in the Investor Data Room. The Phase I was conducted no more than one-hundred eighty (180) days prior to the Trust’s acquisition of the Property. The Phase I was performed in compliance with the standards of ASTM Practice E1527-21, which is recognized by the United States Environmental Protection Agency and many states as adequate to demonstrate compliance with “All Appropriate Inquiry.” The objective of the Phase I was to identify any Recognized Environmental Conditions (“**RECs**”), Controlled RECs (“**Controlled RECs**”), Historical RECs (“**Historical RECs**”), and/or de minimis conditions (“**de minimis conditions**”) in connection with the Property. A REC is defined by ASTM E1527-21 as the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property due to release to the environment, under conditions indicative of a release to the environment, or under conditions that pose a material threat of a future release to the environment. A Controlled REC is defined by ASTM E1527-21 as a past release of any hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority (for example as evidenced by issuance of a no further action letter or equivalent) with hazardous substances or petroleum allowed to remain in place subject to implementation of required controls. A Historical REC is defined by ASTM E1527-21 as a past release of any hazardous substances or petroleum products that has occurred in connection with the property and has been

addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls. *De minimis* conditions are not RECs. *De minimis* conditions generally do not present a threat to human health and the environment and generally are not subject to enforcement action if brought to the attention of governmental agencies. They are not subject to enforcement action if brought to the attention of governmental agencies. In some cases, a Phase I identifies environmental concerns that do not qualify as RECs, HRECs, CRECs, or *de minimis* conditions and are otherwise beyond the scope of ASTM E1527-21, but which may have a material environmental or environmentally driven impact on the business associated with current or planned uses at a Property and therefore warrant further discussion. These non-scope environmental concerns are referred to as “**environmental issues.**”

The Phase I did not identify any RECs, HRECs, CRECs, or *de minimis* conditions. The Phase I did not evaluate non-scope considerations. See “RISK FACTORS – *Risks Related to the Property – The existence of any environmental issues with the Property may adversely affect the Trust.*” for additional discussion.

Agreements Affecting the Property

The Property is subject to various matters affecting title, including but not limited to zoning ordinances, building codes and matters set forth in the pro forma owner’s title insurance policy and survey, which policy and survey are available in the Investor Data Room. These matters may include, for example, easements, declarations, restrictions, agreements and other limitations on the right of the Trust to construct, develop and use the Property and may impose certain maintenance obligations upon the Trust. Documents related to the most significant matters affecting title are available in the Investor Data Room. See “RISK FACTORS – *Risks Related to the Property – The Trust does not guarantee the condition of, or title to, the Property*” for additional discussion.

SUMMARY OF THE MASTER LEASE

The Trust has entered into the Master Lease for the Property with the Master Tenant, a wholly owned subsidiary of the Sponsor. The Master Lease covers the entire Property.

Below is a description of significant, but select and limited, economic terms of the Master Lease. The fundamental information listed below is not exhaustive of all important terms of the Master Lease, such as, for example, the Trust's and Investors' liabilities associated with indemnification provisions and termination. Prospective Investors are strongly encouraged to review the Master Lease, the form of which is included as Exhibit C to this Memorandum, in its entirety.

General

The Master Lease is a net lease incorporating all expenses and debt service, if any, associated with the operation of the Property. The Master Tenant operates the Property for its own benefit and is entitled to retain certain positive differences between the operating cash flow of the Property and payments due from the Master Tenant to the Trust, as described in greater detail below. Likewise, the Master Tenant is liable for the cash shortfalls between the operating cash flow and payments due from the Master Tenant to the Trust.

Term

The Master Lease has an initial term of approximately ten (10) years (the "**Original Term**") and, if the Trust owns the Property on the last day of the Initial Term, the Master Lease will be automatically extended for a renewal term of six (6) years (the "**Renewal Term**", and together with the Initial Term, the "**Term**"). Each year during the Term is herein referred to as a "**Lease Year**." The first Lease Year commenced upon execution of the Master Lease and will end on December 31, 2024, and each subsequent Lease Year will commence on January 1 and end on December 31 of the following year. During the Term, the Master Tenant will be obligated to pay the Rent and bear all costs of operating, maintaining, repairing, and leasing the Property. The Master Lease may be terminated prior to the end of the Term in circumstances that include the following: (a) by the Trust in the event of an uncured default by the Master Tenant; and (b) upon a sale of the Property, in which case the Master Lease terminates automatically; provided, however, the Franchisor has the right to consent to any sale of the Property by the Trust. Accordingly, the Trust agrees to be bound by such terms and conditions of the Franchise Agreement that apply to the owner of the Property and that have not been assumed by the Master Tenant under the Master Lease.

Rental Payments

During the term of the Master Lease, the Master Tenant is required to pay Base Rent in an annual amount set forth in the Master Lease, paid in monthly installments.

In addition to Base Rent, the Master Tenant is required to pay Additional Rent and Bonus Rent to the Trust. Additional Rent consists of 100% of the Master Tenant's "**Gross Income**" (as defined below) from the Property for each Lease Year of the Master Lease that exceeds the "**Additional Rent Breakpoint**" for such Lease Year, up to the "**Additional Rent Cap**" for such Lease Year. Bonus Rent consists of 70% of the Master Tenant's Gross Income from the Property for each Lease Year of the Master Lease that exceeds the "**Bonus Rent Breakpoint**" for such Lease Year.

As defined in the Master Lease, "**Gross Income**" means all income collected by Tenant from guests, customers and invitees making transient use or occupancy of guest rooms, banquet rooms, conference rooms or other facilities in the normal course of the operation of the Hotel (collectively "**Hotel Guests**"), rents, license fees and/or assessments and other items arising from the use of the Property or operation of the Hotel, including but not limited to, guest room and conference facility charges, the sale of food, liquor, soft drinks or other beverages, gift shop revenue, administrative charges, proceeds of rental interruption insurance, parking fees, reimbursement of lender impounds for insurance, real estate taxes and reserves, proceeds from insurance claims, income from coin operated machines and other miscellaneous income, due or to become due; provided, that the

definition of Gross Income shall not include any of the following: (1) federal state and municipal excise taxes and sales taxes paid by customers in connection with goods, merchandise or services purchased by them, to the extent such taxes are separately itemized on the customers' bills or checks; (2) gratuities to employees, if separately itemized on the customers' bills or checks; (3) installment payments received in respect of each charge or sale made upon installment or credit that has been treated as a sale for full price; (4) credits, payments or refunds received from shippers or manufacturers resulting from Tenant's claims for loss or damage to merchandise in transit; (5) to the extent previously included in Gross Income for any period and then refunded or credited in such current period, the sales price of merchandise returned by customers; (6) amounts received on account of any sales, liquor or gross receipts tax and paid directly to the taxing authority; and (7) amounts received from sale of U.S. postage stamps or any other such items the full price of which Tenant is required to remit to the supplier thereof.

The following table sets forth the Base Rent and certain elements used in the computation of Additional Rent and Bonus Rent during the Term:

Lease Year	Base Rent	Additional Rent Breakpoint	Additional Rent Cap	Bonus Rent Breakpoint
1*	\$490,945	\$2,865,000	\$1,212,926	\$4,077,926
2	\$644,035	\$3,868,000	\$1,614,692	\$5,482,692
3	\$644,035	\$3,918,000	\$1,506,351	\$5,424,351
4	\$644,035	\$4,050,000	\$1,670,000	\$5,720,000
5	\$644,035	\$4,240,000	\$1,775,000	\$6,015,000
6	\$644,035	\$4,349,000	\$1,845,000	\$6,194,000
7	\$644,035	\$4,458,000	\$1,920,000	\$6,378,000
8	\$644,035	\$4,571,000	\$2,000,000	\$6,571,000
9	\$644,035	\$4,702,000	\$2,070,000	\$6,772,000
10	\$644,035	\$4,814,000	\$2,140,000	\$6,954,000

*Lease Year 1 begins on March 28, 2024 and ends on December 31, 2024.

Uncontrollable Expenses

The Master Lease provides that the Master Tenant is required to pay the “**Uncontrollable Expenses**” (i.e., the real estate taxes, utility costs and property insurance costs for the Property) for each Lease Year of the Master Lease (prorated for any partial Lease Year), and is financially responsible for such Uncontrollable Expenses up to the amount of “Projected Uncontrollable Expenses” for each Lease Year as set forth in the Financial Forecast attached as Exhibit F to this Memorandum. To the extent the actual Uncontrollable Expenses for a Lease Year paid by the Master Tenant exceed Projected Uncontrollable Expenses for such Lease Year, the Trust is responsible for such difference through reduction in amounts otherwise payable by the Master Tenant as Additional Rent or Bonus Rent. However, if the actual Uncontrollable Expenses are less than the Projected Uncontrollable Expenses for a Lease Year, the difference is paid by the Master Tenant to the Trust as Additional Rent, not later than the completion of a Lease Year-end reconciliation of such amounts, within 120 days of the end of each Lease Year or as soon as practicable thereafter.

Capitalization of Master Tenant and Trust Reserves

In order to induce the Master Tenant to enter into the Master Lease, the Trust has made or is required to make the following transfers and payments to the Master Tenant:

(1) At the closing of its acquisition of the Property and upon the execution of the Master Lease, the Trust conveyed all Personalty to the Master Tenant.

(2) Upon the execution of the Master Lease and over the time frame of the Offering, the Trust is required to provide a payment to the Master Tenant (the “**Master Lease Inducement Payment**”) in

the aggregate amount of \$574,938, consisting of: (a) \$200,000, to reimburse the Master Tenant for certain franchise application fees paid to the Franchisor in connection with the acquisition of the Property (the “**Franchise Fee Reimbursement**”); (b) \$66,331, to capitalize the Master Tenant with respect to certain operating prorations funded at the execution of the Master Lease; and (c) \$308,607, to provide the Master Tenant with sufficient initial working capital (the “**Master Tenant Reserve**”).

(3) On or before December 31, 2025, the Trust is required to make one or more payments to the Master Tenant (such payment the “**Master Lease PIP Payment**”) in the aggregate amount of \$2,600,000, which the Master Tenant will use to address working capital needs of the Property, including PIP Work required under the Franchise Agreement. A portion of the Master Lease PIP Payment (\$1,000,000) will be paid from the PIP Reserve created in connection with the Offering, and the remainder paid from Trust Reserves funded out of Rent received by the Trust from the Master Tenant.

(4) Between March 28, 2024 and December 31, 2033, the Trust is required to make one or more payments to the Master Tenant in the aggregate amount of up to \$300,000, which will be paid from Trust Reserves funded out of Rent received by the Trust from the Master Tenant.

(5) If the Master Lease is automatically extended for the Renewal Term, then the Trust is required to make one or more payments to the Master Tenant (the “**Master Lease Renewal PIP Payment**”) in the anticipated amount of \$2,800,000, but which amount is subject to final determination by the Franchisor pursuant to the Franchise Agreement, on or before December 31, 2034. The Master Lease Renewal PIP Payment will be paid from Trust Reserves funded out of Rent received by the Trust from the Master Tenant.

For the avoidance of doubt, the dates set forth above may be extended, in the sole and absolute discretion of the Trust, if and only if, the timing for such payments is extended by the Franchisor.

In addition to the foregoing, the Master Tenant will be capitalized with a \$300,000 demand note (the “**Demand Note**”) from the Sponsor. The Sponsor’s Demand Note obligations will be reduced by the amount of any net earnings the Sponsor retains in the Master Tenant. A copy of the Demand Note is available in the Investor Data Room.

Any interest earned on the funds in the Trust Reserves will be retained as additional reserves. If additional reserves are needed, the Administrative Trustee may withhold distributions from the Trust to the Investors, thereby reducing targeted distributions. *See “RISK FACTORS – Risks Related to the Master Lease and the Management of the Property – Unanticipated capital expenditures, maintenance costs and Uncontrollable Expenses related to the Property could affect Investors’ returns.”* Any amounts remaining in the Trust Reserves upon the sale of the Property will be distributed to the Investors (and any other holders of Interests) based on their respective pro rata Interests.

Master Tenant Profits

The Master Tenant is entitled to the net income from the Property equal to the difference, after taxes owed by the Master Tenant, between (a) the gross revenues the Master Tenant receives from the Property and (b) the expenses it incurs in maintaining the Property and its payment and other financial obligations under the Master Lease, including its obligations to pay Rent, Impositions and Operating Costs. subject to adjustment with respect to Uncontrollable Expenses.

Repairs and Maintenance

The Trust is financially responsible for all “**Capital Expenses**” at the Property, which means any and all costs and expenses incurred in connection with major repairs, replacements, and improvements relating to the structural elements of the Property which are not Operating Costs (as defined in the Master Lease), including, but not limited to (i) replacement of roofs, chimneys, gutters, downspouts, paving, curbs, ramps, driveways, parking lots, balconies, patios, windows, foundations, exterior walls and all load bearing walls, exterior doors

and doorways, interior flooring and carpeting, windows, elevators, fences, gates, pools and the mechanical and structural components thereof, and HVAC and water heating and conditioning systems and components thereof; (ii) exterior painting or other façade maintenance; (iii) any obligations of the Landlord (as defined in the Master Lease) with respect to environmental matters and capital repairs made at the Property; and (iv) the PIP Work in accordance with the Franchise Documents, as well as unanticipated costs. The Master Tenant is financially responsible for all costs and expenses incurred in connection with the Property that are not Capital Expenses, including fuel and utilities costs, repair costs, property management fees and employment costs for persons providing services to the Property, collections costs, reasonable attorneys' fees, overhead and service agreements relating to the Property (the "**Operating Costs**") and, subject to the limitations set forth above with respect to Uncontrollable Expenses, the Master Tenant is financially responsible for real estate taxes, assessments, water and sewer rents, and other charges for public utilities (the "**Impositions**"). Although the Trust is responsible for paying Capital Expenses, the Master Tenant is fully responsible for performing all maintenance, repairs and replacements to the Property and the Trust will not be required to actually perform any maintenance of the Property.

Personalty

All "**Personalty**" (which includes the furniture, trade fixtures, equipment and other tangible personal property, operating inventories, supplies and consumables located in or on, or used in the operation or maintenance of, the Hotel and all accessions, additions, replacements and replenishments of any such personalty used in the operating of the Hotel), including all personal property to be acquired by the Trust in connection with its acquisition of the Property, will remain the property of the Master Tenant. The Master Tenant will be required to sell all Personalty to any third party purchaser of the Property as provided in the Master Lease.

Insurance

The Master Tenant has obtained all insurance required under the Master Lease and the Franchise Agreement, including, without limitation, comprehensive, replacement cost casualty insurance with not less than 12 months of loss of rent coverage and personal liability and property damage insurance. The Trust is named as an additional insured or loss payee, as the case may be, on the insurance policies obtained by the Master Tenant. The Master Tenant's financial responsibility for such insurance is subject to the limitations described above with respect to Uncontrollable Expenses.

Rights and Duties of Master Tenant

The Master Tenant has the sole and exclusive right and obligation to manage, lease, operate, repair and maintain the Property during the Term. Among other things, the Master Tenant has the right to incur costs and expenses and pay the Property operating costs and expenses from the Property cash flow or Trust Reserves, and to enter into property and asset management agreements with third parties or affiliates. There can be no assurance that the Master Tenant will perform these duties as expected or that any failure to perform such duties will be discovered by the Trust on a timely basis.

Property Management

Concurrently with entering into the Master Lease, the Master Tenant entered into the Property Management Agreement with the Property Manager, to perform its property management obligations. Except for management fees that are incurred in connection with a construction matter involving a Capital Expense (which will be included as part of such Capital Expense and thus borne by the Trust), the Master Tenant is responsible for any management fees payable to the Property Manager.

Casualty and Condemnation

In the event of a casualty or condemnation, the Trust (or the Master Tenant on the Trust's behalf) will, to the extent permitted by law, restore the Property using the insurance proceeds or award, as applicable. If either the insurance proceeds or award, as applicable, exceeds the cost to restore the Property, then the excess will be treated as Bonus Rent and paid to the Trust.

Disposition Fee

Upon the sale, transfer or other disposition of the Property, excluding a sale in foreclosure (or deed in lieu of) or a transfer to a Springing LLC in connection with a Transfer Distribution, the Master Tenant will be entitled to a payment (the “**Disposition Fee**”) equal to three percent (3.0)% of the gross sales price of the Property (or buyer’s assumed fair market value of the Property, if consideration to the Trust for the Property is not rendered in cash), plus, for the avoidance of doubt, any reserves held by the Trust not otherwise required for payment of Trust expenses and not specifically included in the computation of the gross sales price of the Property (such aggregate amount, the “**Sales Proceeds**”) in cash on the closing date of such sale, transfer or other disposition of the Property; provided, however, no Disposition Fee will be paid if the net sales price of the Property is less than \$32,201,767, the (“**Disposition Fee Hurdle**”), and provided further, that if the sum of the Disposition Fee and the Disposition Fee Hurdle is greater than the Sales Proceeds, then the Disposition Fee shall be reduced dollar for dollar by the amount of such excess. Any third party brokerage commissions otherwise due and payable in connection with such sale, transfer or other disposition shall be in addition to the Disposition Fee.

The Master Tenant may decide, in its sole discretion, to be paid an amount less than the total amounts to which it is entitled with respect to the Disposition Fee.

See “COMPENSATION OF THE SPONSOR AND ITS AFFILIATES – Disposition Fee.”

SUMMARY OF THE FRANCHISE AGREEMENT

Concurrent with entering into the Master Lease, the Master Tenant has entered into the Franchise Documents, including the Franchise Agreement, pursuant to which a limited, non-exclusive license will be granted to the Master Tenant to operate the Hotel under the Brand.

THE FOLLOWING IS A SUMMARY OF SOME OF THE SIGNIFICANT PROVISIONS OF THE FRANCHISE AGREEMENT. IT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT THEREOF. EACH PROSPECTIVE INVESTOR IS STRONGLY ENCOURAGED TO REVIEW THE FRANCHISE DOCUMENTS IN THEIR ENTIRETY BEFORE INVESTING. NONE OF THE HILTON PARTIES IS AN ISSUER OR UNDERWRITER OF THE SECURITIES BEING OFFERED IN THIS OFFERING, PLAYS (OR WILL PLAY) ANY ROLE IN THE OFFER OR SALE OF THE INTERESTS, OR HAS ANY RESPONSIBILITY FOR THE CREATION OR CONTENTS OF THIS OFFERING OR THE SUMMARY BELOW. IN ADDITION, NONE OF THE HILTON PARTIES HAS OR WILL HAVE ANY LIABILITY OR RESPONSIBILITY WHATSOEVER ARISING OUT OF OR RELATED TO THE SALE OR OFFER OF THE SECURITIES BEING OFFERED IN THIS OFFERING, INCLUDING ANY LIABILITY OR RESPONSIBILITY FOR ANY FINANCIAL STATEMENTS, PROJECTIONS, FORECASTS OR OTHER FINANCIAL INFORMATION OR OTHER INFORMATION CONTAINED IN THIS OFFERING OR OTHERWISE DISSEMINATED IN CONNECTION WITH THE OFFER OR SALE OF THE SECURITIES OFFERED BY THIS OFFERING. YOU MUST UNDERSTAND THAT, IF YOU PURCHASE SECURITIES IN THIS OFFERING, YOUR SOLE RECOURSE FOR ANY ALLEGED OR ACTUAL IMPROPRIETY RELATING TO THE OFFER AND SALE OF THE SECURITIES AND THE OPERATION OF THE TRUST'S BUSINESS WILL BE AGAINST THE TRUST AND IN NO EVENT MAY YOU SEEK TO IMPOSE LIABILITY ARISING FROM OR RELATED TO SUCH ACTIVITY, DIRECTLY OR INDIRECTLY, UPON ANY OF THE HILTON PARTIES.

Because the Franchise Agreement restricts the Franchisee from disclosing the content of any “negotiated terms” of the Franchise Documents, including the Franchise Agreement, the summary set forth below only addresses the non-negotiated terms of the Franchise Agreement. If a prospective Investor wishes to obtain a copy of the Franchise Agreement, he, she or it may execute a Confidentiality Agreement, and submit the Confidentiality Agreement, along with the Investor Questionnaire & Purchase Agreement, to his, her or its investment representative. See “HOW TO PURCHASE” for additional information regarding the submission of the Confidentiality Agreement. A copy of the Franchise Agreement will be made available to Investors prior to an Investor's purchase of Interests, subject to the submission of a Confidentiality Agreement, as described above.

General; Defined Terms

Subject to the terms and conditions of the Franchise Agreement, the Franchisor will grant to the Master Tenant (in such capacity, “**Franchisee**”) a limited, non-exclusive license to use the Marks, (i.e., the Brand and all other business names, copyrights, designs, distinguishing characteristics, domain names, emblems, insignia, logos, slogans, service marks, symbols, trademarks, trade dress and trade names (whether registered or unregistered)) used in the System. The Franchise Agreement will impose extensive obligations on the Franchisee as well as on the Property Manager.

Capitalized terms referred to in this “SUMMARY OF THE FRANCHISE AGREEMENT” but not defined below or elsewhere in this Memorandum have the meanings given to them in the Franchise Agreement.

“**Brand**” means Home2 Suites by Hilton, and does not mean Hilton Worldwide, its affiliates, or any other brands, product lines, or chains of hotels that include the words “Home,” “Suites,” or “Hilton” as any part of their name.

“**Management Company**” shall mean the Property Manager, Peachtree Hospitality Management, LLC, a Delaware limited liability company and an affiliate of the Sponsor.

“**Manual**” means all written compilations of the Standards.

“**Standards**” means all standards, specifications, requirements, criteria, and policies that have been and are in the future developed and compiled by the Franchisor for use by the Franchisee in connection with the design, construction, renovation, refurbishment, appearance, equipping, furnishing, supplying, opening, operating, maintaining, marketing, services, service levels, quality, and quality assurance of hotels operating under the System using the Brand name and the Standards, including the Hotel, and for hotel advertising and accounting.

“**System**” means the elements, including know-how, that the Franchisor designates to distinguish hotels operating worldwide under the Brand that provide to the consuming public a similar, distinctive, high-quality hotel service. The System currently includes: the Brand, the Marks, the name “Home2 Suites by Hilton,” and the Standards; access to a reservation service; advertising, publicity and other marketing programs and materials; training programs and materials; and programs for the Franchisor’s inspection of the Hotel and consulting with the Franchisee.

Term

The Term is approximately fifteen (15) years, commencing on the date of the execution of the Franchise Agreement, unless earlier terminated in accordance with the Franchise Agreement. The Franchise Agreement is not renewable.

Fees under the Franchise Agreement

Beginning on the Franchise Effective Date, the Franchisee will be required to pay to the Franchisor certain monthly fees that are usual and customary for hotels of this size and within similarly situated geographic location. Additionally, the Franchisee may be required to pay certain fees associated with a PIP in connection with periodic requirements by the Franchisor to modernize, rehabilitate, and/or upgrade the Hotel’s furniture, fixtures, and equipment to the then-current Standards.

The Franchisee will be required to timely pay all amounts due to the Franchisor or any of its affiliates for any invoices or for goods or services purchased by or provided to the Franchisee or paid by the Franchisor or any of its affiliates on the Franchisee’s behalf.

If Gross Receipts Tax are imposed on the Franchisor or any of its affiliates based on payments made by the Franchisee related to the Franchise Agreement, then the Franchisee will be required to reimburse the Franchisor or the affected affiliates for such Taxes to ensure that the amount the Franchisor or its affiliates retain, after paying such Taxes, equals the net amount of the payments the Franchisee is required to pay the Franchisor or its affiliates had such Gross Taxes not been imposed.

Franchisor’s Reserved Rights and Rights to Compete with the Hotel

With limited exceptions, the Franchise Agreement will not limit the Franchisor’s rights (or the rights of its affiliates) to own, license or operate any other business of any nature, whether in the lodging or hospitality industry or not, and whether under the Brand, a Competing Brand, or otherwise. The Franchisor and its affiliates will have the right to engage in any Other Businesses, even if they compete with the Hotel, the System, or the Brand, and whether the Franchisor or its affiliates start those businesses, or purchase, merge with, acquire, are acquired by, come under common ownership with, or associate with, such Other Businesses.

Competition Restrictions on Franchisee and its Affiliates and Property Manager

The Franchisee may not become a Competitor, or permit any affiliate to become a Competitor, in the upscale hotel market segment, or any substantially equivalent market segment, as determined by Smith Travel Research (or, if Smith Travel Research is no longer in existence, its successor or other such industry resource that is as equally as reputable).

In the event the Management Company becomes a Competitor, Franchisee will have ninety (90) days to retain a substitute Management Company that is acceptable to Franchisor.

Hotel Work; PIPs; Other Renovations and Changes

In General

The Franchisee will be required to obtain the Franchisor's prior written consent before retaining or engaging any architect, interior designer, general contractor or major subcontractors for the Hotel. The Franchisee will not be permitted to commence any Hotel Work unless and until the Franchisor has issued its written consent in respect of the Plans and Designs for such Hotel Work, which consent may not be unreasonably withheld and no changes may be made to such Plans and Designs without further Franchisor's written consent.

PIPs

The PIP is provided on Exhibit A of the Franchise Agreement.

Property Manager; Management Agreements and Leases

The Franchise Agreement will impose obligations and requirements with respect to the Property Manager. The Franchisee may not enter into any management agreements or leases without the Franchisor's consent. The Franchisor has approved of the Property Manager as the manager of the Hotel. In the event the Property Management Agreement is terminated during the Term, or if the Property Manager becomes unsuitable or unqualified, in the Franchisor's sole business judgment, to manage the Hotel during the Term, the Franchisee will have 90 days to retain a substitute management company that is acceptable to the Franchisor.

Covenants, Representations and Warranties, Indemnities, and General Release

The Franchise Agreement will contain covenants, representations and warranties, indemnities, and a general release on the part of Franchisee that are customarily found in franchise agreements from major hotel brands such as Hilton. In particular, the Franchise Agreement will impose extensive, comprehensive operating covenants and restrictions on the Franchisee, many of which will impose material costs on the Franchisee, as set forth in the Franchise Agreement.

Insurance

The Franchisee will be required to maintain insurance of the types and in the minimum amounts the Franchisor specifies in the Standards, with insurers having the minimum ratings the Franchisor specifies, naming as additional insureds the parties the Franchisor specifies in the Standards, and carrying the endorsements and notice requirements the Franchisor specifies in the Standards.

Reports and Operating Information

The Franchisee will be required to provide, on a monthly basis and as otherwise requested by the Franchisor, certain reports and operating information to the Franchisor as set forth in the Franchise Agreement and as otherwise required by the Franchisor.

Transfers

The Transfer by the Franchisee or by an Equity Owner of any Equity Interest or any rights or obligations under the Franchise Agreement, which results in a change of control of the Franchisee of the Property will be prohibited without the prior consent of the Franchisor, subject to certain limited exceptions. The Franchise Agreement will permit the Transfer of an Equity Interest (1) that is not publicly traded if the transferee Equity Owner will own less than 50% of the total Equity Interests immediately after the transaction(s) and (2) to an affiliate, subject to compliance with certain conditions. Otherwise, any Transfer that will result in a change of control of the Franchisee or the Property will require the prior consent of the Franchisor.

The consent of the Franchisor to a Transfer will be subject to the satisfaction of certain conditions set forth in the Franchise Agreement including but not limited to the submission by the proposed transferee of an application for the issuance of a franchise agreement to the proposed transferee and the payment of an application fee and certain other fees and costs. The Franchisor will have 60 days from the date the Franchisor receives such notice and all required information from the Franchisee to consent or withhold its consent to any proposed Transfer, which consent may not be unreasonably withheld.

Default and Termination

The Franchise Agreement will list certain defaults that allow the Franchisor to immediately terminate the Franchise Agreement upon notice and without the opportunity to cure the default, and certain defaults that allow the Franchisor to terminate the Franchise Agreement after written notice and the expiration of the applicable cure period.

Damages and Other Remedies

The Franchise Agreement provides for Liquidated Damages in the event of a premature termination of the Franchise Agreement. If the termination occurs after the Opening Date, but before the second anniversary of the Opening Date, then Liquidated Damages shall be in an amount equal to the greater of (a) the Hotel's Average Monthly Royalty Fees multiplied by 60; or (b) the System's Average Monthly Royalty Fees multiplied by 60. If the termination occurs after the second anniversary of the Opening Date but before the final 60 calendar months of the Term, Liquidated Damages will be an amount equal to the Hotel's Average Monthly Royalty Fees multiplied by 60. If there are fewer than 60 months remaining in the Term on the date of termination, Liquidated damages will be an amount equal to the Hotel's Average Monthly Royalty Fees multiplied by the number of months remaining in the Term.

Actual damages may be available to the Franchisor in lieu of Liquidated Damages if within 12 months of each other, 5 or more franchise agreements of the Brand between Franchisee (or its Affiliates) and Franchisor (or its Affiliates) terminate before the expiration date as a result of a breach by the Franchisee or its Affiliates, or the Franchisee Agreement terminates due to an unapproved Transfer: (a) to a Competitor or (b) to a buyer that converts the Hotel to a Competition Brand within 2 years from the date the Franchise Agreement terminates.

In the event of a default, Franchisor may elect to impose an Interim Remedy, such as the suspension of its obligations, suspension of the Hotel from its Reservation Reservice, disable the software provided for the Hotel, or revoke financial accommodations made to Franchisee.

Casualty and Condemnation

The Franchisee will be required to immediately inform the Franchisor of any proposed taking of any portion of the Hotel by eminent domain. If, in the Franchisor's business judgment, the taking is significant enough to render the continued operation of the Hotel in accordance with the Standards and guest expectations impractical, then the Franchisor may terminate the Franchise Agreement on written notice to the Franchisee and the Franchisee will not be required pay liquidated damages. If such taking, in the Franchisor's business judgment, does not require the termination of the Franchise Agreement, then the Franchisee will be required to make all necessary modifications to make the Hotel conform to its condition, character and appearance immediately before such taking and take all measures to ensure that the resumption of normal operations at the Hotel is not unreasonably delayed.

The Franchisee will be required to immediately inform the Franchisor if the Hotel is damaged by fire or other casualty or event of *force majeure*. If the damage or repair requires closing the Hotel, the Franchisee may choose to repair or rebuild the Hotel according to the Standards, subject to certain conditions. The Franchisee and the Franchisor each will have the right to terminate the Franchise Agreement if the Franchisee elects not to repair or rebuild the Hotel, provided the terminating party gives the other party 60 days' written notice. The Franchisee will not be required to pay liquidated damages to the Franchisor unless the Franchisee or

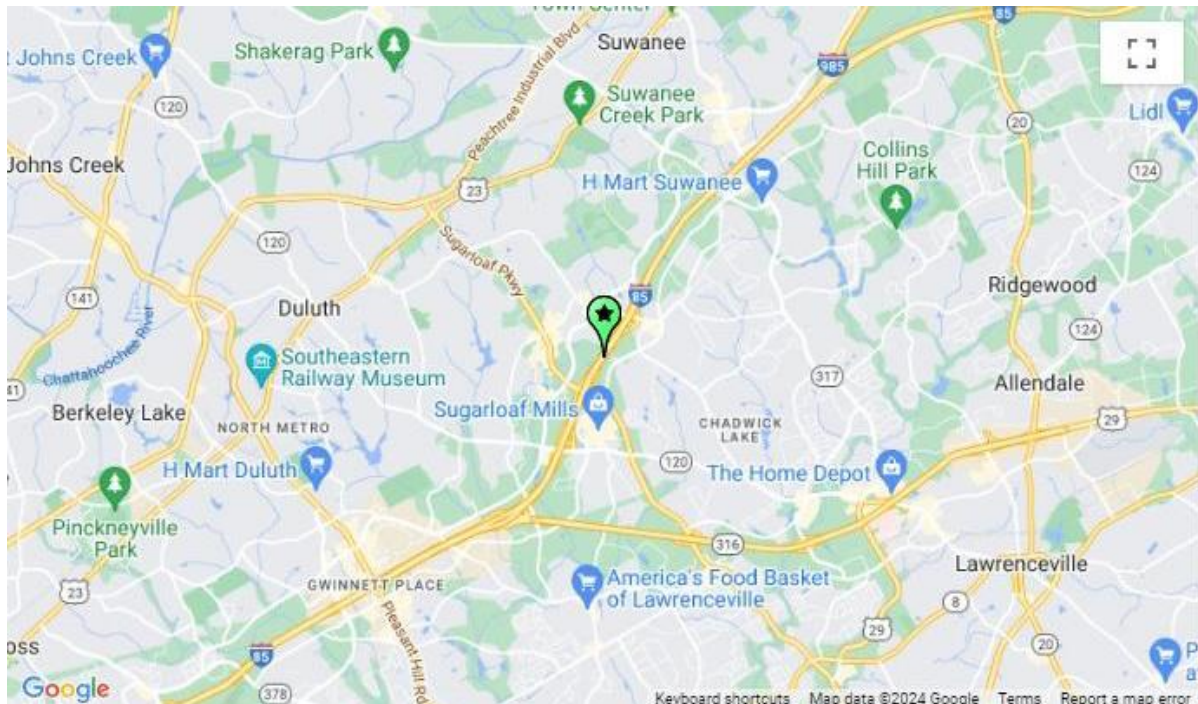
one of its affiliates owns and/or operates a hotel at the Property within three years of the termination date under a lease, license or franchise from a Competitor.

In the event of fire or other insured casualty that results in a reduction of Gross Rooms Revenue, the Franchisee will determine and pay the Franchisor, from the proceeds of any business interruption or other insurance applicable to loss of revenues, an amount equal to the forecasted Monthly Fees, based on the Gross Rooms Revenue amounts agreed on between the Franchisee and its insurance company that would have been paid to the Franchisor in the absence of such casualty.

REGIONAL, LOCAL AREA AND MARKET ANALYSIS

The market information on the following pages is excerpted from the Appraisal, which was obtained by the Sponsor from HVS Consulting & Valuation, a division of TS Worldwide, LLC (the “Appraiser”), a nationally recognized third-party appraisal firm, a copy of which is available in the Investor Data Room. The Appraisal was compiled using data and information obtained from various third-party services. The Appraisal, the data used to compile it, and the results that it predicts are by definition somewhat subjective and may be subject to various interpretations. Based upon the foregoing, this information may not accurately reflect or predict all information relevant to the market area or the Property. Moreover, the Appraiser has not authorized the Trust or the Sponsor to rely on the Appraisal, and has expressly disclaimed any reliance thereon by parties for whom the Appraisal was not expressly prepared. **Neither the Trust nor the Sponsor has independently verified any of the data included in the Appraisal.** However, the Trust has revised portions of the Appraisal included in this “REGIONAL, LOCAL AREA AND MARKET ANALYSIS” section to eliminate typographical errors, to eliminate duplicative language and to conform to the definitions contained in this Memorandum.

Area Analysis – Regional



Location. The market area for a lodging facility is the geographical region where the sources of demand and the competitive supply are located. The Property is located in the city of Lawrenceville, the county of Gwinnett, and the state of Georgia. The Property is located in Gwinnett County east of Duluth, which is located approximately 30 miles to the northeast of Atlanta, Georgia. The Property is accessed by North Brown Road Northwest. The Property is located near a busy intersection and is relatively simple to locate from Interstate 85, which is the closest major interstate. Overall, the Property benefits from very good accessibility and visibility attributes. The Hotel is served primarily by the Hartsfield-Jackson-Atlanta International Airport, which is located approximately 30 miles to the south of the Property. Gwinnett County is the second most populated county in Georgia and is considered one of the most diverse counties in the nation. The area is part of the greater Atlanta metropolitan base.

The Property is in the Atlanta-Athens-Clarke County, Sandy Springs in Georgia Combined Statistical Area (“CSA”). The CSA represents adjacent metropolitan and micropolitan statistical areas that have a moderate degree of employment interchange. Micropolitan statistical areas represent urban areas in the United States based

around a core city or town with a population of 10,000 to 49,999; the MSA requires the presence of a core city of at least 50,000 people and a total population of at least 100,000 (75,000 in New England).

Demographics and Population. The following table shows historical economic and demographic statistics.

	2010	2020	2023	2028	Avg. Annual Compounded Chg.		
					2010-20	2010-23	2023-28
Resident Population (Thousands)							
Gwinnett County	808.0	957.8	997.6	1,082.2	1.7 %	1.6 %	1.6 %
Atlanta-Sandy Springs-Alpharetta, GA MSA	5,302.7	6,101.1	6,303.0	6,705.0	1.4	1.3	1.2
Atlanta--Athens-Clarke Co.--Sandy Springs, GA-AL CSA	6,072.3	6,943.3	7,170.2	7,607.1	1.3	1.3	1.2
State of Georgia	9,712.2	10,725.8	11,016.8	11,562.5	1.0	1.0	1.0
United States	309,327.1	331,501.1	336,451.7	347,672.0	0.7	0.6	0.7
Per-Capita Personal Income*							
Gwinnett County	\$33,572	\$41,486	\$41,632	\$44,004	2.1	1.7	1.1
Atlanta-Sandy Springs-Alpharetta, GA MSA	40,498	52,726	54,577	59,362	2.7	2.3	1.7
Atlanta--Athens-Clarke Co.--Sandy Springs, GA-AL CSA	39,271	51,067	52,779	57,480	2.7	2.3	1.7
State of Georgia	36,377	46,486	47,731	52,045	2.5	2.1	1.7
United States	42,497	53,178	54,550	59,222	2.3	1.9	1.7
W&P Wealth Index							
Gwinnett County	84.7	81.5	81.4	79.6	(0.4)	(0.3)	(0.5)
Atlanta-Sandy Springs-Alpharetta, GA MSA	98.6	101.4	103.0	102.9	0.3	0.3	(0.0)
Atlanta--Athens-Clarke Co.--Sandy Springs, GA-AL CSA	95.5	98.3	99.5	99.6	0.3	0.3	0.0
State of Georgia	88.1	89.4	89.6	89.9	0.1	0.1	0.1
United States	100.0	100.0	100.0	100.0	0.0	0.0	0.0
Food and Beverage Sales (Millions)*							
Gwinnett County	\$1,167	\$1,414	\$1,981	\$2,353	1.9	4.2	3.5
Atlanta-Sandy Springs-Alpharetta, GA MSA	9,112	11,413	15,530	17,859	2.3	4.2	2.8
Atlanta--Athens-Clarke Co.--Sandy Springs, GA-AL CSA	10,073	12,571	17,092	19,630	2.2	4.2	2.8
State of Georgia	14,522	17,981	24,265	27,677	2.2	4.0	2.7
United States	475,345	571,525	767,434	861,699	1.9	3.8	2.3
Total Retail Sales (Millions)*							
Gwinnett County	\$13,655	\$16,500	\$19,382	\$21,630	1.9	2.7	2.2
Atlanta-Sandy Springs-Alpharetta, GA MSA	75,072	104,275	119,829	130,786	3.3	3.7	1.8
Atlanta--Athens-Clarke Co.--Sandy Springs, GA-AL CSA	84,677	116,617	133,821	145,832	3.3	3.6	1.7
State of Georgia	127,862	167,406	191,075	206,401	2.7	3.1	1.6
United States	4,385,184	5,481,467	6,204,424	6,599,722	2.3	2.7	1.2
* Inflation Adjusted							
Source: Woods & Poole Economics, Inc.							

The U.S. population grew at an average annual compounded rate of 0.6% from 2010 through 2023. The county's population has increased at a quicker pace than the nation's population; the average annual growth rate of 1.6% between 2010 and 2023 reflects a gradually expanding area. Per capita personal income increased slowly, at 1.7% on average annually for the county between 2010 and 2023. Local wealth indexes have remained stable in recent years, registering a modest 81.4 level for the county in 2023.

Employment. The following table presents a list of the major employers in the Property's market.

Rank	Employer
1	Administaff Companies
2	Cognizant Technology Solutions
3	Employbridge Southeast
4	Northside Hospital Inc
5	Piedmont Eastside Medical Center
6	Publix Super Markets Inc
7	The Home Depot
8	The Kroger Company
9	Waffle House
10	Walmart

Source: Georgia Department of Labor 2023*

Advanced manufacturing, international business, technology, communications, and health care are important components of the Gwinnett County economy. Two Fortune 500 companies, AGCO Corporation and Asbury Automotive, are based in Duluth. The county is also home to over 600 international companies, 130 of which have based their U.S. or global headquarters in the area, including Mitsubishi Electric, Ricoh Electronics, and WIKA Instruments. Information technology is another major driver of business operations in the market, including the presence of companies such as Cisco Systems, Brightree, and ThredUP. Health care is also an important component of the local economy. In December 2022, the Northside Lawrenceville campus announced that their original plans for a 15-story tower in the center of the campus were now expanded to a 17-story facility; construction is expected to be completed in 2025. In August 2023, Aluvision announced a \$1 million expansion to their Gwinnett-based technology center, which is expected to double their commercial output. Additionally, solar panel manufacturer Suniva, which was founded at Georgia Tech, announced a \$110-million expansion and renovation to their Gwinnett County facility in October 2023. Following the 2022 expansion of the Sugarloaf Community Improvement District, multiple highway and interchange projects have begun, and are expected to continue through 2027. The area’s business-friendly profile and its diverse economy, supported by ongoing developments and increased tourism, lend to a positive outlook.

The following table sets forth the county workforce distribution by business sector in 2010, 2020, and 2023, as well as a forecast for 2028.

Industry	2010	Percent of Total	2020	Percent of Total	2023	Percent of Total	2028	Percent of Total	Avg. Annual Compounded Chg.		
									2010-2020	2020-2023	2023-2028
Farm	0.2	0.1 %	0.3	0.0 %	0.2	0.0 %	0.2	0.0 %	0.8 %	(3.2) %	(1.0) %
Forestry, Fishing, Related Activities And Other	0.3	0.1	0.2	0.0	0.3	0.0	0.3	0.0	(1.0)	4.9	0.5
Mining	0.3	0.1	0.3	0.1	0.3	0.1	0.3	0.1	(1.4)	5.2	0.3
Utilities	0.6	0.1	0.8	0.1	0.7	0.1	0.8	0.1	3.3	(1.1)	0.9
Construction	32.0	7.3	47.1	8.7	49.2	8.1	50.6	7.7	3.9	1.4	0.6
Manufacturing	23.8	5.4	29.3	5.4	31.9	5.2	31.5	4.8	2.1	2.8	(0.2)
Total Trade	85.9	19.6	94.5	17.4	98.5	16.2	100.3	15.3	0.9	1.4	0.4
Wholesale Trade	33.2	7.6	36.4	6.7	37.7	6.2	38.3	5.8	0.9	1.2	0.3
Retail Trade	52.7	12.0	58.1	10.7	60.8	10.0	62.0	9.4	1.0	1.5	0.4
Transportation And Warehousing	11.1	2.5	27.8	5.1	32.9	5.4	37.9	5.8	9.6	5.8	2.9
Information	11.3	2.6	10.6	2.0	11.0	1.8	11.0	1.7	(0.7)	1.3	0.1
Finance And Insurance	24.4	5.6	27.8	5.1	29.6	4.9	33.5	5.1	1.3	2.2	2.5
Real Estate And Rental And Lease	21.0	4.8	24.9	4.6	29.5	4.9	32.8	5.0	1.7	5.8	2.2
Total Services	189.6	43.2	238.2	44.0	280.2	46.2	312.4	47.6	2.3	5.6	2.2
Professional And Technical Services	38.2	8.7	47.5	8.8	52.0	8.6	58.0	8.8	2.2	3.1	2.2
Management Of Companies And Enterprises	6.4	1.5	10.0	1.9	10.8	1.8	11.4	1.7	4.6	2.3	1.3
Administrative And Waste Services	45.3	10.3	49.9	9.2	56.8	9.4	61.1	9.3	1.0	4.4	1.5
Educational Services	7.1	1.6	9.0	1.7	11.3	1.9	13.3	2.0	2.4	7.8	3.3
Health Care And Social Assistance	29.6	6.7	41.5	7.7	49.0	8.1	57.4	8.7	3.5	5.6	3.2
Arts, Entertainment, And Recreation	7.4	1.7	8.5	1.6	11.8	1.9	13.2	2.0	1.4	11.6	2.4
Accommodation And Food Services	27.2	6.2	33.4	6.2	43.1	7.1	47.1	7.2	2.1	8.9	1.8
Other Services, Except Public Administration	28.5	6.5	38.3	7.1	45.5	7.5	50.8	7.7	3.0	5.9	2.2
Total Government	38.0	8.7	40.2	7.4	42.6	7.0	44.6	6.8	0.6	2.0	0.9
Federal Civilian Government	2.8	0.6	2.7	0.5	2.5	0.4	2.4	0.4	(0.3)	(2.7)	(0.6)
Federal Military	2.6	0.6	2.6	0.5	2.6	0.4	2.6	0.4	(0.1)	0.0	0.0
State And Local Government	32.6	7.4	34.9	6.4	37.5	6.2	39.6	6.0	0.7	2.5	1.1
TOTAL	438.5	100.0 %	541.8	100.0 %	607.0	100.0 %	656.3	100.0 %	2.1 %	3.9 %	1.6 %
MSA	3,070.7	—	3,759.4	—	4,274.5	—	4,688.3	—	2.0 %	4.4 %	1.9 %
U.S.	172,901.7	—	190,776.8	—	212,472.4	—	226,480.4	—	1.0	3.7	1.3

Source: Woods & Poole Economics, Inc.

The preceding data illustrate the long-term employment trends in this market, including the recent impact of the pandemic and the subsequent recovery. Forecasts developed by Woods & Poole Economics, Inc. anticipate that total employment in the county will change by 1.6% on average annually through 2028. The trend is above the forecast rate of change for the United States as a whole during the same period.

The following table presents historical unemployment rates for the Property’s market area, the state, and the nation.

Year	City	MSA	State	U.S.
2013	6.8 %	7.8 %	8.2 %	7.4 %
2014	5.8	6.7	7.1	6.2
2015	5.0	5.7	6.0	5.3
2016	4.6	5.1	5.4	4.9
2017	4.1	4.5	4.7	4.4
2018	3.4	3.8	3.9	3.9
2019	2.9	3.2	3.4	3.7
2020	6.1	6.8	6.5	8.1
2021	3.2	3.9	3.9	5.4
2022	2.6	2.9	3.0	3.6
<i>Recent Month - Nov</i>				
2022	2.3 %	2.7 %	2.8 %	3.6 %
2023	2.8	3.1	3.0	3.7

Source: U.S. Bureau of Labor Statistics

Prior to the pandemic, U.S. unemployment levels were firmly below the 4.6% level recorded in 2006 and 2007, the peak years of the economic cycle prior to the Great Recession. The unemployment rate for February 2020 was 3.5%. The unemployment rate had remained in the 3.5% to 3.7% range since April 2019, reflecting a trend of stability and strength. However, in April 2020, unemployment rose to 14.7%, and employment dropped by 20.7 million because of the COVID-19 pandemic. Steady gains in employment have been registered since that time; most recently, the national unemployment rate was 3.7% in January 2024. A 182,000-, 333,000-, and 353,000-person rise in employment was registered in November, December, and January, respectively. In January, the most significant gains were reported in professional and business services, health care, retail trade, and social assistance.

Locally, the unemployment rate was 2.6% in 2022; for this same area in 2023, the most recent month’s unemployment rate was registered at 2.8%, versus 2.3% for the same month in 2022. As illustrated in the foregoing table, unemployment declined in 2014 as the economy continued to rebound from the Great Recession, and this positive trend continued through 2019. Economic development officials noted that Gwinnett County had robust economic growth, largely attributed to new companies entering the market and the expansions of existing companies. There has been a slight increase in the unemployment level as of November 2023. Healthy employment levels at major employers such as Primerica and PruittHealth, also contributed to the period of high employment. However, unemployment data for 2020 illustrate a sharp increase given the effects of the COVID-19 pandemic and related global economic crisis, which included extensive furloughs/layoffs. As illustrated by the subsequent data, the local economy rebounded quickly, and the current unemployment level is on par with pre-pandemic levels.

Airport Traffic. Airport passenger counts are important indicators of lodging demand. Depending on the type of service provided by a particular airfield, a sizable percentage of arriving passengers may require hotel accommodations. Trends showing changes in passenger counts also reflect local business activity and the overall economic health of the area. Hartsfield-Jackson Atlanta International Airport (“ATL”) was ranked as the world’s busiest passenger airport from 1998 to 2019 before being dethroned by Guangzhou Baiyun International Airport in 2020 given the COVID-19 pandemic’s effects on travel; the airport regained the top ranking in 2021. In 2016,

ATL commenced work on its 20-year, \$6-billion master plan, addressing six focus areas: air cargo, airside ground, parking decks, support facilities, the passenger terminal complex, and third-party development. The plan was amended and expanded in December 2022, with a new cost of approximately \$10.8 billion. Air cargo development will add up to one million square feet of warehouse space. The first warehouse, Cargo Building C, was completed in May 2021 with nearly 100,000 square feet of warehouse space and was leased to Worldwide Flight Services. Airside developments will include repaving the existing runways and adding two taxiways and a sixth runway in late 2024. All four parking decks have been updated as of November 2023. Moreover, construction of an additional parking deck was announced in October 2023, which is expected to add nearly 7,000 spaces and will be completed in 2026. On December 13, 2022, ATL officially opened the updated T terminal, with four new gates and a re-built gate around an atrium. In addition to the expansion of the T terminal and parking areas, support facilities will be revitalized, the entire terminal complex will be modernized, and a new, ten-gate Concourse G will be constructed.

This facility recorded 104,653,451 passengers in 2023. The change in passenger traffic between 2022 and 2023 was 11.7 %. In 2022, Hartsfield- Jackson Atlanta International Airport added 13 new international destinations, driving the year-over-year growth in the most recent comparative period. In 2022, the FAA released its 2022–2050 projections; passenger enplanements at Hartsfield- Jackson Atlanta International Airport are forecast to increase with a CAGR of 2.76%, while total flights are expected to increase during that period with a CAGR of 2.49%. Moreover, Hartsfield-Jackson Atlanta International Airport is anticipated to remain the country’s busiest airport as measured by passenger enplanements.

Convention Activity. A convention center serves as a gauge of visitation trends to a particular market. Convention centers also generate significant levels of demand for area hotels and serve as a focal point for community activity. Typically, hotels within the closest proximity to a convention center—up to three miles away—will benefit the most. Hotels serving as headquarters for an event benefit the most by way of premium rates and hosting related banquet events. During the largest conventions, peripheral hotels may benefit from compression within the city as a whole.

The Gas South District Convention Center and Arena are located in Duluth, 30 minutes north of Downtown Atlanta. The convention center features 90,000 square feet of exhibit hall space, 24 meeting rooms, and a 21,600-square-foot Grand Ballroom. In addition to conventions, the center hosts trade shows, concerts, and sporting events. Gas South Arena has a seating capacity of 13,000 and has hosted political campaign rallies, religious and sporting events, conventions, and concerts. In 2016, the County approved a revised master plan and subsequently acquired the adjacent land. Plans include the expansion of the exhibit hall, additional arena seating, new outdoor gathering spaces, new parking lots/decks, a proposed Westin hotel, new infrastructure, and improved accessibility. Two new parking garages were completed in 2020, and the proposed Westin hotel is under construction with an estimated opening in March 2024. In February 2023, Duluth city officials unveiled the newly expanded and renovated convention center.

Tourist Attractions. The Property market benefits from a variety of tourism and leisure attractions in the area. Leisure demand generators include historic Downtown Duluth and the Gas South District campus inclusive of the arena, theater, and convention center. Special events also play a role during key weekends, such as the Duluth Fall Festival and Peachtree Corners Festival. Many of the tourist attractions and entertainment venues temporarily closed or enacted visitor restrictions because of the COVID-19 pandemic, although most reopened in 2021 once the governmental restrictions were lifted. No major changes related to these attributes of the market are expected in the near future.

Conclusion. The local market area benefits from a strengthening economy that is primarily led by the healthcare and information technology industries and the manufacturing and technology sectors, which are expanding. Additionally, tourism has rebounded in the last couple of years, with key attractions such as Gas South District and Sugarloaf Mills Mall being primary draws. Thus, the near-term market outlook is overall positive.

Area Analysis – Neighborhood

Location. The Property’s neighborhood is generally defined by Old Peachtree Road Northwest to the north, North Brown Road to the east, Duluth Highway to the south, and Meadow Church Road to the west.

The neighborhood is characterized by restaurants, office buildings, and retail shopping centers along the primary thoroughfares, with residential areas located along the secondary roadways. Some specific businesses and entities in the area include M3, the UGA Gwinnett Campus, Gas South Arena and Convention Center and Sugarloaf Mills Mall; nearby hotels include the Homewood Suites by Hilton, the Residence Inn by Marriott, and the Hampton Inn. Restaurants located near the subject property include Fini’s Pizzeria, Hong Kong Chinese, and Kirin House Japanese Steakhouse and Sushi Bar. In general, this neighborhood is in the growth stage of its life cycle. In 2022, the Sugarloaf Community Improvement District (“CID”) was expanded to encompass North Brown Road and the Property neighborhood; the Sugarloaf CID promotes economic and community development to ensure the success of Gwinnett businesses. Additionally, a commercial development is currently underway on a site adjacent to the M3 and Sage offices, near the UGA Gwinnett Campus; a completion date for the project has not been announced.

Demographics. The following table reflects demographic trends in a 1-, 3-, and 5-mile radius from the Property.

	0.00 - 1.00 miles	0.00 - 3.00 miles	0.00 - 5.00 miles
Population			
2029 Projection	10,007	82,221	245,175
2024 Estimate	9,058	78,331	235,020
2020 Census	8,205	75,108	226,806
Percent Change: 2024 to 2029	10.5%	5.0%	4.3%
Percent Change: 2020 to 2024	10.4%	4.3%	3.6%
Households			
2029 Projection	3,823	29,175	86,575
2024 Estimate	3,446	27,630	82,729
2020 Census	3,111	26,353	79,582
Percent Change: 2024 to 2029	10.9%	5.6%	4.7%
Percent Change: 2020 to 2024	10.8%	4.9%	4.0%
Income			
2024 Est. Average Household Income	\$112,957	\$108,337	\$100,863
2024 Est. Median Household Income	74,027	78,829	73,410
2024 Est. Civ. Employed Pop 16+ by Occupation			
Architecture/Engineering	67	859	3,471
Arts/Design/Entertainment/Sports/Media	58	689	2,556
Building/Grounds Cleaning/Maintenance	157	1,448	5,041
Business/Financial Operations	394	2,498	7,093
Community/Social Services	29	390	1,661
Computer/Mathematical	238	1,877	5,813
Construction/Extraction	113	1,657	6,566
Education/Training/Library	192	1,838	6,547
Farming/Fishing/Forestry	0	4	84
Food Preparation/Serving Related	268	2,694	7,774
Healthcare Practitioner/Technician	315	2,402	6,444
Healthcare Support	156	1,189	3,089
Installation/Maintenance/Repair	67	1,276	3,678
Legal	44	501	1,596
Life/Physical/Social Science	109	293	1,257
Management	563	5,575	13,837
Office/Administrative Support	733	4,730	15,008
Production	402	2,105	6,464
Protective Services	174	767	1,969
Sales/Related	682	5,408	13,882
Personal Care/Service	167	1,113	3,506
Transportation/Material Moving	73	2,565	10,606

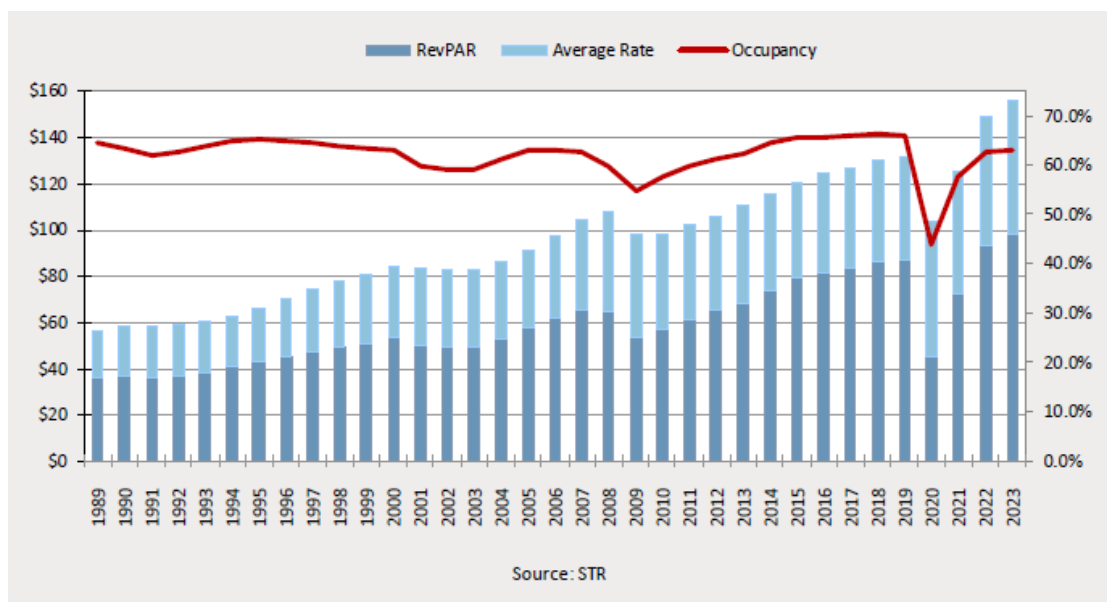
Source: Envirionics Analytics

Market Analysis

National Hotel Market. In the lodging industry, supply is measured by the number of guestrooms available, and demand is measured by the number of rooms occupied; the net effect of supply and demand toward equilibrium results in a prevailing price, or average daily rate (“**ADR**”). The Property and local lodging market are most directly affected by the supply and demand trends within the immediate area. However, individual markets are also influenced by conditions in the national lodging market.

STR is an independent research firm that compiles data on the lodging industry, and this information is routinely used by typical hotel buyers. The following STR diagram presents annual hotel occupancy, ADR, and rooms revenue per available room (“**RevPAR**”) data since 1989. RevPAR is calculated by multiplying occupancy by ADR and provides an indication of how well rooms revenue is being maximized.

The following chart illustrates the impact of the recessions of the early 1990s, 2000s, the financial crisis of 2008/09, and the recent pandemic on the U.S. lodging industry. In each case, the downturn caused lodging demand to drop, resulting in an occupancy decline. The aggregate ADR also fell, as hoteliers used price as a marketing tool to attract demand and support occupancy levels. As occupancy recovered, ADR growth resumed, although the ADR recovery lagged somewhat behind occupancy levels, as price discounts contributed to the initial recovery of demand. Following the financial crisis of the Great Recession, occupancy fell by over eight points, and ADR declined by 5.9%, resulting in an 18.3% decrease in RevPAR. The market recovered steadily thereafter, with occupancy surpassing the 65.0% mark in 2015, and ADR also consistently growing, albeit at a decelerating pace.



The onset of the COVID-19 pandemic in March 2020 had a severe impact on the lodging industry, causing occupancy, ADR, and RevPAR to decline by unprecedented levels. By the conclusion of 2020, occupancy had fallen 22 points, with ADR decreasing by roughly \$28.00, resulting in a RevPAR loss of 48.0% (rounded). Led by strong leisure demand, many markets began to recover mid-year 2021. The recovery continued in 2022 and 2023, as group activity returned. Business travel has also improved, although hybrid work options and lower office occupancy rates continue to constrain demand recovery in this segment. By year-end 2023, the U.S. occupancy level had reached 96.0% of the occupancy level attained in 2019. Supported by strong levels of leisure demand, ADR registered 18.6% higher than the national rate in 2019, resulting in a RevPAR increase of 13.1% in 2023 over the level achieved in 2019.

The following table shows national occupancy, ADR and RevPAR trends from 2019 through 2023.

	Occupancy					Average Rate					RevPAR				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
United States	66.0 %	44.0 %	57.5 %	62.6 %	63.0 %	\$131.23	\$103.25	\$124.96	\$149.24	\$155.62	\$86.64	\$45.48	\$71.88	\$93.39	\$97.97
Region															
New England	64.7 %	38.8 %	55.5 %	63.4 %	63.7 %	\$161.08	\$123.17	\$155.80	\$179.29	\$188.79	\$104.25	\$47.77	\$86.54	\$113.78	\$120.22
Middle Atlantic	69.0	41.3	55.2	62.6	65.0	166.27	115.26	144.08	179.82	192.02	114.81	47.65	79.56	112.48	124.80
South Atlantic	67.5	45.7	59.8	64.7	64.5	128.41	107.99	130.45	152.61	156.17	86.68	49.40	77.95	98.70	100.75
E. North Central	61.1	39.1	52.3	57.2	57.5	112.64	86.72	105.25	123.33	128.91	68.82	33.93	55.09	70.52	74.13
E. South Central	62.4	45.7	59.5	61.0	61.0	103.58	85.74	104.70	119.73	125.79	64.61	39.18	62.30	73.04	76.74
W. North Central	58.3	39.1	51.0	55.3	56.1	99.28	83.65	97.34	109.00	114.93	57.88	32.72	49.68	60.27	64.49
W. South Central	62.6	44.9	58.1	59.9	60.2	101.84	82.88	95.75	112.13	116.07	63.77	37.25	55.64	67.20	69.84
Mountain	66.9	46.7	59.3	66.3	67.1	121.89	105.70	125.74	153.87	165.08	81.54	49.39	74.59	101.94	110.81
Pacific	73.6	47.1	60.2	66.9	66.6	171.40	129.57	157.79	190.58	196.17	126.16	61.01	95.00	127.42	130.67
Class															
Luxury	70.9 %	36.8 %	52.5 %	65.3 %	66.9 %	\$304.11	\$285.78	\$322.00	\$376.48	\$377.58	\$215.73	\$105.29	\$168.95	\$245.93	\$252.76
Upper-Upscale	72.6	34.8	50.0	63.4	66.7	188.24	159.14	175.05	213.96	220.78	136.67	55.30	87.49	135.70	147.21
Upscale	71.5	42.8	59.3	66.8	68.5	143.60	117.80	132.34	156.30	163.77	102.68	50.45	78.42	104.39	112.14
Upper-Midscale	67.5	45.3	61.2	65.7	66.1	115.91	98.80	114.14	128.53	133.17	78.20	44.72	69.83	84.50	87.97
Midscale	59.5	44.4	56.8	59.7	58.8	95.82	84.47	98.83	100.19	101.88	57.03	37.52	56.10	59.83	59.91
Economy	59.4	49.2	58.7	56.4	54.2	75.50	65.45	76.14	77.65	78.62	44.83	32.30	44.72	43.80	42.59
Location															
Urban	73.2 %	37.9 %	51.8 %	63.3 %	66.4 %	\$183.20	\$127.80	\$152.81	\$196.47	\$206.62	\$134.12	\$48.47	\$79.12	\$124.44	\$137.26
Suburban	66.7	46.4	59.9	63.8	64.1	111.26	88.81	104.93	126.13	131.93	74.24	41.24	62.90	80.45	84.54
Airport	73.7	44.5	60.3	67.9	68.4	119.22	93.71	104.82	126.57	133.02	87.85	41.72	63.18	85.91	90.93
Interstate	57.9	44.8	57.8	58.5	57.4	87.86	79.05	92.22	100.90	104.59	50.85	35.39	53.31	59.04	59.99
Resort	70.0	42.9	57.7	66.8	67.1	182.74	170.36	209.77	236.76	239.12	127.85	73.13	121.06	158.20	160.53
Small Town	57.8	44.4	56.7	57.5	56.5	107.26	96.95	116.96	124.72	128.86	61.98	43.07	66.34	71.72	72.79
Chain Scale															
Luxury	73.8 %	32.0 %	48.0 %	63.1 %	65.8 %	\$343.02	\$329.54	\$383.48	\$435.46	\$429.14	\$253.17	\$105.40	\$184.12	\$274.64	\$282.58
Upper-Upscale	73.9	33.4	48.7	63.9	67.7	189.25	158.86	176.66	215.96	223.27	139.80	53.10	86.11	138.05	151.05
Upscale	72.6	43.0	59.6	67.4	69.2	142.38	115.11	128.62	155.28	162.28	103.32	49.52	76.68	104.58	112.31
Upper-Midscale	67.5	45.4	61.6	65.8	66.2	112.80	96.04	111.14	127.56	132.16	76.14	43.61	68.47	83.93	87.45
Midscale	58.1	44.2	56.5	60.1	59.2	86.61	77.29	89.48	95.19	96.54	50.30	34.19	50.59	57.18	57.11
Economy	58.7	50.9	59.7	57.2	55.0	63.70	58.21	66.88	72.24	72.79	37.36	29.64	39.90	41.34	40.06
Independents	63.5	44.8	56.9	60.0	59.2	133.08	110.74	137.44	155.20	161.46	84.44	49.56	78.24	93.05	95.55

Source: Year-End STR Lodging Reviews

The following table shows recent national occupancy and ADR trends.

	Occupancy - YTD January			Average Rate - YTD January			RevPAR - YTD January			Percent Change	
	2023	2024	% Change	2023	2024	% Change	2023	2024	% Change	Rms. Avail.	Rms. Sold
United States	52.8 %	51.9 %	(1.7) %	\$142.53	\$146.33	2.7 %	\$75.28	\$75.99	0.9 %	0.9 %	(0.8) %
Region											
New England	46.7 %	48.3 %	3.5 %	\$138.96	\$142.90	2.8 %	\$64.87	\$69.02	6.4 %	(1.0) %	2.4 %
Middle Atlantic	50.1	51.1	2.0	146.88	150.49	2.5	73.58	76.93	4.6	(0.8)	1.2
South Atlantic	58.1	56.9	(2.0)	150.90	152.83	1.3	87.62	86.97	(0.7)	1.5	(0.5)
E. North Central	43.2	42.3	(2.1)	106.21	109.77	3.4	45.87	46.44	1.2	1.0	(1.1)
E. South Central	49.1	46.4	(5.6)	104.70	107.09	2.3	51.43	49.66	(3.4)	1.3	(4.4)
W. North Central	42.4	40.4	(4.8)	100.26	103.26	3.0	42.49	41.68	(1.9)	0.4	(4.4)
W. South Central	53.7	52.2	(2.7)	108.01	112.90	4.5	57.99	58.98	1.7	0.9	(1.8)
Mountain	58.7	57.2	(2.6)	168.68	176.45	4.5	99.04	100.92	1.9	1.1	(1.5)
Pacific	56.1	56.1	0.0	186.95	188.55	0.9	104.92	105.81	0.8	1.0	1.0
Class											
Luxury	55.8 %	56.5 %	1.2 %	\$376.71	\$379.66	0.8 %	\$210.16	\$214.44	2.0 %	3.5 %	4.8 %
Upper-Upscale	55.6	56.7	2.0	207.12	211.14	1.9	115.10	119.69	4.0	1.4	3.4
Upscale	57.6	57.7	0.1	146.37	149.48	2.1	84.37	86.24	2.2	1.1	1.2
Upper-Midscale	55.0	53.2	(3.1)	118.00	119.60	1.4	64.84	63.68	(1.8)	1.0	(2.1)
Midscale	48.9	47.2	(3.4)	90.62	90.42	(0.2)	44.28	42.68	(3.6)	0.3	(3.1)
Economy	46.3	44.0	(5.0)	71.15	69.60	(2.2)	32.97	30.65	(7.1)	(0.2)	(5.2)
Location											
Urban	53.3 %	54.1 %	1.4 %	\$175.75	\$181.95	3.5 %	\$93.74	\$98.41	5.0 %	0.9 %	2.3 %
Suburban	53.9	52.7	(2.2)	113.60	115.51	1.7	61.19	60.86	(0.5)	0.7	(1.5)
Airport	61.2	61.2	(0.1)	126.17	128.45	1.8	77.25	78.60	1.8	0.4	0.3
Interstate	46.9	44.9	(4.2)	94.53	95.84	1.4	44.29	43.03	(2.9)	0.4	(3.8)
Resort	62.7	62.2	(0.9)	246.78	250.95	1.7	154.78	156.00	0.8	2.1	1.2
Small Town	44.1	42.1	(4.4)	111.97	113.79	1.6	49.35	47.94	(2.9)	0.9	(3.5)
Chain Scale											
Luxury	56.3 %	58.4 %	3.7 %	\$435.36	\$419.30	(3.7) %	\$245.06	\$244.75	(0.1) %	4.7 %	8.5 %
Upper-Upscale	56.2	57.6	2.5	209.37	214.52	2.5	117.70	123.57	5.0	1.4	3.9
Upscale	58.1	58.1	(0.1)	144.85	148.17	2.3	84.20	86.05	2.2	1.1	1.0
Upper-Midscale	55.0	53.5	(2.9)	116.64	118.46	1.6	64.21	63.34	(1.4)	1.9	(1.1)
Midscale	49.3	47.5	(3.7)	84.48	85.19	(0.3)	42.14	40.45	(4.0)	(0.6)	(4.3)
Economy	47.2	45.6	(3.4)	66.32	64.70	(2.4)	31.32	29.50	(5.8)	(0.5)	(4.0)
Independents	49.7	48.0	(3.4)	148.26	152.99	3.2	73.63	73.40	(0.3)	0.4	(3.0)

Source: STR - January 2024 Lodging Review

The severe disruption to the hospitality industry in 2020 and early 2021 is recognized by market participants as an anomaly. While it is important to understand how the hospitality industry, inclusive of individual markets and hotels, was affected by the pandemic, performance data from this period do not provide a reasonable basis for forecasting demand, occupancy, and ADR. Our interviews with market participants, including major brands, management companies, and investors, confirmed this opinion. The industry generally recognizes 2019 as representative of normalized performance levels, with recovery from the pandemic measured in terms of a rebound to those pre-pandemic benchmarks. The severe impact of the pandemic forced many hotels to suspend operations and/or limit available inventory to minimize expenses; as a result, the individual competitive performance estimates from 2020 were not relied upon in our analysis. Therefore, our analysis related to the Property and the competitive market focuses on the most relevant annual performance data, which may be from 2019 (prior to the pandemic) or from a more recent year, depending on the market.

Local Hotel Market Supply. The chart below shows historical supply and demand for the Property and its competitors, along with the market-wide occupancy, ADR, and RevPAR.

Year	Average Daily		Available		Occupied		Average			RevPAR	Change
	Room Count	Room Nights	Change	Room Nights	Change	Occupancy	Rate	Change			
2016	608	221,920	—	172,729	—	77.8 %	\$115.45	—	\$89.86	—	
2017	608	221,920	0.0 %	174,149	0.8 %	78.5	113.51	(1.7) %	89.08	(0.9) %	
2018	608	221,920	0.0	170,460	(2.1)	76.8	113.70	0.2	87.34	(2.0)	
2019	644	235,096	5.9	168,786	(1.0)	71.8	115.46	1.5	82.89	(5.1)	
2020	899	327,956	39.5	163,280	(3.3)	49.8	96.87	(16.1)	48.23	(41.8)	
2021	1,020	372,300	13.5	266,665	63.3	71.6	106.44	9.9	76.24	58.1	
2022	1,020	372,300	0.0	294,544	10.5	79.1	122.64	15.2	97.03	27.3	
2023	1,020	372,300	0.0	294,355	(0.1)	79.1	128.01	4.4	101.21	4.3	
2023/24	1,020	372,300	0.0	289,473	(1.7)	77.8	128.15	0.1	99.64	(1.6)	
Year-to-Date Through January											
2019	824	25,544	—	15,233	—	59.6 %	\$110.36	—	\$65.81	—	
2021	1,020	31,620	23.8 %	16,368	7.5 %	51.8	89.99	(18.5) %	46.58	(29.2) %	
2022	1,020	31,620	0.0	20,402	24.6	64.5	109.36	21.5	70.56	51.5	
2023	1,020	31,620	0.0	24,737	21.2	78.2	118.26	8.1	92.52	31.1	
2024	1,020	31,620	0.0	19,855	(19.7)	62.8	117.88	(0.3)	74.02	(20.0)	
Average Annual Compounded Change:											
2016 – 2019			1.9 %	0.8 %			0.0 %			(2.7) %	
2016 – 2023			7.7	7.9			1.5			1.7	
2018 – 2023			10.9 %	11.5 %			2.4 %			3.0 %	
2019 – 2023			12.2	14.9			2.6			5.1	
Hotels Included in Sample				Class		Competitive Status		Rooms Open	Room Inventory	Year Affiliated	Year Opened
Hampton Inn Lawrenceville				Upper Midscale Class		Secondary		85	85	Oct 1997	Oct 1997
Holiday Inn Express Lawrenceville				Upper Midscale Class		Secondary		62	62	Jun 2000	Jan 1998
Hampton by Hilton Inn Lawrenceville Duluth				Upper Midscale Class		Primary		127	127	Jul 2020	Dec 2003
Homewood Suites by Hilton Atlanta I 85 Lawrenceville Duluth				Upscale Class		Primary		110	110	Jul 2007	Jul 2007
Fairfield Inn & Suites Atlanta Gwinnett Place				Upper Midscale Class		Secondary		112	112	May 2013	May 2013
Residence Inn Atlanta Northeast Duluth Sugarloaf				Upscale Class		Primary		112	112	Oct 2013	Oct 2013
Home2 Suites by Hilton Lawrenceville Atlanta Sugarloaf				Upper Midscale Class		Primary		130	130	Nov 2019	Nov 2019
TownePlace Suites Atlanta Lawrenceville				Upper Midscale Class		Primary		86	86	Nov 2019	Nov 2019
Tru by Hilton Lawrenceville Atlanta I-85 Sugarloaf				Midscale Class		Secondary		97	97	Apr 2020	Apr 2020
Staybridge Suites Atlanta NE - Duluth				Upscale Class		Primary		99	99	Sep 2020	Sep 2020
Total								1,020	1,020		

Source: STR

The chart below presents the monthly data from 2019 through 2024, illustrating the fluctuations in occupancy, ADR, and RevPAR; the impact of the pandemic and the timing and pace of the subsequent recovery are reflected in the data.

Month	2018		2019		2020		2021		2022		2023		2024	
	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR
January	71.5 %	\$115.42	71.4 %	\$115.97	59.6 %	\$110.36	51.8 %	\$89.99	64.5 %	\$109.36	78.2 %	\$118.26	62.8 %	\$117.88
February	73.6	111.71	71.1	119.18	66.2	112.34	54.8	91.30	73.0	113.54	83.4	122.72	—	—
March	80.8	110.53	80.1	112.09	41.1	113.14	67.1	94.43	82.0	116.17	86.0	126.57	—	—
April	76.6	118.30	77.6	118.18	21.8	89.23	69.1	101.82	83.3	121.74	82.4	132.07	—	—
May	82.7	116.66	81.6	122.41	27.4	91.03	73.3	108.43	80.9	127.53	83.6	138.48	—	—
June	79.8	115.92	77.8	117.91	42.1	94.61	77.4	107.36	82.4	129.71	80.8	132.22	—	—
July	80.8	116.46	79.2	117.23	49.4	94.61	86.4	116.19	82.8	130.73	83.2	133.55	—	—
August	75.2	110.90	71.4	113.54	49.4	91.06	73.7	109.75	80.1	122.16	76.4	125.95	—	—
September	78.4	111.89	73.2	115.83	64.5	93.25	75.7	111.25	82.4	127.07	78.6	129.97	—	—
October	82.1	118.85	76.0	117.33	62.7	92.64	78.5	111.39	83.3	130.31	78.8	131.00	—	—
November	77.3	110.18	58.0	110.31	53.6	90.72	78.7	114.28	81.9	123.20	73.3	126.64	—	—
December	62.8	105.37	54.8	105.47	50.9	88.13	71.9	107.47	72.5	114.82	64.4	115.06	—	—
Annual Averages	76.8 %	\$113.70	71.8 %	\$115.46	49.8 %	\$96.87	71.6 %	\$106.44	79.1 %	\$122.64	79.1 %	\$128.01	—	—
Year-to-Date	71.5 %	\$115.42	71.4 %	\$115.97	59.6 %	\$110.36	51.8 %	\$89.99	64.5 %	\$109.36	78.2 %	\$118.26	62.8 %	\$117.88
Change from Prior Year	2018		2019		2020		2021		2022		2023		2024	
	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR
January	— pts	— %	(0.0) pts	0.5 %	(11.8) pts	(4.8) %	(7.9) pts	(18.5) %	12.8 pts	21.5 %	13.7 pts	8.1 %	(15.4) pts	(0.3) %
February	—	—	(2.5)	6.7	(4.9)	(5.7)	(11.5)	(18.7)	18.2	24.4	10.4	8.1	—	—
March	—	—	(0.7)	1.4	(39.1)	0.9	26.1	(16.5)	14.9	23.0	4.0	9.0	—	—
April	—	—	1.0	(0.1)	(55.8)	(24.5)	47.2	14.1	14.3	19.6	(0.9)	8.5	—	—
May	—	—	(1.2)	4.9	(54.1)	(25.6)	45.8	19.1	7.6	17.6	2.7	8.6	—	—
June	—	—	(2.0)	1.7	(35.7)	(19.8)	35.2	13.5	5.0	20.8	(1.6)	1.9	—	—
July	—	—	(1.6)	0.7	(29.8)	(19.3)	37.0	22.8	(3.5)	12.5	0.3	2.2	—	—
August	—	—	(3.8)	2.4	(22.0)	(19.8)	24.3	20.5	6.4	11.3	(3.7)	3.1	—	—
September	—	—	(5.2)	3.5	(8.7)	(19.5)	11.2	19.3	6.7	14.2	(3.9)	2.3	—	—
October	—	—	(6.1)	(1.3)	(13.3)	(21.0)	15.8	20.2	4.8	17.0	(4.5)	0.5	—	—
November	—	—	(19.3)	0.1	(4.3)	(17.8)	25.1	26.0	3.2	7.8	(8.6)	2.8	—	—
December	—	—	(7.9)	0.1	(3.9)	(16.4)	21.0	21.9	0.6	6.8	(8.1)	0.2	—	—
Annual Change	— pts	— %	(5.0) pts	1.5 %	(22.0) pts	(16.1) %	21.8 pts	9.9 %	7.5 pts	15.2 %	(0.1) pts	4.4 %	—	—
Year-to-Date	— %	— %	(0.0) %	0.5 %	(11.8) %	(4.8) %	(7.9) %	(18.5) %	12.8 %	21.5 %	13.7 %	8.1 %	(15.4) pts	(0.3) %

Source: STR

During the illustrated historical period, both occupancy and ADR for this selected set of competitive hotels remained relatively stable through 2018; in 2019 an influx of competitive supply negatively impacted occupancy, however, ADR increased modestly. In 2020, the COVID-19 pandemic affected the market, similar to the rest of the nation; however, a rebound commenced in the third quarter of 2020, with the occupancy and ADR recovery extending through 2022. Heightened inflation in 2021 and 2022 also contributed to ADR growth for this competitive set. Year-end 2023 data illustrate occupancy in the high 70s, supported by strong levels of demand related to the technology and healthcare sectors, as well as visitors to the newly renovated Gas South District. ADR growth began to normalize, declining from the heightened levels of years prior, but remaining nevertheless favorable in 2023.

Year-to-date 2024 data illustrate a notable decline in occupancy and no ADR growth. It should be noted that a heavy freeze damaged many commercial and residential properties on the 25th of December 2022, leading to a surge in demand for local hotels in January and February of 2023 as repairs were underway. Moreover, SK Battery, a large commercial demand generator in the area, halted operations at its Gwinnett offices in January 2024; the office is expected to return to regular operations on March 1, 2024. The overall outlook for the competitive market is optimistic given the large-scale commercial and residential developments that have recently been completed in this market, in addition to the multiple commercial and mixed-use developments currently under construction or in the development pipeline.

The following table illustrates the monthly occupancy, ADR, and RevPAR for the competitive set measured as a percentage of 2019 levels.

	2021			2022			2023			2024		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
January	72.5 %	77.6 %	56.2 %	90.3 %	94.3 %	85.2 %	109.5 %	102.0 %	111.7 %	87.9 %	101.7 %	89.3 %
February	77.1	76.6	59.0	102.7	95.3	97.8	117.3	103.0	120.8	—	—	—
March	83.8	84.2	70.6	102.3	103.6	106.0	107.4	112.9	121.2	—	—	—
April	89.0	86.2	76.7	107.4	103.0	110.6	106.2	111.8	118.7	—	—	—
May	89.8	88.6	79.6	99.1	104.2	103.3	102.5	113.1	116.0	—	—	—
June	99.4	91.1	90.5	105.9	110.0	116.5	103.8	112.1	116.4	—	—	—
July	109.1	99.1	108.1	104.6	111.5	116.6	105.0	113.9	119.7	—	—	—
August	103.2	96.7	99.8	112.2	107.6	120.7	106.9	110.9	118.6	—	—	—
September	103.5	96.0	99.4	112.6	109.7	123.5	107.3	112.2	120.4	—	—	—
October	103.3	94.9	98.1	109.6	111.1	121.7	103.7	111.7	115.8	—	—	—
November	135.8	103.6	140.7	141.3	111.7	157.8	126.5	114.8	145.2	—	—	—
December	131.2	101.9	133.6	132.3	108.9	144.1	117.5	109.1	128.1	—	—	—
Annual Averages	99.8 %	92.2 %	92.0 %	110.2 %	106.2 %	117.1 %	110.1 %	110.9 %	122.1 %	—	—	—
Year-to-Date	72.5	77.6	56.2	90.3	94.3	85.2	109.5	102.0	111.7	87.9 %	101.7 %	112.5 %

Source: STR

Seasonality trends are presented in the following table.

	2016	2017	2018	2019	2020	2021	2022	2023
High Season - March, June, July, September, October								
Occupancy	80.2 %	83.6 %	80.4 %	77.3 %	52.9 %	77.0 %	82.6 %	81.5 %
Average Rate	\$117.00	\$115.63	\$114.77	\$116.04	\$96.34	\$108.67	\$126.80	\$130.62
RevPAR	93.81	96.71	92.28	89.69	51.00	83.71	104.73	106.46
Shoulder Season - February, April, May, August, November								
Occupancy	79.0 %	77.8 %	77.1 %	71.1 %	44.2 %	70.2 %	79.9 %	79.8 %
Average Rate	\$115.88	\$112.73	\$113.65	\$116.77	\$96.43	\$106.23	\$121.94	\$129.42
RevPAR	91.51	87.66	87.68	82.98	42.62	74.53	97.47	103.25
Low Season - January, December								
Occupancy	69.3 %	67.5 %	67.1 %	61.9 %	54.8 %	61.8 %	68.5 %	71.3 %
Average Rate	\$109.78	\$109.21	\$110.72	\$110.62	\$98.94	\$100.15	\$112.25	\$116.82
RevPAR	76.09	73.68	74.32	68.45	54.24	61.93	76.93	83.31

Source: STR

The illustrated occupancy and ADR patterns reflect important seasonal characteristics. The competitive market has historically been characterized by a moderate degree of seasonality. COVID-19 prompted some abnormalities to this regular trend in 2020 and early 2021; however, the regular seasonality patterns returned to the market soon thereafter. The strongest occupancy levels are often recorded in the spring and summer months when demand from leisure travelers typically supplements the commercial segment that is the principal source of demand in this submarket; it should also be noted that strong demand in the spring and fall months is attributable to demand generated by the Gwinnett Technical College Campus, as well the UGA Gwinnett Campus. ADR levels have historically reflected a similar pattern.

Primary Competition. The following map illustrates the locations of the Hotel and its competitors. Red markers represent primary competitors while blue markers represent secondary competitors.



-  Home2 Suites by Hilton Lawrenceville Atlanta Sugarloaf
-  Homewood Suites by Hilton Lawrenceville Duluth (Primary)
-  Residence Inn by Marriott Atlanta Northeast Duluth Sugarloaf (Primary)
-  Staybridge Suites Atlanta Northeast Duluth (Primary)
-  TownePlace Suites by Marriott Atlanta Lawrenceville (Primary)
-  Hampton by Hilton Lawrenceville Duluth (Primary)
-  Tru by Hilton Lawrenceville Atlanta I-85 Sugarloaf (Secondary)
-  Fairfield by Marriott Atlanta Gwinnett Place (Secondary)
-  Hampton by Hilton Lawrenceville (Secondary)
-  Holiday Inn Express Hotel & Suites Lawrenceville (Secondary)

Homewood Suites by Hilton Lawrenceville Duluth benefits from its strong brand affiliation; however, this property has not undergone a renovation within the last five years. Overall, the property appeared to be in good condition, inferior to the Property’s condition. Its location is similar to that of the Property. Its estimated historical operating statistics are shown in the table below.

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Est. 2019	110	75 - 80	\$130 - \$140	\$105 - \$110	100 - 110	120 - 130
Est. 2020	110	50 - 55	115 - 120	60 - 65	110 - 120	130 - 140
Est. 2021	110	70 - 75	115 - 120	85 - 90	100 - 110	110 - 120
Est. 2022	110	80 - 85	130 - 140	105 - 110	100 - 110	100 - 110
Est. 2023	110	80 - 85	130 - 140	110 - 115	100 - 110	100 - 110

Residence Inn by Marriott Atlanta Northeast Duluth Sugarloaf benefits from its strong brand affiliation; however, this property was undergoing a renovation at the time of inspection. The renovation was expected to address updates to the hotel’s guestroom furnishings, exterior, and public areas. Overall, the property appeared to be in good condition and inferior to the Property’s condition. Its location is similar to that of the Property. Its estimated historical operating statistics are shown in the table below.

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Est. 2019	112	75 - 80	\$125 - \$130	\$100 - \$105	110 - 120	110 - 120
Est. 2020	112	60 - 65	110 - 115	65 - 70	120 - 130	140 - 150
Est. 2021	112	70 - 75	110 - 115	80 - 85	100 - 110	100 - 110
Est. 2022	112	80 - 85	125 - 130	100 - 105	100 - 110	100 - 110
Est. 2023	112	80 - 85	130 - 140	105 - 110	100 - 110	100 - 110

Staybridge Suites Atlanta Northeast Duluth has the advantage of a relatively recent date of opening, as it was completed in September 2020. Overall, the property appeared to be in very good condition, similar to the Property's condition. Its location is similar to that of the Property. Its estimated historical operating statistics are shown in the table below.

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Est. 2020	37	50 - 55 %	\$95 - \$100	\$50 - \$55	100 - 110 %	100 - 110 %
Est. 2021	99	75 - 80	105 - 110	80 - 85	100 - 110	100 - 110
Est. 2022	99	80 - 85	125 - 130	105 - 110	100 - 110	100 - 110
Est. 2023	99	75 - 80	140 - 150	105 - 110	95 - 100	100 - 110

TownePlace Suites by Marriott Atlanta Lawrenceville benefits from its strong brand affiliation, though it is somewhat disadvantaged by its greater distance from Interstate-85 when compared to its local competitors. Overall, the property appeared to be in very good condition, similar to the Property's condition. Its location is inferior to that of the Property. Its estimated historical operating statistics are shown in the table below.

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Est. 2019	14	30 - 35	\$115 - \$120	\$40 - \$45	45 - 50	45 - 50
Est. 2020	86	60 - 65	90 - 95	50 - 55	120 - 130	110 - 120
Est. 2021	86	70 - 75	100 - 105	75 - 80	100 - 110	95 - 100
Est. 2022	86	80 - 85	115 - 120	95 - 100	100 - 110	95 - 100
Est. 2023	86	80 - 85	120 - 125	100 - 105	100 - 110	100 - 110

While Hampton by Hilton Lawrenceville Duluth is somewhat disadvantaged by the fact that it has not had a renovation since 2017, it benefits from its strong brand affiliation. Moreover, the hotel was in the beginning stages of a renovation that was expected to address updates to all soft-goods within the hotel; the renovation is expected to be completed by the end of spring 2024. Overall, the property appeared to be in good condition, inferior to the Property's condition. Its location is similar to that of the Property. Its estimated historical operating statistics are shown in the table below.

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Est. 2019	127	70 - 75	\$115 - \$120	\$85 - \$90	95 - 100	100 - 110
Est. 2020	99	30 - 35	95 - 100	30 - 35	65 - 70	65 - 70
Est. 2021	127	60 - 65	105 - 110	70 - 75	85 - 90	90 - 95
Est. 2022	127	75 - 80	125 - 130	95 - 100	95 - 100	95 - 100
Est. 2023	127	75 - 80	125 - 130	95 - 100	95 - 100	95 - 100

Supply Changes. It is important to consider any new hotels that may have an impact on the Property’s operating performance. Hotels that have recently opened, are under construction, or are in the stages of early development in the Lawrenceville market are noted below.

Proposed Hotel Name	Estimated Number of Rooms	Hotel Product Tier	Development Stage	Expected Qtr. & Year of Opening	Address
Westin Atlanta Gwinnett	348	Upper-Upscale	Under Construction	Q1 '24	Gas South District
Homewood Suites	114	Upscale	Under Construction	Q2 '24	2925 Buford Drive
Holiday Inn Express Mall of Georgia	93	Upper-Midscale	Under Construction	Q4 '24	2730 Mall of Georgia Boulevard
Woodspring Suites	120	Upscale	Under Construction	Q4 '24	Horizon Parkway, Buford, GA
JdV by Hyatt- The Mansion	100	Upper-Upscale	Under Construction	Q3 '24	6405 Sugarloaf Parkway
Hyatt Place/Hyatt House Dual Brand		Upper-Upscale	Early Development	Q4 '25	Sugarloaf Parkway
La Quinta/ Hawthorn Suites Dual-Brand	135	Midscale	Early Development	Q2 '25	Buford, Georgia
TownePlace Suites Mall of Georgia	TBD	Upscale	Speculative	Q2 '28	3230 Buford Drive
Woodspring Suites	120	Upscale	Under Construction	Q4 '24	Horizon Parkway, Buford, GA
Peachtree Corners Town Center Hotel	125	Upscale	Early Development	Q4 '26	The Forum on Peachtree Parkway
Element Duluth	121	Upscale	Early Development	Q3 '25	2140 Satellite Boulevard
Hilton Tapestry Lawrenceville	120	Upper-Upscale	Early Development	TBD	Downtown Lawrenceville

Of the hotels listed in the preceding table, the Appraisal identified the following new supply that is expected to have some degree of competitive interaction with the Property based on location, anticipated market orientation and price point, and/or operating profile.

Proposed Property	Number of		Total		Estimated Opening Date	Development Stage
	Rooms	Property Type	Competitive Level	Weighted Room Count		
Homewood Suites	114	Extended-Stay	70 %	80	May 1, 2024	Under Construction
Element Duluth	121	Extended-Stay	85	103	September 1, 2025	Early Development
Totals/Averages	235			183		

A Homewood Suites is under construction on a site located within the market area of the Property; however, this product is some distance from the Property. An Element by Westin is proposed for a location approximately one mile from the Property; however, this hotel is expected to target a somewhat different customer base, and is still in the early development phase. Therefore, it has only been considered secondarily competitive to acknowledge these factors.

Due to the nature of real estate development, it is impossible to determine with certainty every hotel that will be opened in the future or what their marketing strategies and effect on the market will be. Depending on the outcome of current and future projects, the operating potential of the Property may be affected. Future improvement in market conditions will raise the risk of increased competition.

Conclusion. Various properties are competitive to some degree with the Property and there are potential increases in competitive supply in this Lawrenceville submarket. The Property will continue to operate in a dynamic market of varying product types and price points.

ACQUISITION AND FINANCING OF THE PROPERTY

Acquisition Terms

The Trust acquired the Property from the Seller, an unaffiliated third party, for a purchase price of \$25,500,000 pursuant to the Purchase and Sale Agreement. Solely for purposes of complying with certain provisions of Georgia state law, bare legal title to the Property will be held by the Administrative Trustee for the benefit of the Trust. The current beneficiary of the Trust, as of the date of this Memorandum, is the Depositor.

The Trust funded the acquisition of the Property with cash, a portion of which came from (1) the Bridge Capital provided by the Bridge Capital Provider as a capital contribution from the Depositor; and (2) seller financing provided by the Seller. The Property was acquired by the Trust “free and clear” without utilization of a mortgage secured by the Property.

Pursuant to the Appraisal, the fair market value of the Property, including the personal property is \$25,600,000. The Maximum Offering Amount, \$32,201,767, represents the Purchase Price, plus closing costs and related transactional costs, reserves and the Selling Expenses and Offering Expenses, all multiplied by the 100% of Interests that are being sold in this Offering. *See* “COMPENSATION OF THE SPONSOR AND ITS AFFILIATES” and “ESTIMATED USE OF PROCEEDS.”

Bridge Capital and Seller Financing Terms

Pursuant to the terms of the Bridge Capital, at the acquisition of the Property, the Bridge Capital Provider provided \$13,600,000 to the Depositor for the acquisition of the Property. The Depositor pledged its interests in the Trust as security for repayment of the Bridge Capital.

Pursuant to the terms of the seller financing, at the acquisition of the Property, the Seller took back a note in the amount of \$10,931,907 from the Depositor for the acquisition of the Property. The seller financing is unsecured and subordinate to the repayment of the Bridge Capital.

PLAN OF DISTRIBUTION

The Trust is offering \$32,201,767 of Interests, representing a maximum of 100% of the Interests in the Trust. For purposes of this Memorandum, various fees have been calculated based on \$32,201,767, which represents 100% of the Interests in the Trust.

All proceeds from a potential Investor will be promptly returned if the offer to purchase is not accepted by the Trust. The Trust reserves the right to refuse to sell the Interests to any person, in its sole discretion, and may terminate the Offering at any time.

The offer and sale of the Interests are made in reliance upon exemptions from the Securities Act and state securities laws. Accordingly, distribution of this Memorandum has been strictly limited to persons satisfying the suitability requirements described in the section entitled “The Offering – Who May Invest” herein. This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy with respect to any person not satisfying those qualifications.

Rule 506(c)

This Offering is being made in reliance on Rule 506(c) of Regulation D promulgated under the Securities Act.

General Description

The Interests are beneficial interests in the Trust. If a prospective Investor elects to purchase Interests and the Trust accepts such purchase, he, she or it will become an Investor in the Trust upon payment in full of the purchase price. The Trustees (and in particular the Administrative Trustee) are solely responsible for the operation and management of the Trust. The Investors have no right to participate in the management of the Trust or in the decisions made by the Trustees. The Trustees will not consult with the Investors when making decisions with respect to the Trust and the Property. The Administrative Trustee will be under no obligation to make its decision with respect to a prospective sale of the Property in accordance with the wishes of Investors. The sole rights of the Investors will be to receive distributions from the Trust if, as and when made, as provided in the Trust Agreement, and to remove and replace a Trustee only in certain, limited circumstances as described herein. *See “SUMMARY OF THE TRUST AGREEMENT – Authority of Investors.”*

The minimum amount of Interests that a Cash Investor may purchase is \$100,000, unless the Trust waives this minimum requirement. The minimum amount of Interests that a Section 1031 Investor may purchase is \$100,000, unless the Trust waives this minimum requirement.

The Offering will terminate on or before the earlier of March 31, 2025 (which date is subject to extension by the Sponsor) or the date on which all \$32,201,767 of the Interests offered hereby have been sold.

Qualifications of Investors

The Interests are being offered only to accredited investors who can represent that they meet the investor suitability requirements described in “WHO MAY INVEST” and Interests may be purchased only by prospective Investors who satisfy such suitability requirements.

Sale of Interests

Prospective Investors must adhere to the arrangements summarized in “HOW TO PURCHASE” and “SUMMARY OF THE PURCHASE AGREEMENT” in this Memorandum and set forth in full in the Purchase Agreement, the form of which is included in Exhibit A to this Memorandum. There is no assurance that all Interests will be sold, and the Trust reserves the right to refuse to sell Interests to any person, in its sole discretion, and may terminate this Offering at any time.

Marketing of Interests

Offers and sales of Interests will be made on a “best efforts” basis by broker-dealers (the “**Selling Group Members**”) who are members of the Financial Industry Regulatory Authority, Inc. (“**FINRA**”). Peachtree PC Investors LLC, a Georgia limited liability company and affiliate of the Sponsor (the “**Managing Broker-Dealer**”), a member of FINRA, serves as the Managing Broker-Dealer and will receive selling commissions (“**Selling Commissions**”) of approximately 6.0% of the purchase price of the Interests sold by Selling Group Members (the “**Total Sales**”), some or all of which it will re-allow to the Selling Group Members; provided, however, that this amount will be reduced in the event a lower commission rate is requested by a Selling Group Member and the commission rate will be the lower agreed upon rate. Thus, certain Investors may acquire Interests net of Selling Commissions. The Managing Broker-Dealer will also receive: (a) a non-accountable marketing and due diligence allowance of up to 1.0% of the Total Sales (the “**Marketing and Due Diligence Allowance**”), which may be re-allowed, in whole or in part, to the Selling Group Members, (b) a managing broker-dealer fee of up to 1.9% of the Total Sales (the “**Managing Broker-Dealer Fee**”), which may be re-allowed, in whole or in part, to the Selling Group Members, which may be re-allowed to wholesalers or other associated persons eligible to receive such compensation, and may sell Interests as a Selling Group Member, thereby becoming entitled to Selling Commissions. In the event a Marketing and Due Diligence Allowance greater than 1.0% is re-allowed, the Managing Broker-Dealer will reduce its Managing Broker-Dealer Fee by an equal amount. The Trust will also reimburse the Sponsor, its affiliates and certain third parties for offering and organizational expenses (the “**O&O Expenses**”) in an amount equal to 1.0% of the gross cash proceeds of the Offering. The Selling Commissions, the Marketing and Due Diligence Allowance, the Managing Broker-Dealer Fee, the O&O Expenses, as well as other costs of the Offering (collectively, the “**Selling Commissions and Offering Expenses**”), will be paid by the Trust out of the gross Offering proceeds.

The Trust will obtain representations from the Managing Broker-Dealer and the Selling Group Members that the applicable party is not a “bad actor” as that term is defined in Rule 506(d) of Regulation D. In the event that a statutory “bad actor” participates in the Offering, the Trust may lose its exemption from registration of the Interests.

Inquiries about purchases should be directed to the Managing Broker-Dealer:

Peachtree PC Investors LLC
One Alliance Center
3500 Lenox Road, Suite 625
Atlanta, GA 30326

Sales Materials

Other than this Memorandum, the Exhibits hereto and factual summaries and sales brochures of the Offering, no other literature will be used in the Offering.

The Sponsor, the Trust, the Administrative Trustee and parties related thereto may also respond to specific questions from broker-dealers and prospective Investors. Information relating to the Offering may be made available to broker-dealers for their internal use. However, the Offering is made only by means of this Memorandum. Except as described herein, the Trust has not authorized the use of other sales materials in connection with the Offering. The information in such materials does not purport to be complete and should not be considered a part of this Memorandum, or as incorporated into this Memorandum by reference or as forming the basis of the Offering.

No dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Memorandum or in any sales literature issued by the Trust and referred to in this Memorandum, and, if given or made, such information or representations must not be relied upon.

Fee Waivers

Each Investor may agree with the Investor's respective investment representatives or broker/dealer to reduce or eliminate any Selling Commissions payable with respect to the Investor's purchase of the Interests. In this case, the Trust will not pay any Selling Commissions to the Managing Broker-Dealer in respect of the Interests for which the broker/dealer or investment representative has agreed to waive or reduce the fees, to the extent of such waiver or reduction, which will have the effect of increasing the amount of Interests purchased by the particular Investor. In addition, in no event will any Selling Commissions or other fees be paid in connection with the sale of Interests directly by the Trust. The proceeds to the Trust will not be affected by any waiver of Selling Commissions.

In addition, on a case-by-case basis, the Managing Broker-Dealer and/or the Sponsor may, in its sole discretion, decide to reduce or waive certain fees or reimbursements to which they are entitled in connection with a particular sale of Interests. Any such waiver or reduction will have the effect of increasing the amount of Interests purchased by the particular Investor. The proceeds to the Trust will not be affected by any waiver of these fees or reimbursements.

Moreover, in certain circumstances, in addition to the waivers and reductions described in the preceding paragraph, the Trust may elect to further discount the price at which it sells the Interests. In any such circumstance, the proceeds to the Trust will not be affected because any difference between the discounted purchase price and the stated purchase price will be borne by the Sponsor and not the Trust.

In the event an Investor independently uses the services of a registered investment advisor and not a broker/dealer in connection with the purchase of Interests, no Selling Commissions will be payable to the investment advisor with respect to the Investor's purchase of those Interests, which will have the effect of increasing the amount of Interests purchased by the particular Investor. The payment of any fees or similar compensation to such investment advisor will be the sole responsibility of the Investor, and the Trust will have no liability for that compensation. The proceeds to the Trust will not be affected by this waiver of Selling Commissions.

Limitation of Offering

The offer and sale of the Interests are made in reliance upon exemptions from the Securities Act and state securities laws. Accordingly, distribution of this Memorandum has been strictly limited to persons satisfying the investor suitability requirements described herein, and this Memorandum does not constitute an offer to sell or a solicitation of an offer to buy with respect to any person not satisfying those requirements.

Ownership by the Sponsor

With respect to any Interests not sold in the Offering, the holder of such unsold Interests (whether the Depositor or otherwise) reserves the right to sell or otherwise transfer such unsold Interests, to persons affiliated with the Sponsor or otherwise, whether pursuant to a secondary offering or otherwise. *See* "RISK FACTORS – *Risks Related to the Offering*" and "CONFLICTS OF INTEREST."

Acceptance of Investors

The Trust may accept or reject the Purchase Agreement of any prospective Investor for any reason or no reason for a period of 30 days after receipt of the Purchase Agreement. Any proposed purchase of Interests not accepted within 30 days of receipt shall be deemed rejected.

Broker Dealer Disclosures

The Interests will be offered and sold pursuant to an exemption from the registration requirements of the Securities Act, in accordance with Rule 506(c) of Regulation D, and in compliance with any applicable state securities laws. Effective September 23, 2013, the SEC adopted amendments to Rule 506 requiring certain disclosures to customers in connection with Regulation D private placement offerings, which includes this

Offering. Specifically, the amendments require that the Parent Trust notify you if the Selling Group Members have experienced certain specified “disqualifying events,” including certain criminal convictions, certain court injunctions and restraining orders, final orders of certain state and federal regulators and certain SEC disciplinary orders and SEC cease-and-desist orders, among other events.

In the event a Selling Group Member notifies the Sponsor with respect to a “disqualifying event” under Rule 506, the Parent Trust will be required to inform potential Investors.

ESTIMATED USE OF PROCEEDS

The following table sets forth the estimated sources and uses of the proceeds of the Offering. The Sponsor, the Administrative Trustee, the Master Tenant and their respective affiliates will receive substantial compensation and fees in connection with the Offering and the acquisition and operation of the Property, as described in this Memorandum. The figures below are based upon 100% of the Interests, equivalent to \$32,201,767. All percentages are rounded to the nearest hundredth of a percent.

This table has been included for purposes of informing prospective Investors about the compensation and expenses that have been, or will be, received or incurred in connection with this Offering. This table does not address the allocation for federal income tax purposes of the amount paid by an Investor for its Interest. Prospective Investors should discuss with their own tax advisors the tax treatment of the purchase of an Interest.

Certain of the costs reflected below have been estimated. If the actual costs and expenses are greater than this amount, the Depositor will bear such excess costs and expenses. If the actual costs and expenses are less than this amount, the Depositor will retain such excess as additional compensation.

SOURCES	Amount	Percent of All Funds
Interests Being Offered	\$32,201,767	100.00%
Total Sources of All Funds	\$32,201,767	100.00%
USES	Amount	Percent of All Funds
<u>Acquisition Costs</u> ⁽¹⁾		
Real Estate Acquisition Price ⁽²⁾	\$25,500,000	79.19%
Trust Reserves ⁽³⁾	\$1,625,000	5.05%
Master Lease Inducement Payment Funding ⁽⁴⁾	\$574,938	1.79%
Acquisition Fee ⁽⁵⁾	\$735,000	2.28%
Closing Costs/Legal/Title Insurance	\$266,857	0.83%
Depositor Bridge Capital Costs ⁽⁶⁾	\$311,997	0.97%
Total Acquisition Costs	\$29,013,792	90.10%
<u>Syndication Costs</u>		
Selling Commissions	\$1,932,106	6.00%
Due Diligence Allowance	\$322,018	1.00%
Managing Broker-Dealer Fee	\$611,834	1.90%
Organization & Offering Expenses ⁽⁷⁾	\$322,018	1.00%
Total Syndication Costs	\$3,187,975	9.90%
TOTAL USES	\$32,201,767	100%

[NOTES ON FOLLOWING PAGE]

NOTES:

- (1) The Trust will pay or reimburse some or all of these amounts to affiliates of the Trust, as described in this Memorandum.
- (2) The Purchase Price for the Property was \$25,500,000. \$1,000,000 of the Purchase price was credited to the Trust by the Seller and deposited into a reserve account to be used exclusively for the PIP Work.
- (3) The Trust will establish and maintain Trust Reserves to make funds available for capital expenditures and unanticipated costs relating to the Property and the Trust.
- (4) The Master Lease Inducement Payment consists of initial funding of amounts the Trust is required to pay the Master Tenant which shall be used to provide working capital to the Master Tenant, to reimburse the Master Tenant for certain start-up costs incurred in connection with entering into the Master Lease and consists of the following: (a) the Franchise Fee Reimbursement of \$200,000; (b) \$66,331, to capitalize the Master Tenant with respect to certain operating prorations funded at the execution of the Master Lease; and (c) the Master Tenant Reserve of \$308,607.
- (5) The Trust will pay the Sponsor or an affiliate an acquisition fee equal to 2.9% of the total Purchase Price of the Property for its services in acquiring the Property.
- (6) The Trust has and will incur carry costs relating to funds advanced by the Depositor to initially purchase one hundred percent (100%) of the Interests. The Depositor Bridge Capital Costs reflect the anticipated cost to the Depositor of the various sources of financing required for the Trust to acquire the Property. To the extent the actual Depositor Bridge Capital Costs are greater than this amount, the Sponsor will absorb such additional costs, and to the extent they are less than this amount, the Sponsor will retain the excess on a nonaccountable basis.
- (7) The Sponsor anticipates that the organizational and offering expenses for the Offering will be \$322,324. Any additional costs in excess of such amount will be paid by the Sponsor. Unused funds, if any, will be retained by the Managing Broker-Dealer.

RISK FACTORS

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

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

Risks Related to the Delaware Statutory Trust Structure

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

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

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

The Delaware Statutory Trust Act does not impose any fiduciary duty on the trustees, managers or owners of Delaware statutory trusts and permit the waiver of all fiduciary duties other than the implied duty of good faith and fair dealing. The Trustees do not owe any duties to the Investors other than those provided for in the Trust Agreement. Specifically, the Trustees do not have a fiduciary duty to any Investors as would be applicable to a limited liability company or partnership and, therefore, may take actions that would not be in the best interests of one or more of the Investors. The Trust Agreement provides that the Trustees will be individually answerable for their actions to the Investors only if, among other things, the Trustees engage in willful misconduct or gross negligence or any "prohibited action" under the Trust Agreement, or they fail to use ordinary care in disbursing monies to Investors pursuant to the terms of the Trust Agreement.

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

To comply with the tax law regarding exchanges under Section 1031, the Trust structure prevents the Trustees from engaging in numerous actions, to the extent any such action would "vary the investment" of the Investors under Treasury Regulation Section 301.7701-4(c): (1) reinvesting money held by the Trust, except as provided in the Trust Agreement; (2) entering into mortgage financing or entering into one or more leases of the Property; (3) making modifications to the Property, other than minor and nonstructural modifications, other than as required by law; or (4) taking any other action that would in the opinion of tax counsel cause the Trust to be treated as a "business entity" for federal income tax purposes.

The Trust may be converted into a Springing LLC, which would be governed by the terms of the Springing LLC operating agreement substantially in the form attached to the Trust Agreement. The ownership interest of each Investor in the Springing LLC will be identical to such Investor's Interest in the Trust (subject to the impact of additional capital requirements). However, as a result of such Transfer Distribution, the Investors will at such time no longer be considered to own, for federal income tax purposes, a direct ownership interest in the Property held by the Springing LLC. Because the Springing LLC will be treated as a partnership for tax purposes, it may not be possible for the individual Investors to do a tax-free exchange when a Springing LLC ultimately disposes of the Property.

Investors will not have legal title to the Property.

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

The Trustees, the Property Manager, and the Asset Manager will receive significant compensation, regardless of whether Investors have received distributions.

Regardless of the performance of the Property, the Trustees, the Property Manager, and the Asset Manager are entitled to receive significant fees and other compensation, payments and reimbursements. Those fees will be paid prior to any distributions to the Investors. *See* "COMPENSATION OF THE SPONSOR AND ITS AFFILIATES."

The Trust is required to indemnify the Trustees.

The Trustees, and their respective owners, officers, directors, members, employees, agents and other affiliates, have been indemnified by the Trust from and against any liabilities, losses, claims, suits and expenses (including reasonable legal fees) that may be incurred or asserted against the Trustees in connection with the operation of the Trust or the Property. Such indemnification does not apply, however, if the claim, suit or liability results from, among other things, the willful misconduct or gross negligence of the Trustees, the engagement by the Trustees in any "prohibited action" under the Trust Agreement, or the failure to use ordinary care in disbursing monies to Investors pursuant to the terms of the Trust Agreement. To the fullest extent permitted by law, the Trustees are entitled to advancement of expenses incurred in defending a claim prior to its final disposition, subject to repayment if a court renders a final, non-appealable judgment that the applicable Trustee is not entitled to indemnification. A successful claim for such indemnification would decrease the value of an Interest by its pro rata share of the amount paid. *See* "SUMMARY OF TRUST AGREEMENT."

Risks Related to the Property

There are inherent risks with real estate investments.

The economic success of an investment in the Trust will depend upon the results of operations of the Property, which will be subject to those risks typically associated with investments in real estate, including without limitation:

- changes in the national, regional and local economic climate;
- local conditions such as an oversupply of similar hotel properties or a reduction in demand for the Property;
- the attractiveness of the Property to potential hotel guests;
- the fluctuations in occupancy rates and room rates associated with hotel properties;
- the ability to collect hotel revenue from the hotel guests;

- changes in the availability and costs of financing, which may affect the sale of the Property;
- eminent domain or condemnation actions against the Property;
- covenants, conditions, restrictions and easements relating to the Property;
- governmental regulations, including financing, environmental usage and tax laws, regulations and insurance;
- the ability of the Master Tenant to pay for adequate maintenance, insurance and other operating costs, including real estate taxes, which could increase over time;
- acts of nature, such as hurricanes, earthquakes, tornadoes and floods that may damage the Property and acts of nature such as a drought that could affect the value of real estate in the affected area including the Property; and
- the impact of an epidemic in the area in which the Property is located or a pandemic, which could severely disrupt the global economy.

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

The value of the Property over the term of the Trust is not certain.

U.S. and international financial markets have been volatile, particularly over the last 12 years. The effects of this volatility may persist particularly as financial institutions respond to new, or enhanced, regulatory requirements and other national and international events affecting financial markets, all of which could impact the availability of credit and overall economic activity as a whole. Further, the fluctuation in market conditions makes judging the future performance of real estate assets difficult. In addition, increases in interest rates may cause a decrease in the future market value of the Property, which may negatively impact the proceeds received by Investors upon a disposition of the Property.

Changes in global economic and capital market conditions, including periods of generally deteriorating real estate industry fundamentals, may significantly affect the value of the Trust's investment and the Master Tenant's operating results.

The risks associated with the investment are more severe during periods of economic downturn if these periods are accompanied by declining values in real estate. For example, a prolonged economic downturn could negatively impact the Trust's investment as fewer people travel for business or leisure, leading to increased concessions by the Master Tenant or its competitors. Operations of the Master Tenant could be negatively affected to a greater extent if an economic downturn occurs, is prolonged or becomes more severe, which could significantly harm revenues, results of operations, financial condition, liquidity, business prospects and the ability to make distributions to Investors.

As evidenced by the outbreak of COVID-19, a public health issue such as a major epidemic or pandemic in the United States could directly impact the area in which the Property is located. A significant local outbreak of a dangerous or infectious disease within the region of the Property or among its customers could be severely disruptive to the Master Tenant and, in turn, the Trust. In the event of either of the foregoing cases, or the perceived risk of the foregoing, management and healthy operation of the Master Tenant would likely become more costly.

The current and any future effects of the coronavirus pandemic and the resulting global financial, economic and social distress may materially and adversely affect the validity of the assumptions used as a basis

for the financial forecasts used in the Memorandum. All of the foregoing could impact the rate of return to Investors or cause the Investors to lose all or substantially all of their investment.

Monetary policy and governmental intervention in response to high inflation may cause severe economic distress.

In 2008 and through early 2009, financial markets generally, and real estate in particular, were materially and adversely affected by significant declines in the values of nearly all asset classes due to a global financial crisis that resulted in recession in the United States (the “**Great Recession**”). In response to the Great Recession, the United States Federal Reserve (the “**Federal Reserve**”) instituted certain changes in monetary policy that resulted in historically low interest rates for more than a decade. Additionally, in response to the serious economic disruptions caused by COVID-19, governmental authorities and regulators in the United States and around the world responded with significant fiscal and monetary policy changes, including by providing unprecedented direct capital infusions to individuals and into companies, introducing new monetary programs, and maintaining or lowering historically low interest rates. In the wake of these policies, global economies, including the United States, began to experience significant inflation not seen in a generation. In response to rapidly increasing inflation that has persisted in the United States, the Federal Reserve has rapidly increased interest rates and is expected to continue to do so as long as rapid inflation continues unabated. Such action by the Federal Reserve has contributed to significant equity and credit market volatility and instability and may contribute to, or even cause, another recession in the United States.

Inflation or deflation may adversely affect the financial condition and results of operations of the Master Tenant and the Trust.

Increased inflation could have an adverse impact on floating rate mortgages, interest rates and general and administrative expenses, as these costs could increase at a rate higher than revenue. Inflation could also have an adverse effect on consumer spending which could impact discretionary spending, such as travel for leisure or business, where applicable. Conversely, deflation could lead to downward pressure on revenue.

An investment in the Trust is subject to Distress Event (as defined below), which may materially adversely affect the Sponsor and its affiliates, including, but not limited to, the Administrative Trustee and the Trust, as well as the Property.

An investment in the Trust is subject to the risk that one or more of the banks, brokers, hedging counterparties, lenders or other custodians (each, a “**Financial Institution**”) of some or all of the Trust’s assets fails to timely perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a “**Distress Event**”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. If a Financial Institution experiences a Distress Event, the Trust may not be able to access deposits, borrowing facilities or other services, either permanently or for an extended period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation (“**FDIC**”), in the case of banks, and the Securities Investor Protection Corporation (“**SIPC**”), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to the risk of a total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose an increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties during Distress Events, there can be no assurance that such intervention will occur in a future Distress Event or that any such intervention undertaken will be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of the Administrative Trustee to manage the Trust, and on the ability of the Administrative Trustee or the Trust to maintain operations, which in each case could result in significant disruptions to operations as well as losses. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event the Trust is not able to close a transaction (whether

due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of the Trust to access capital contributions or otherwise); and the inability of the Administrative Trustee or Trust to make payroll, fulfill obligations, or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that such companies will incur additional expenses or delays in putting in place alternative arrangements or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital, or otherwise). Although the Administrative Trustee expects to exercise contractual remedies under agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. The Trust is subject to similar risks if a Financial Institution utilized by suppliers, vendors, service providers or other counterparties of the Administrative Trustee or the Trust becomes subject to a Distress Event, which could have a material adverse effect on the Trust.

Furthermore, many Financial Institutions require, as a condition to using their services (including lending services), that the Administrative Trustee and/or Trust maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. Although the Administrative Trustee seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their respective obligations to the Trust, the Administrative Trustee is under no obligation to use a minimum number of Financial Institutions with respect to the Trust or to maintain account balances at or below the relevant insured amounts.

The physical effects of climate change may have a material adverse effect on the Property.

The Trust cannot predict with certainty whether climate change is occurring and, if so, at what rate. However, the physical effects of climate change could have a material adverse effect on the Property. To the extent climate change causes changes in weather patterns, the Property could experience increases in annual precipitation and storm intensity. Climate change may also have indirect effects on business by increasing the cost of or making property insurance unavailable on acceptable terms, increasing the cost of energy and increasing related costs at the Property. Proposed legislation to address climate change could increase utility and other costs of operating the Property which, if not offset by rising income, would reduce cash flow. There can be no assurance that climate change will not have a material adverse effect on the Property.

The Property may experience a greater level of vacancy, or a lower Average Daily Rate ("ADR"), than projected in this Memorandum.

ADR represents hotel room revenue divided by total number of room nights sold for a given period. ADR measures average room price attained by a hotel, and ADR trends provide useful information concerning the pricing environment and the nature of the customer base of a hotel. ADR is commonly used performance measure in the hospitality industry.

The vacancy rates at the Property may be higher and the ADR may be lower than set forth in the Financial Forecast attached as Exhibit F. In the event that the Master Tenant is unable to attract Hotel guests due to increased competition, and therefore is unable to pay Rent or satisfy its obligations under the Master Lease, the Trust may experience loss of income and the rate of return to Investors may be lower than that projected.

The operation of the Property depends, in part, on the availability of public utilities and services, especially for water and electric power. Any reduction, interruption or cancellation of these services may adversely affect the Trust and the Master Tenant.

Public utilities, especially those that provide water and electric power, are fundamental for the sound operation of the Property. The delayed delivery or any material reduction or prolonged interruption of these services reduce Hotel occupancy and room reservations or result in an increase in the Master Tenant's costs, as it may be forced to use backup generators.

An increase in real estate taxes may affect the operating results of the Property and the Trust.

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

The purchase price of the Interests was not determined in an arm’s-length transaction and includes fees and other charges.

The Maximum Offering Amount, \$32,201,767, represents the Purchase Price, plus closing costs and related transactional costs, an acquisition fee, reserves and the Selling Expenses and Offering Expenses, in each case multiplied by the 100% of Interests that are being sold in this Offering. See “ESTIMATED USES OF PROCEEDS.” The purchase price for the Interests is determined unilaterally by the Trust and is not based on an arm’s-length negotiation or transaction. The total purchase price for the Interests is significantly higher than the acquisition cost of the Property due to the addition of closing costs and related transactional costs, acquisition fee, reserves, and the Selling Expenses and Offering Expenses. The Investors are, however, acquiring their Interests based on the existence of the Master Lease and the Franchise Documents. In order to make a profit on a sale of the Property or any Interest, the Investors will need to receive sufficient proceeds to recover the added acquisition costs included in the original purchase price, as well as: (1) the costs associated with their own attorneys and tax advisors; and (2) any costs related to the disposition of the Property or Interest.

There is a general risk of investment in the Property.

The economic success of an investment in the Trust will depend upon the financial performance of the Property, which is subject to those risks typically associated with investments in real estate. Fluctuations in vacancy rates and operating expenses can adversely affect operating results or render the sale or refinancing of the Property difficult or unattractive. No assurance can be given that certain assumptions as to the future levels of occupancy of the Property, future rental appreciation, future cost of capital improvements or future costs of operating the Property will be accurate since such matters will depend on events and factors beyond the control of the Trust and the Investors. Such factors include vacancy rates for properties similar to the Property, adverse changes in local and national leisure and hospitality trends, market conditions, local economic and social conditions, supply and demand for properties similar to the Property, competition from similar properties, real estate tax rates, governmental rules, regulations, and fiscal policies, the enactment of unfavorable real estate, environmental, zoning or hazardous material laws, uninsured losses, effects of inflation, and other risks.

Unanticipated capital expenditures, maintenance costs and Uncontrollable Expenses related to the Property could affect Investors’ returns.

The Trust will maintain the Trust Reserves to make funds available for Capital Expenses under the Master Lease, and the Trust may also become responsible for additional PIP Work. In the event that the Trust Reserves are not sufficient to pay for any costs incurred by the Trust in connection with its obligations with respect to the Property or pursuant to the Master Lease, then the Investors’ returns will be reduced accordingly. See “SUMMARY OF THE OFFERING – Trust Reserves” and “DESCRIPTION OF THE PROPERTY – Condition of the Property” for additional discussion.

In addition, although the Master Lease provides that the Master Tenant is financially responsible for the real estate taxes, utility costs and Property insurance costs for each year up to the amount set forth in the Financial Forecast attached as Exhibit F to this Memorandum, the Trust (and thus the Investors) will bear all

such costs to the extent they exceed such projections. If that happens, amounts otherwise payable as Additional Rent and/or Bonus Rent will be reduced to reimburse the Master Tenant for such excess Uncontrollable Expenses.

Uninsured losses may adversely affect returns.

The Master Tenant has obtained all insurance required under the Master Lease, including, without limitation, comprehensive, replacement cost casualty insurance with not less than 12 months of loss of rent coverage and personal liability and property damage insurance. The Trust has been named as an additional insured or loss payee, as the case may be, on the insurance policies obtained by the Master Tenant. There can be no assurance that the insurance maintained by the Master Tenant will be sufficient to cover any particular liability or unanticipated loss. In addition, the particular risks that are currently insurable may not continue to be insurable on an economical basis or the necessary levels of coverage may not continue to be available. If a loss occurs that is partially or completely uninsured, an Investor may lose his, her or its entire investment in the Property.

The Trust does not guarantee the condition of, or title to, the Property.

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

In addition, the Property is subject to various matters affecting title, including but not limited to zoning ordinances, building codes and matters set forth on the pro forma owner’s title insurance policy and survey, which policy and survey are available in the Investor Data Room. These matters may include, for example, easements, declarations, restrictions, agreements and other limitations on the right of the Trust to construct, develop and use the Property and may impose certain maintenance obligations upon the Trust. Documents related to the most significant matters affecting title are also available in the Investor Data Room. In addition, other issues that are not disclosed by the policy or the survey may affect title. In connection with the acquisition of the Property, the Trust obtained title insurance; however, the title is insured only in an amount equal to the appraised fair market value of the Property (\$25,500,000), and not the full amount of the total acquisition cost. In the event that a known or new matter arises with respect to the Property, however, there is no guarantee that the title insurance will sufficiently protect the Trust against all title issues affecting the Property, that the title company will pay any claim, that the title insurance is sufficient to cover any damages, or that the Trust will not incur costs in making a title insurance claim.

The existence of any environmental issues with the Property may adversely affect the Trust.

Federal, state and local laws may impose liability on a property owner for releases, or otherwise the presence on the premises of, hazardous substances and petroleum at or on the Property, without regard to fault or knowledge of the presence of such substances. A property owner may be held liable for environmental releases of such hazardous substances or petroleum that occurred before it acquired title and that are not discovered until after it acquires or sells the property. If hazardous substances or petroleum are found at any time on the Property, the Trust may be held liable for cleanup costs, fines, penalties and other costs regardless of whether it owned the Property when the releases occurred, or when the hazardous substances or petroleum were discovered. Under the Federal Comprehensive Environmental Response, Compensation, and Liability Act (“**CERCLA**”) (which does not apply to petroleum products), as well as other federal, state, and local environmental laws (many of which do apply to petroleum products), a purchaser of property may qualify for affirmative defenses to, and exemptions from CERCLA and other liabilities. One of the factors often critical to a purchaser’s defense is obtaining, within one-hundred eighty (180) days before acquiring the property, a Phase I that qualifies as “All Appropriate Inquiry.”

The Phase I, dated March 7, 2024, and performed by Terracon Consultants, Inc., did not identify any RECs, HRECs, CRECs, or *de minimis* conditions. The Phase I did not recommend any further action or investigation.

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

The Trust makes no representations in the Purchase Agreement regarding any environmental matters. Under the Lease, the Master Tenant is responsible, at its sole cost and expense, to comply with all environmental laws and the Master Tenant has agreed to indemnify and hold harmless the Trust from and against any and all loss, claims, liability or costs incurred by reason of any failure of the Master Tenant to comply with environmental laws and the environmental provisions of the Lease. If losses arise from hazardous substance contamination that cannot be recovered from the Master Tenant or another responsible party, and the Trust is liable for such losses, the financial liability of the Property may be substantially affected.

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

The presence of mold at the Property could require the Trust to undertake a costly program to remediate, contain or remove the mold. Mold growth may occur when moisture accumulates in buildings or on building materials. Some molds may produce airborne toxins or irritants. Concern about indoor exposure to mold has been increasing because exposure to mold may cause a variety of adverse health effects and symptoms, including allergic or other reactions. The presence of mold could expose the Trust to liability to the Master Tenant and/or the Hotel guests if property damage or health concerns arise. The Phase I for the Property did not consider mold as part of the Phase I assessment.

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

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

A cybersecurity incident and other technology disruptions could negatively impact the Trust's business and the Master Tenant's relationships with the Residents.

The Trust and the Master Tenant use computers in substantially all aspects of their business operations. The Property Manager also may use mobile devices, social networking and other online activities to connect with the Hotel guests. Such uses give rise to cybersecurity risks, including security breach, espionage, system disruption, theft and inadvertent release of information. The businesses of the Trust, the Master Tenant and the Property Manager involve the storage and transmission of numerous classes of sensitive and/or confidential information and intellectual property, including guests' personal information. If the Trust, the Master Tenant or the Property Manager fails to assess and identify cybersecurity risks associated with their operations, they may become increasingly vulnerable to such risks. Additionally, any measures already implemented to prevent security breaches and cyber incidents may not be effective. The theft, destruction, loss, misappropriation or release of sensitive and/or confidential information or intellectual property or interference with the information technology systems of the Trust and the Master Tenant, or the technology systems of third-parties on which the Trust and the Master Tenant rely, or will rely (including those of the Property Manager), could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of guests, potential liability and competitive disadvantage, any of which could result in a material adverse effect on the Trust's financial condition or results of operations.

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

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

Risks Related to the Bridge Capital and Seller Financing

There are potential adverse consequences of the Bridge Capital and seller financing.

In connection with funding the Purchase Price of the Property, the Depositor provided cash as a capital contribution to the Trust, which capital contribution was funded, in part, with the Bridge Capital provided by the Bridge Capital Providers to the Depositor. Additionally, the Seller provided seller financing to the Depositor to enable the Trust to acquire the Property. The Depositor is required to first repay the Bridge Capital and then the seller financing out of the net proceeds of the Offering as the Investors purchase Interests and the Depositor's capital contribution is returned (and in turn, returned to the Bridge Capital Provider and the Seller). In the event that the Depositor is unable to repay the Bridge Capital, the Bridge Capital Provider will own any unsold Interests and may sell such Interests for less than the amount Investors paid for their Interests. Because, among other things, the Depositor (and not the Trust) is the borrower with respect to the Bridge Capital and the seller financing, no investor will be allocated a portion of the liability for the Bridge Capital or seller financing in connection with its purchase of an Interest.

Risks Specific to the Hotel

There are unique risks of the hospitality industry in general.

Hospitality projects are subject to certain unique risks, including the following:

- (1) The success of a hospitality project relies on relationships with the hotel management company as well as any brand franchise; any deterioration in such relationships could materially and adversely affect the development and operations of a hospitality project.
- (2) Results of operations are subject to risks inherent in the hospitality industry, such as the demand for hospitality services in the general vicinity of the Hotel, which could materially and adversely affect the Hotel.
- (3) The success of a hotel depends on key personnel whose continued service is not guaranteed, and their departure could materially and adversely affect the hotel.

The hospitality industry is highly competitive, particularly in the MSA.

The hospitality industry is highly competitive. The Hotel competes for guests based primarily on brand name recognition and reputation, location, customer satisfaction, room rates, quality of service, amenities, quality of accommodations and security. The Hotel's principal competitors are other operators of full service and select service properties, including other major hospitality chains with well-established and recognized brands. The Hotel also competes against smaller hotel chains and independent and local hotel owners and operators. Some of the Hotel's competitors may be larger than the Hotel based on the number of properties or rooms they manage, franchise or own or based on the number of geographic locations where they operate. The Hotel's competitors may also have greater financial and marketing resources than the Hotel does, which could allow them to improve their properties and expand and improve their marketing efforts in ways that could affect

the Hotel's ability to compete for guests effectively. Additional hotel development in the market may reduce occupancy of the Hotel. Moreover, industry consolidation may exacerbate these risks.

The hospitality industry is cyclical and macroeconomic and other factors beyond the Hotel's control can adversely affect and reduce demand for its hospitality products and services.

The hospitality industry is cyclical. Macroeconomic and other factors beyond the Hotel's control can reduce demand for hospitality products and services, including demand for rooms at the Hotel. These factors include (among others): (1) changes and volatility in general economic conditions, including the severity and duration of any downturn in the U.S. or global economy and financial markets; (2) changes in the desirability of particular locations or travel patterns of customers; (3) decreased corporate budgets and spending and cancellations, deferrals or renegotiations of group business (e.g., industry conventions); (4) low consumer confidence and high levels of unemployment; (5) depressed housing prices; (6) the financial condition of the airline, automotive and other transportation-related industries and its impact on travel; (7) decreased airline capacities and routes; (8) travel-related accidents; (9) oil prices and travel costs; and (10) cyclical over-building in the hotel industry. These factors can adversely affect the Hotel's business. How the Hotel manages any one or more of these factors could limit or reduce demand, or the rates the Hotel is able to charge for rooms or services, which could adversely affect the Hotel's business, results of operations and financial condition. Specifically, if the occupancy rate of the Hotel fluctuates, the operating results of the Property could be substantially and adversely affected by the loss of revenue. In the event the cash flow for the Property is impacted, the Master Tenant and the Trust may not be able to pay expenses related to the Property.

There are unique risks applicable to the management of hotels.

The management of hotels, including the Hotel, is subject to various unique risks, including the following:

- (1) The success of the any hotel in large part is dependent upon the ability of the management team to manage such hotel's business and to comply with its franchise agreement (if applicable). With respect to the Hotel owned by the Trust, the Trust relies on the Master Tenant and the Master Tenant relies on the Property Manager's management team to manage the Hotel's business and to comply with the Franchise Documents and the Franchisor's requirements.
- (2) Stringent state and local licensing/permitting issues (especially with respect to the sale and service of alcohol), stealing, and workman's compensation, "slip and fall" and other claims/lawsuits are typical risks prone to the hotel industry.
- (3) Unanticipated damage to the Hotel could result in a significant loss of revenue or decrease in the value of the Hotel. The Hotel may be subject to liabilities related to the Hotel that are not covered by insurance. For example, an accident at the Hotel for which the Hotel is uninsured or underinsured could have an adverse effect on the value of the Hotel and result in liability.
- (4) The Hotel is subject to extensive federal, state and local government regulation relating to the hotel and ancillary uses and the sale of rooms, food and alcohol as well as sanitation, fire, and building codes. Operating costs are also affected by other government actions that are beyond the control of the Property Manager, including increases in the minimum hourly wage requirements, workers' compensation insurance rates, unemployment insurance, and payroll taxes. The Hotel requires a number of approvals, licenses, and permits in the operation of its business, including licenses/permits for the sale and service of alcohol. There is no assurance that the various federal, state, and local agencies responsible for granting such licenses, approvals, and permits will do so or that, once granted, they will not be revoked.
- (5) The Property Manager employs all of the Hotel's employees.
- (6) The Hotel's business and operations are dependent upon the efforts and experience of the management team. Loss of the services of any of these individuals could adversely affect the Hotel's business and operations. The Hotel's business and operations also depend in part on

the ability to attract and retain qualified Hotel management and other personnel. Competition for these personnel in the applicable market might be intense. There is no assurance that the Hotel can attract and retain these personnel.

- (7) The sale of food and beverages and the entertainment of guests subjects the Hotel to product liability and other liability claims that might result in losses. Insurance might not be sufficient to cover these claims.

Although the Property Manager has experience in managing other similar properties, there are no assurances that the Property Manager will be able to successfully operate the Hotel as set forth in the forecasts described herein.

The failure to comply with regulations and laws related to the sale of alcohol at the Hotel may adversely affect the Hotel's business, results of operations or financial condition.

Additionally, businesses that sell alcohol to the public are subject to "dram shop" statutes in certain states, including the State of Tennessee, where the Property is located. These statutes generally provide a person injured by an intoxicated person the right to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated individual. Litigation against a business under a dram shop statute may result in significant judgments and settlements. Because these cases often seek punitive damages, which may not be covered by insurance, such litigation could have an adverse impact on the Hotel's business, results of operations or financial condition. Regardless of whether any claims against the Hotel are valid, claims may be expensive to defend and may divert time and money away from operations and hurt the financial performance of the Hotel. Also, adverse publicity resulting from these allegations may materially affect the Hotel.

Leisure and business travel are particularly susceptible to various factors outside of the control of the Master Tenant, the Property Manager and the Franchisor.

The success of the Hotel depends on the willingness of its guests to travel. Acts of terrorism, the spread of contagious diseases, economic downturns, and political events could depress the public's propensity to travel and cause severe disruptions in air travel and consumer discretionary spending, which could reduce the number of visitors to the Hotel, and have an adverse effect on the Hotel's results of operations. Many of the Hotel's guests travel by air and the impact of higher prices for commercial airline services and availability of air services could cause a decrease in visitation by destination guests to the Hotel. Also, many of the Hotel guests may travel by vehicle and higher gasoline prices could adversely impact such guests' willingness to travel to the Hotel. Higher cost of travel may also affect the amount that guests are willing to spend at the Hotel and could negatively impact the Hotel's revenue.

Risks Related to the Franchise Agreement

The success of the Hotel largely depends on the value of the Home2 Suites by Hilton brand and other Hilton brands.

The success of the Hotel depends, to a large extent, on the ability of the Franchisor and its franchisees using the Brand, and on the ability of the Franchisor and its affiliates and their franchisees using other Hilton brands, to shape and stimulate consumer tastes and demands by maintaining the Brand's name, image and brand and the Hilton name, image and brand. The Franchisor and its affiliates and their franchisees may not be successful in this regard and may not be able to anticipate and react to changing consumer tastes and demands in a timely manner. The Brand and the Hilton brand names and trademarks are integral to the marketing effort for the Hotel. If the value of the Brand's name, image or brand and/or the Hilton name, image or brand were diminished, the Hotel's business and operations would be adversely affected.

The Franchise Agreement does not limit the Franchisor's right to compete with the Hotel.

The Master Tenant will not be entitled to any territorial or exclusivity rights, radius restrictions or similar protections from competition under the Franchise Agreement. Further, the Franchise Agreement will not

limit the Franchisor's rights (or the rights of its affiliates) to compete with the Hotel and the Franchise Agreement will expressly permit the Franchisor and its affiliates to compete with the Hotel.

The Franchisor requires certain upgrades to the Hotel.

The Franchisor requires certain upgrades to the Hotel and may periodically require upgrades in the future, which the Master Tenant, at the Master Tenant's sole cost and expense (subject solely to any Trust Reserve payment rights it may have from the Trust under the Master Lease), will be required to undertake to modernize, rehabilitate and/or upgrade the Hotel's furnishings, fixtures, equipment, supplies and other items to meet the Franchisor's then-current Standards, and there are no limits whatsoever on the Franchisor as to the frequency, scope or cost of any such upgrades. In addition, the operating covenants and restrictions that the Master Tenant will be subject to under the Franchise Agreement will impose substantial burdens and material additional operating costs on the Master Tenant. Pursuant to the Master Lease, such Capital Expenditures are borne by the Trust. Consequently, requirements to modernize, rehabilitate and/or upgrade the Hotel's furnishings, fixtures, equipment, supplies and other items to meet the Franchisor's then-current Standards may have a material adverse effect on the financial condition of the Trust and its ability to make distributions to Investors.

Upon default by the Master Tenant, the Franchisor may suspend the Franchisor's obligations or suspend the Hotel from its reservation system or other services.

Any default by the Master Tenant under the Franchise Agreement will entitle the Franchisor to (among other things) suspend the Franchisor's obligations under the Franchise Agreement and/or the Franchisor's or its affiliates' obligations under Franchise Related Documents. In connection therewith, the Franchisor may (among other things): (1) suspend the Hotel from its reservation system and any reservation and/or website services provided through or by the Franchisor (and may divert reservations previously made for the Hotel to other Hilton brand hotels); (2) remove the listing of the Hotel from any directories or advertising published by the Franchisor; and/or (3) disable all or any part of the software provided to the Master Tenant under the Franchise Related Documents and/or suspend any one or more of the information technology and/or network services that the Franchisor provides or supports under Franchise Related Documents. Any of the foregoing likely would seriously adversely affect the operations of the Hotel, as well as the financial condition and results of operations of the Master Tenant and the Trust.

Upon default by the Master Tenant or the early termination of the Franchise Agreement, the Franchisor will be entitled to substantial liquidated damages.

Any default by the Master Tenant under the Franchise Agreement will entitle the Franchisor to terminate the Franchise Agreement and any such termination will adversely affect the Trust's operations. If the Franchisor terminates the Franchise Agreement due to such default, or upon any early termination of the Franchise Agreement (except for certain early terminations specified in the Franchise Agreement), (1) the Master Tenant would have no further right to operate the Hotel under the Brand, and this would adversely affect the operations of the Hotel, as well as the financial condition and results of operations of the Trust, and (2) the Master Tenant would owe substantial liquidated damages to the Franchisor pursuant to the Franchise Agreement. If the Master Tenant pays such liquidated damages, its ability to pay the rent and satisfy its other obligations under the Master Lease would be adversely impacted, which would adversely affect the Trust's operations. The liquidated damages would be calculated pursuant to the formulas set forth in the Franchise Agreement, as summarized in "*Summary of the Franchise Agreement – Damages and Other Remedies – Liquidated Damages.*"

Under the Franchise Agreement, the sale of the Hotel is subject to a lengthy process and requires the consent of the Franchisor.

The sale, lease, assignment, spin-off, transfer or other conveyance (each, a "**Transfer**") by the Franchisee or by an owner (an "**Equity Owner**") of any direct or indirect legal or beneficial interest in the Franchisee or the Property (an "**Equity Interest**") or any rights or obligations under the Franchise Agreement, which results in a change of control of the Franchisee of the Property will be prohibited without the prior consent

of the Franchisor, subject to certain limited exceptions. The Franchise Agreement will permit the Transfer of an Equity Interest (1) that is not publicly traded if the transferee Equity Owner will own less than 50% of the total Equity Interests immediately after the transaction(s) and (2) to an affiliate, subject to compliance with certain conditions. Otherwise, any Transfer that will result in a change of control of the Franchisee or the Property will require the prior consent of the Franchisor.

The consent of the Franchisor to a Transfer will be subject to the satisfaction of certain conditions set forth in the Franchise Agreement including but not limited to the submission by the proposed transferee of an application for the issuance of a franchise agreement to the proposed transferee and the payment of an application fee and certain other fees and costs. The Franchisor will have sixty (60) days from the date the Franchisor receives such notice and all required information from the Franchisee to consent or withhold its consent to any proposed Transfer, which consent may not be unreasonably withheld. See “SUMMARY OF THE FRANCHISE AGREEMENT – *Transfers*” for additional discussion.

In the event any such sale or transfer requiring the Franchisor’s consent is made without the Franchisor’s prior consent, the Franchisor will have the right to terminate the Franchise Agreement and collect liquidated damages.

The Franchise Agreement will set forth various terms on takings by eminent domain and damage by casualty.

If there is a taking by eminent domain that is significant enough to render the continued operation of the Hotel in accordance with the Standards and guest expectations impractical, as determined by the Franchisor, then the Franchisor may terminate the Franchise Agreement and the Franchisee will not be required to pay liquidated damages. If such taking does not require the termination of the Franchise Agreement, then the Franchisee will be required to make all necessary modifications to make the Hotel conform to its condition, character and appearance immediately before such taking and take all measures to ensure that the resumption of normal operations at the Hotel is not unreasonably delayed.

In the event the Hotel is damaged by fire or other casualty or event of *force majeure* and the damage or repair requires closing the Hotel, the Franchisee may choose to repair or rebuild the Hotel according to the Standards, subject to certain conditions. The Franchisee and the Franchisor each will have the right to terminate the Franchise Agreement if the Franchisee elects not to repair or rebuild the Hotel, provided the terminating party gives the other party 180 days’ written notice. The Franchisee will not be required to pay liquidated damages to the Franchisor unless the Franchisee or one of its affiliates owns and/or operates a hotel at the Property within three years of the termination date under a lease, license or franchise from a Competitor (as defined in the Franchise Agreement).

Various factors could result in an increase in the budget for the PIP Work.

In connection with the acquisition of the Property by the Trust and the execution of the Franchise Agreement with the Master Tenant, the Franchisor will require the Master Tenant to perform the PIP Work as described in the PIP attached to the Franchise Agreement. The Master Tenant estimates that the cost to complete the PIP Work will be approximately \$2,600,000. The Master Tenant anticipates that the PIP Work will be funded from the Master Tenant Reserve Account and the PIP Disbursement. The PIP Work must comply with the terms and conditions described in the Franchise Agreement.

The Franchisor may periodically implement one or more additional PIPs in the future and require the Master Tenant to perform certain work to modernize, rehabilitate and/or upgrade the Hotel’s furnishings, fixtures, equipment, supplies and other items to meet the then-current Standards. The Master Tenant will be required to make these changes at its sole cost and expense (subject solely to any Trust Reserve payment rights it may have under the Master Lease) and in the time frame the Franchisor requires. The Master Tenant anticipates that work required by any additional PIP will be funded from the Master Tenant Reserve Account.

Cost overruns may be encountered as a result of numerous factors, including a delay in the construction process, the unavailability of materials, supplies and furniture, fixtures and equipment, the failure of certain contracted parties to complete their work in accordance with the contracted amount or deliver materials, supplies and furniture, fixtures and equipment, the substitution of contractors, subcontractors and suppliers, and potential increases in pricing. Furthermore, unforeseen issues may be encountered that otherwise require an increase in the budget for the PIP Work.

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

The Master Tenant will have limited capital.

In order to induce the Master Tenant to enter into the Master Lease, the Trust: (1) at the closing of its acquisition of the Property, has conveyed all Personalty to the Master Tenant; (2) upon the execution of the Master Lease, provide initial capitalization to the Master Tenant in the aggregate amount of \$574,938, consisting of: (a) a Franchise Fee Reimbursement of \$200,000; (b) \$66,331, to capitalize the Master Tenant with respect to certain operating prorations funded at the execution of the Master Lease; and (c) the Master Tenant Reserve of \$308,607. In addition to the foregoing, the Master Tenant will be capitalized with the \$300,000 Demand Note from the Sponsor. The Sponsor's Demand Note obligations will be reduced by the amount of any net earnings the Sponsor retains in the Master Tenant.

The Master Tenant will be responsible for significant financial obligations at the Property. If the Master Tenant needs funds to pay its Rent under the Master Lease or satisfy its other obligations under the Master Lease, the Franchise Agreement or the Property Management Agreement, which obligations include the payment of all costs and expenses to operate the Hotel, or if the Master Tenant needs funds to satisfy its obligations with respect to the personal property associated with the Property, including any replacements thereof, it will need to call upon the Sponsor to contribute the amount of the Demand Note except to the extent of any net earnings it may have retained. However, no assurance can be given that the \$300,000 Demand Note, the Master Lease inducement payments and any Master Tenant Working Capital Reserve will be sufficient to enable the Master Tenant to pay rent or to fund its obligations under the Master Lease, the Franchise Agreement or the Property Management Agreement, or to satisfy its obligations with respect to the personal property associate with the Property, including any replacement thereof, or that the Sponsor will be able to fund the Demand Note if called upon by the Master Tenant to do so.

If the Master Tenant is unable to pay its Rent or satisfy its obligations under the Master Lease, the Franchise Agreement or the Property Management Agreement, or to satisfy its obligations with respect to the personal property associate with the Property, including any replacement thereof, the Master Tenant would be in default under the Master Lease and the Trust would likely terminate the Master Lease and the Franchise Agreement. Additionally, any default under the Franchise Agreement or the Property Management Agreement will entitle the Franchisor and the Property Manager, respectively, to terminate such agreement. In such event, the Trust may not be able to master lease the Property on terms similar to the Master Lease, or a franchise agreement on terms similar to the Franchise Agreement, or a property management agreement on terms similar to the Property Management Agreement.

There is no assurance that the Sponsor will fund the Demand Note.

The Sponsor has capitalized the Master Tenant with the Demand Note. The Sponsor or its principals may capitalize other entities, including other master tenant entities, in a like manner in connection with other sponsored offerings. The Sponsor anticipates that in the future it will, through affiliates, master lease additional properties in transactions structured similarly to this Offering. There can be no assurance that the Sponsor will be able to satisfy its Demand Note to the Master Tenant. In the event the Master Tenant is unable to pay the Rent or satisfy its obligations under the Master Lease, the Trust may experience loss of income.

The Master Tenant may not perform under the Master Lease.

The Master Tenant is a newly formed entity and has no operating history. Although the Property is managed by the Property Manager, which has experience in managing the Property and other similar properties, no assurances can be given that the Property will be operated properly or successfully. In addition, no person or entity has guaranteed payment of the rent or the performance of the obligations of the Master Tenant under the Master Lease. A significant financial problem with the Property could adversely affect the Master Tenant's ability to satisfy its financial obligations under the Master Lease. Under the Master Lease, the Master Tenant is obligated to pay the Rent and the operating expenditures of the Property (*see* "SUMMARY OF THE MASTER LEASE") regardless of whether the Property is profitable. If the Property is performing poorly, for whatever reason, the Master Tenant may not be able to pay the Rent. Furthermore, if the Master Tenant is unable to pay the operating expenditures with respect to the Property, the Property may fall into disrepair, or in the event of a failure to pay property or real estate taxes or assessments, may be subject to foreclosure or seizure by the taxing authority. The Trust's inability to act could require the Administrative Trustee to cause a Transfer Distribution to a Springing LLC in order to address these deficiencies. Prospective Investors must carefully evaluate the personal experience and business performance of the Master Tenant, which is an affiliate of the Sponsor. *See* "THE SPONSOR AND PRIOR PERFORMANCE."

The Trust may suffer adverse consequences due to the bankruptcy or insolvency of the Master Tenant.

The Trust would be adversely affected if a bankruptcy or similar insolvency proceeding were initiated with respect to the Master Tenant. For example, a bankruptcy trustee appointed for the Master Tenant might attempt to reject a lease agreement for the Property. Further, as a result of the automatic stay provided for under the applicable bankruptcy laws, the Trust might not be able to enforce the Master Tenant's obligations under the Master Lease, which could negatively impact the Trust's ability to receive rent with respect to the Property. Any such bankruptcy or similar insolvency proceeding could also result in an event of default under the Franchise Agreement and/or the Property Management Agreement. *See* "SUMMARY OF THE FRANCHISE AGREEMENT" and "SUMMARY OF THE PROPERTY MANAGEMENT AGREEMENT." ***There is no assurance that the Master Tenant will pay Rent.***

There can be no assurance that the Master Tenant will make payments of Base Rent, Additional Rent or Bonus Rent, as such payments are contingent upon the successful operation of the Property.

The Master Tenant relies on the Property Manager to manage the Property.

The Master Tenant has entered into the Property Management Agreement with the Property Manager, a wholly-owned subsidiary of the Sponsor. During the term of the Property Management Agreement, the Property Manager has the exclusive right to manage and operate the Property, and has broad rights to direct, supervise, manage, and operate the Hotel and to determine the programs and policies to be followed in connection therewith. The Property Manager (1) may also (a) retain independent contractors to provide services and (b) negotiate and enter into, on behalf of the Master Tenant, service and maintenance contracts and other agreements; and (2) will supervise and purchase all inventories, provisions, and operating supplies for the Hotel. It is important to note that the Property Manager could trigger a default under the Franchise Agreement, which would allow the Franchisor to exercise its remedies under the Franchise Agreement (which include, among others, terminating the Franchise Agreement and collecting substantial liquidated damages) (*see* "SUMMARY OF THE FRANCHISE AGREEMENT"). The termination of the Property Management Agreement could cause an adverse effect on the Hotel and the ability of the Hotel to operate profitably, as well as the financial condition and results of operations of the Trust. Accordingly, a prospective Investor should not purchase the Interests unless he, she or it is willing to entrust all such aspects of management and operation of the Property to the discretion of the Property Manager and to undertake the risks associated with allowing a third party to manage and operate a Hotel, especially one that is subject to a franchise agreement with a major hotel brand such as Hilton. The Property Management Agreement will provide that the Property Manager is not acting as a fiduciary in its management of the hotel and that the Property Manager is liable for the acts or omissions of hotel employees under only limited circumstances such as repeated bad acts (*e.g.*, fraud) or bad acts resulting in a

material adverse effect on the hotel's financial performance. Moreover, the Property Management Agreement will limit the types of damages for which the Property Manager can be liable for breach and excludes punitive, special, indirect or consequential damages, and the Property Manager can be terminated for bad acts such as fraud or misconduct in only limited, specified circumstances. The Property Manager is a limited liability company, and there are no individuals or other entities guaranteeing its obligations. Accordingly, the prospective Investor should not purchase the Interests unless such prospective Investor is willing to entrust all such aspects of management and operation of the Property to the discretion of the Property Manager. A prospective Investor must carefully evaluate the personal experience and business performance of the principals of the Property Manager. See "MANAGEMENT – *Property Management*" for information regarding the Property Management Agreement and "THE SPONSOR AND PRIOR PERFORMANCE" for information regarding the Sponsor. If the Property Manager is not successful in operating and managing the Property, then an Investor's Interest may be adversely impacted, and the Investor may not achieve the expected return, if any, on its Interest.

The Hotel may compete with the Affiliated Hotels for the same pool of property management services and capital.

The Property Manager provides, and is expected to continue to provide, property management services to the Affiliated Hotels as well as other hotels throughout the United States, some of which may also compete for hotel guests with the Property. The Hotel and the Affiliated Hotels will share personnel and services affiliated with the Sponsor and there is no assurance that the allocation of such shared resources will be optimal for the Hotel or equitable. Moreover, the Sponsor or the Sponsor's affiliates may acquire other properties similar to the Property in the same market, which may also be managed by the Property Manager.

The Sponsor, the Administrative Trustee, the Master Tenant, the Asset Manager and the Property Manager are subject to various conflicts of interest.

The Sponsor, the Administrative Trustee, the Master Tenant, the Asset Manager and the Property Manager and their respective affiliates are subject to conflicts of interest between their activities, roles and duties for other entities and the activities, roles and duties they have assumed on behalf of the Trust (or the Master Tenant). Conflicts exist in allocating management time, services and functions between their current and future activities and the Trust. None of the management arrangements or agreements is the result of arm's-length negotiations. See "CONFLICTS OF INTEREST" for additional discussion.

Actual results may differ from those targeted in this Memorandum.

The Financial Forecast included in this Memorandum and all other materials or documents supplied by the Trust are based upon current estimates of income and expenses relating to the operation of the Property as well as other assumptions, including the specific assumptions set forth on Exhibit F. The Financial Forecast should be considered speculative and are qualified in their entirety by the assumptions, information and risks disclosed in this Memorandum. The assumptions and facts upon which the Financial Forecast are based are subject to variations that may arise as future events actually occur. There is no assurance that actual events will correspond with these assumptions. Potential Investors are advised to consult with their tax and business advisors concerning the validity and reasonableness of the factual, accounting and tax assumptions. Any return to the Investors on their investment will depend on the ability of the Administrative Trustee (or the LLC Manager, as applicable), the Master Tenant and the Property Manager to operate the Property profitably and ultimately sell the Property at a profit, which, in turn, will depend upon economic factors and conditions beyond its control. A variety of factors, including, without limitation, any of the following, may cause actual results to differ:

- (1) actual expenses may exceed anticipated expenses;
- (2) capital expenditures and unanticipated costs may exceed the amount placed in the Trust Reserves;
- (3) rental rates may not reach anticipated levels;

(4) rent may be collected later than anticipated, due to failure of the Master Tenant to make such payments when due; and

(5) actual Hotel revenue could be below projected hotel revenue.

Therefore, the actual results achieved during the life of the ownership of the Property may vary from the Financial Forecast, and the variation may be material. As a result, the rate of return to Investors may be lower than that targeted. Neither the Trust nor any other person or entity makes any representation or warranty as to the future profitability of an investment in an Interest.

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

Any proceeds realized from the sale of the Property will be distributed to the Investors in accordance with their respective Interests, but only after payment of any loan then outstanding on the Property, expenses of the transaction, including a broker's fee and a disposition fee to the Master Tenant, and satisfaction of the claims of any other third-party creditors. The Administrative Trustee will have the exclusive right to retain the listing broker, and accordingly the Investors will have no power to designate a listing broker of their choosing. The ability of the Investor to recover all or any portion of the Investor's investment through a sale will therefore depend on the amount of net proceeds realized from such sale and the amount of claims to be satisfied therefrom. There can be no assurance that the Investors will receive any proceeds from the sale of the Property.

Risks Related to the Offering

There is no public market for the Interests.

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

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

The Interests have not been, and will not be, registered with the SEC or any state securities commission. The Interests are being offered in reliance upon an exemption from the registration provisions of the Securities Act and state securities laws applicable only to offers and sales to a prospective Investor meeting the suitability requirements set forth herein. Since this is a nonpublic offering and, as such, is not registered under federal or state securities laws, a prospective Investor will not have the benefit of review or comment by the SEC or any state securities commission. The terms and conditions of the Offering may not comply with the guidelines and regulations established for real estate programs that are required to be registered and qualified with those agencies.

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

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

Investors will have limited rights under the Purchase Agreement.

In order to acquire the Interests, each Investor will execute the Purchase Agreement, which limits Investor rights by, among other things, eliminating any right to jury trial and mandating that any dispute arising under the Purchase Agreement be subject to binding arbitration. Thus, by making an investment in the Interests, Investors are waiving rights they would otherwise have in a dispute with the Trust or the Sponsor or their affiliates.

An Investment in the Interests is not a diversified investment.

An Investor will acquire the Interests in the Trust, the assets of which consist solely of the Property and the Master Lease. The Property is a hospitality property which will own be leased to the Master Tenant. Accordingly, an investment in the Interests will not be diversified as to the type of asset, type of tenant, or geographic location.

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

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

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

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

Certain information is not required to be provided to investors in a private offering.

Since this Offering is a private offering and the Interests are only being offered to accredited investors, certain information that would be required if the Offering were public or not so limited has not been included in this Memorandum. Thus, prospective Investors will not have this information available to review when deciding whether to invest in an Interest.

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

There is no minimum amount of Offering proceeds that must be raised or minimum number of Investors required in connection with this Offering. Accordingly, if the Managing Broker-Dealer is unable to sell all of the Interests, the Depositor and/or its affiliate will own the remaining Interests, provided that the holder of such unsold Interests (whether the Depositor or otherwise) reserves the right to sell or otherwise transfer such unsold Interests, to persons affiliated with the Sponsor or otherwise, whether pursuant to a secondary offering or otherwise. The ownership of the Interests by these entities involves certain risks that potential Investors should consider, including, but not limited to, the fact that there may be conflicts of interest between the objectives of the Investors and those of the Depositor and its affiliates, or, if the Offering is not fully subscribed, that a significant amount of the Interests will not have been acquired by disinterested investors after an assessment of the merits of the Offering.

Tax Risks

*There are substantial issues associated with the federal income tax aspects of a purchase of an Interest, especially if the purchase is part of a Section 1031 Exchange. The following risk factors summarize some of the tax risks to an Investor. A further discussion of the tax aspects (including other tax risks) of a purchase of an Interest is set forth under "FEDERAL INCOME TAX CONSEQUENCES." **Because the tax aspects of this Offering are complex and certain of the tax consequences may differ depending on individual tax***

circumstances, each prospective Investor is strongly encouraged to consult with and rely on his, her or its own tax advisor about the tax aspects of this Offering in light of that Investor's individual situation. No representation or warranty of any kind is made with respect to the IRS' acceptance of the treatment of any item by an Investor.

THE DISCUSSION SET FORTH HEREIN IS NOT ADVICE INTENDED TO BE RELIED UPON AND USED, AND CANNOT BE USED BY ANY TAXPAYER, FOR THE PURPOSE OF AVOIDING ANY PENALTIES IMPOSED ON THE TAXPAYER. THIS SECTION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS CONTEMPLATED BY AND DESCRIBED IN THIS MEMORANDUM. EACH PROSPECTIVE INVESTOR SHOULD SEEK ADVICE BASED ON THE HIS, HER OR ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR CONCERNING THE INCOME AND OTHER TAX CONSEQUENCES OF PARTICIPATION IN THIS INVESTMENT.

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

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

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

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

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

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

Section 1031 generally permits taxpayers to identify up to three replacement properties, without regard to the fair market value of those properties (the “**three-property rule**”). In addition, taxpayers may identify any number of properties so long as their aggregate fair market value at the end of the identification period does not exceed 200% of the value of the Relinquished Property on the date it was transferred (the “**200% rule**”). If the three-property rule and 200% rule are violated, an Investor will still be treated as properly identifying any replacement property identified before the end of the identification period and received before the end of the exchange period if the fair market value of the replacement property received is at least 95% of the aggregate fair market value of all identified replacement property. These identification rules are strictly construed and your exchange will be totally disqualified if you fail to comply with these requirements or do not meet the applicable deadlines under Section 1031. Prospective Investors should consult with their own tax advisors prior to identifying the Interests as replacement property.

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

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

State laws may differ.

Some states adopt Section 1031 in whole, other states adopt it in part and still other states impose their own requirements to qualify for deferral of gain under state law. In addition, while many states follow federal tax law by treating the owner of an interest in a fixed investment trust as owning an interest in the assets held by the trust, other state laws may differ and could result in the imposition of income or other taxes on such entities. Therefore, each Investor must consult his, her or its own tax advisor as to the qualification of a transaction for deferral of gain under state law.

The conversion of the Trust to a Springing LLC or the contribution of the Property to a Springing LLC may have adverse tax consequences to Investors.

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

If the Trust is converted into a Springing LLC or the Property is contributed to a Springing LLC, the Investors' membership interests in the Springing LLC will not qualify for tax-deferred exchange treatment under Section 1031.

If the Trust is converted to a Springing LLC, the Investors will hold membership interests in the Springing LLC, which cannot be transferred in an exchange that qualifies for tax-deferred exchange treatment under Section 1031. If, after the conversion of the Trust into a Springing LLC or the formation of a Springing LLC, the Investors wish to engage in a tax-deferred exchange of their indirect interests in the Property held by the Springing LLC, the LLC Manager may be able to convert the Investors' interests in the Springing LLC into (or exchange them for) direct interests in the Property or adopt some other tax strategy to accomplish the tax-deferred exchange. However, there can be no guarantee that this can or will be accomplished.

The conversion of the Trust in whole or in part to a tenancy in common arrangement may have adverse tax consequences to Investors.

The Property may be converted to a tenancy in common arrangement (a “**TIC Arrangement**,” and such conversion, a “**TIC Conversion**”). In the event of a TIC Conversion, the Administrative Trustee would distribute the Property to the Investors and establish a co-ownership agreement and other agreements governing the TIC Arrangement and the Investors' ownership of the Property that, as determined in its sole discretion, are materially consistent with the terms and conditions set forth in IRS Revenue Procedure 2002-22 or such other IRS guidance as may apply to the treatment of a TIC Arrangement as the direct ownership of its underlying property. Nevertheless, there can be no assurance that the TIC Arrangement would not be classified as a partnership (rather than as direct undivided ownership of the Property) if challenged by the IRS.

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

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

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

Losses from passive trade or business activities generally may not be used to offset “portfolio income,” such as interest, dividends and royalties, or salary or other active business income. Deductions from passive activities generally may only be used to offset passive income. Passive activities include any activity which involves the conduct of any trade or business and in which the taxpayer does not “materially participate” (a statutorily-defined test). An Investor's losses and deductions from an investment in an Interest, if any, will constitute losses and deductions from passive activities. Disallowed losses and deductions from passive activities are generally allowed in full when the taxpayer disposes of its entire interest in the activity in a taxable transaction. However, the rules regarding the deductibility of passive losses and deductions are complex and vary with the facts and circumstances particular to each Investor. Prospective Investors should consult their tax advisors with respect to the tax consequences to them of the rules described above.

In addition, an Investor that is an individual or closely held corporation will be unable to deduct losses from the Trust, if any, to the extent such losses exceed the amount the Investor is considered “at risk” under the Code. Losses not allowed under the at-risk provisions may be carried forward to subsequent tax years and used when the Investor's amount “at risk” increases or when the Investor generates gain on the disposition of the activity. However, the rules regarding the applicability of the at risk rules to a particular Investor are complex

and vary with the facts and circumstances particular to each Investor. Prospective Investors should consult their tax advisors with respect to the tax consequences to them of the rules described above.

Excess business losses of a taxpayer other than a corporation are not allowed for the taxable year. Such losses are carried forward and treated as part of the taxpayer's net operating loss carryforward in subsequent taxable years. An excess business loss for the taxable year is the excess of aggregate deductions of the taxpayer attributable to trades or businesses of the taxpayer over the sum of aggregate gross income or gain of the taxpayer plus a threshold amount. The threshold amount for 2024 is \$305,000 (or twice the applicable threshold amount in the case of a joint return). The threshold amount is indexed for inflation. In the case of a partnership or S corporation, the provision applies at the partner or shareholder level. The provision applies after the application of the passive loss rules.

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

Certain Investors who are U.S. individuals, estates, or trusts (including those that would own their Interests through an entity treated as a partnership or S corporation for U.S. income tax purposes) are subject to the Medicare Contributions Tax, which imposes a 3.8% tax on the lesser of (1) "net investment income" for the relevant taxable year and (2) the excess of modified adjusted gross income for the taxable year over a certain threshold of certain U.S. individuals and on the lesser of (a) the undistributed "net investment income" for the relevant tax year and (b) the excess of the "adjusted gross income" for such taxable year over the dollar amount at which the highest tax bracket in Code Section 1(e) begins for such taxable year of certain estates and trusts. Among other items, "net investment income" generally includes passive investment income, such as rent and net gain from the disposition of investment property, less certain deductions. Prospective Investors should consult their tax advisors with respect to the tax consequences to them of the rules described above.

An Investor may need to use funds from other sources to satisfy tax liabilities.

It is possible that an Investor's taxable income resulting from his, her or its Interest will exceed any distribution of cash attributable thereto. This may occur because cash flow from the Property may be used to fund nondeductible operating or capital expenses of the Property, including reserves, which are not offset by depreciation or other deductions. Thus, there may be years in which an Investor's tax liability exceeds its share of cash from the Property. In addition, a sale or exchange of the Property at an economic loss without a Section 1031 Exchange could result in ordinary income, depreciation recapture or capital gain to an Investor without any accompanying net cash proceeds from the sale or disposition of the Property to pay income taxes on such items. This is a particular risk for certain Investors, such as persons acquiring an Interest in a Section 1031 Exchange, whose income tax basis in an Interest may be substantially lower than his, her or its cash investment in the Property. If this were to occur, an Investor would have to use funds from other sources to satisfy his, her or its tax liability.

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

The discussion of tax aspects contained in this Memorandum is based on law presently in effect and certain proposed Regulations. Investors should be aware that new administrative, legislative or judicial action could significantly change the tax aspects of an investment in an Interest. By way of illustration but not limitation, in March 2023, President Biden proposed tax law changes that would, among other things, eliminate the ability for taxpayers to undertake Section 1031 Exchanges. Any tax law changes, whether with respect to the proposed legislation described in the prior sentence or otherwise, may be retroactive with respect to transactions entered into or contemplated before the effective date of such change, and could have a material adverse effect on the tax consequences of an investment in an Interest.

COMPENSATION OF THE SPONSOR AND ITS AFFILIATES

The following is a description of compensation that may be paid to the Sponsor, the Depositor, the Administrative Trustee, the Master Tenant, the Property Manager, or their respective affiliates during the period of the Trust's ownership of the Property or in connection with the Offering. These compensation arrangements are not the result of arm's-length negotiations.

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

For purposes of this table, the amount of the commissions and fees set forth below are calculated based on the Maximum Offering Amount of \$32,201,767, which represents 100% of the Interests.

Form of Compensation	Description	Estimated Maximum Amount of Compensation (Based on 100% of Interests Sold in this Offering)
ACQUISITION, OFFERING AND ORGANIZATION STAGE		
Reimbursement of Offering and Organizational Expenses:	The Trust will reimburse the Sponsor, its affiliates and certain third parties for offering and organizational expenses in an amount equal to 1.0% of the gross cash proceeds of the Offering of the Offering.	\$322,018
Selling Commissions	The Trust will pay the Managing Broker-Dealer Selling Commissions of up to 6.00% of the gross cash proceeds of the Offering. The Managing Broker-Dealer may reallocate (pay) the full amount of the Selling Commissions to broker/dealers who are members of FINRA.	\$1,932,106
Managing Broker-Dealer Fee	The Trust will pay the Managing Broker-Dealer a fee, equal to 1.90% of the gross cash proceeds of the Offering, for serving as the Managing Broker-Dealer.	\$611,834
Reimbursement of Acquisition and Financing Costs:	The Trust will reimburse certain affiliates of the Sponsor for due diligence and closing costs related to the acquisition and financing of the Property.	Impracticable to determine at this time.
Depositor Bridge Capital Costs:	A portion of the funds used to acquire the Property have been provided by an affiliate of the Sponsor, and accordingly a portion of the Depositor Bridge Capital Costs will be payable to an affiliate of the Sponsor.	Impracticable to determine at this time but in any event less than \$311,997.
Acquisition Fee:	The Trust will pay the Sponsor or an affiliate an acquisition fee equal to 2.9% of the total Purchase Price of the Property \$25,500,000 for its services in acquiring the Property.	\$735,000

Form of Compensation	Description	Estimated Maximum Amount of Compensation (Based on 100% of Interests Sold in this Offering)
Master Lease Inducement Payment	As part of the Master Lease Inducement Payment to induce the Master Tenant to enter into the Master Lease and perform its obligations thereunder, the Trust will (1) convey to the Master Tenant the personal property associate with the Property; and (2) pay to the Master Tenant \$574,938 used to provide working capital to the Master Tenant, to reimburse the Master Tenant for certain start-up costs incurred in connection with entering into the Lease.	\$574,938 plus the value of the personal property associated with the Property.
Incentive Fee	The Sponsor will receive a promote from the sale of the property to the Trust. Due to the amounts and timing of investments made in the Seller by affiliates of the Sponsor and others, and further due to the uncertain nature of the amount and timing of sales of Interests made pursuant to this Offering, the value of the promoted interest held by affiliates of the Sponsor in the Seller in connection with its sale of the Property to the Trust is impracticable to determine at this time.	Impracticable to determine at this time.
OPERATING STAGE		
Master Tenant Operating Revenue:	The Master Tenant is an affiliate of the Sponsor, and therefore the Sponsor may be deemed to receive additional compensation to the extent that the Master Tenant has net income. The Master Tenant is entitled to the net income from the Property equal to the difference, after taxes owed by the Master Tenant, between (a) the gross revenues the Master Tenant receives from the Property and (b) the expenses it incurs in maintaining the Property and its payment and other financial obligations under the Master Lease, including its obligations to pay Rent (including Base Rent, Additional Rent and Bonus Rent), Impositions and Operating Costs.	Impracticable to determine at this time.
Master Lease PIP, PIP Renewal and Related Payments:	Under the Master Lease, the Trust is required to pay the Master Tenant as follows: (1) in one or more installments on or before December 31, 2025, the Trust is required to pay the Master Tenant the Master Lease PIP Payment to provide funds to the Master Tenant to satisfy the PIP Work requirements under the Franchise Agreement; (2) in one or more installments between March 28, 2024 and December 31, 2033, the Trust is required to pay the Master Tenant up to \$300,000 the aggregate; and (3) if the Master Lease automatically extends into the Renewal Term, then in one or more installments on or before December 31, 2034, the Trust	Up to \$2,600,000 during the Original Term and approximately \$2,800,000 during the Renewal Term; provided, however, such amount is subject to final determination by the Franchisor pursuant to the Franchise

<u>Form of Compensation</u>	<u>Description</u>	Estimated Maximum Amount of Compensation (Based on 100% of Interests Sold in this Offering)
	will be required to pay the Master Tenant the Master Lease PIP Renewal Payment.	Agreement.
	For the avoidance of doubt, the dates set forth above may be extended, in the sole and absolute discretion of the Trust, if and only if, the timing for such payments is extended by the Franchisor.	
Reimbursement of Expenses to Administrative Trustee:	The Administrative Trustee may seek reimbursement for reasonable and necessary expenses paid or incurred by the Administrative Trustee in connection with the administration of the Trust.	Impracticable to determine at this time.
Property Management Fees:	<p>The Master Tenant is required to pay to the Property Manager the following fees:</p> <p>(1) a monthly property management fee equal to four percent (4%) of the gross income generated by the Property during the applicable month (the “Property Management Fee”);</p> <p>(2) a monthly revenue management fee equal to \$1,000 (the “Revenue Management Fee”);</p> <p>(3) a monthly accounting fee of \$1,500 per month (the “Accounting Fee”);</p> <p>(4) after the date of termination of the Property Management Agreement by the Property Manager as a result of a Termination Event (as defined in the Property Management Agreement), a close-out management fee equal to the projected management fees that would have been due to the Property Manager during the 12 months following the termination (or until the date on which the Term would have expired if shorter) based on the pro forma projections for the Hotel during such time period (the “Termination Fee”);</p> <p>(5) a construction management fee of up 4% of the costs to plan, execute and supervise non-routine renovation or remodeling programs at the Hotel in the aggregate in excess of \$25,000 (the “Construction Management Fee”). For the avoidance of doubt, the Property Manager shall be entitled to the Construction Management Fee for any PIP Work it plans, executes, or supervises; and</p>	Impracticable to determine at this time.

<u>Form of Compensation</u>	<u>Description</u>	Estimated Maximum Amount of Compensation (Based on 100% of Interests Sold in this Offering)
Asset Management Fee:	<p>The Property Management Fee, Revenue Management Fee, and Accounting Fee are subject to an annual CPI Adjustment upon the approval of the Master Tenant, which approval may not be unreasonably withheld.</p> <p>Additionally, the Master Tenant is responsible for reimbursing the Property Manager for all expenses paid or incurred by the Property Manager in providing services under the Property Management Agreement, in accordance with the approved budget and the terms of the Property Management Agreement.</p> <p>The Trust will pay the Asset Manager an annual asset management in the amounts provided in the Asset Management Agreement. The Trust will pay the Asset Manager an asset management fee of \$53,361 for the period through December 31, 2024, \$70,000 for calendar year 2025, \$85,000 for calendar years 2026 and 2027, \$115,000 for calendar years 2028 and 2029, \$135,000 for calendar years 2030 and 2031 and \$150,000 for calendar years 2032 and 2033. The asset management fees may be deferred or waived in whole or in part.</p>	Up to \$150,000 per calendar year.

<u>Form of Compensation</u>	<u>Description</u>	Estimated Maximum Amount of Compensation (Based on 100% of Interests Sold in this Offering)
LIQUIDATION STAGE		
Disposition Fee on Sale of the Property:	<p>Upon the sale, transfer or other disposition of the Property, excluding a sale in foreclosure (or deed in lieu of) or a transfer to a Springing LLC in connection with a Transfer Distribution, the Master Tenant will be entitled to a payment (the “Disposition Fee”) equal to three percent (3.0)% of the gross sales price of the Property (or buyer’s assumed fair market value of the Property, if consideration to the Trust for the Property is not rendered in cash), plus, for the avoidance of doubt, any reserves held by the Trust not otherwise required for payment of Trust expenses and not specifically included in the computation of the gross sales price of the Property (such aggregate amount, the “Sales Proceeds”) in cash on the closing date of such sale, transfer or other disposition of the Property; provided, however, no Disposition Fee will be paid if the net sales price of the Property is less than \$32,201,767, the (“Disposition Fee Hurdle”), and provided further, that if the sum of the Disposition Fee and the Disposition Fee Hurdle is greater than the Sales Proceeds, then the Disposition Fee shall be reduced dollar for dollar by the amount of such excess. Any third party brokerage commissions otherwise due and payable in connection with such sale, transfer or other disposition shall be in addition to the Disposition Fee.</p> <p>The Master Tenant may decide, in its sole discretion, to be paid an amount less than the total amounts to which it is entitled with respect to the Disposition Fee.</p>	Impracticable to determine at this time.

CONFLICTS OF INTEREST

Conflicts of Interest

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

The Property will compete with other properties owned or managed by the Sponsor or its affiliates.

The Sponsor or its affiliates may acquire or develop other properties similar to the Property in the same market. As of the date of this Memorandum, the Property Manager, an affiliate of the Sponsor, will manage the Property and the Affiliated Hotels, some of which may cater to the same guest demographic. As such, the Property and the Affiliated Hotels may compete both for guests and for property management services from the Property Manager. There is no assurance that the allocation of such shared resources will be optimal for the Property or equitable. Moreover, the Sponsor, including its affiliates, own, operate, manage and anticipate acquiring other properties similar to the Property in the same market.

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

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

The efforts and time of the Sponsor, the Administrative Trustee, the Master Tenant, the Property Manager, and the Asset Manager will not be solely dedicated to the Trust.

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

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

Principals of the Sponsor, the Administrative Trustee, the Master Tenant, the Property Manager, and the Asset Manager, and their respective affiliates may have obligations to other entities. Therefore, these individuals may have conflicts of interest in allocating management time, services and functions among the various entities with which they are engaged and others that may be organized in the future. If these persons are unable to devote sufficient time or resources to the Trust due to the competing demands of the other entities, they could harm the implementation of the Trust's business strategies. If the Trust does not successfully implement its business strategies, it may be unable to maintain or increase the value of the Property, and its operating cash flows and ability to pay distributions could be adversely affected.

The Property Manager is subject to additional conflicts of interest.

The Property Manager is subject to conflicts of interest among its activities, roles and duties for other entities and the activities, roles and duties it has assumed, or will assume, on behalf of the Master Tenant. Conflicts exist in allocating management time, services and functions between its current and future activities and the Property.

The Property Manager manages the Affiliated Hotels and other hospitality properties, some of which may cater to the same guest demographic, and could direct potential hotel occupants and guests away from the Property and toward hotel rooms or meeting and event space at such other properties. The Property Management Agreement does not prohibit the Property Manager and its affiliates from operating, owning, managing, leasing or constructing any hotel of any nature or description which may in any manner compete with that of the Hotel. See “MANAGEMENT – *Property Management Agreement*” for additional discussion.

In the event the Property Management Agreement is terminated by the Master Tenant or the Property Manager, including by the Master Tenant for cause, the Master Tenant would be required to pay the Termination Fee. See “COMPENSATION OF THE SPONSOR AND ITS AFFILIATES – *Property Management Fee.*”

The Trust does not have arm’s-length agreements with the Administrative Trustee, the Asset Manager, or the Master Tenant.

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

The Sponsor, the Administrative Trustee, the Asset Manager and the Master Tenant face conflicts of interest caused by their compensation arrangements with the Trust.

The Sponsor, the Administrative Trustee, the Asset Manager, and the Master Tenant will receive certain compensation for services rendered regardless of whether distributions are paid to Investors.

The Trust, the Master Tenant and the Sponsor share legal representation.

Counsel to the Trust, the Administrative Trustee, the Master Tenant and the Sponsor in connection with this Offering is the same, and it is anticipated that such representation will continue in the future. As a result, conflicts may arise in the future.

If all of the Interests are not sold, the Depositor and/or its affiliate will own the unsold Interests.

There is no minimum amount of Offering proceeds that must be raised or minimum number of Investors required in connection with this Offering. Accordingly, if the Managing Broker-Dealer is unable to sell all of the Interests, the Depositor and/or its affiliate will own the remaining Interests, provided that the holder of such unsold Interests (whether the Depositor or otherwise) reserves the right to sell or otherwise transfer such unsold Interests, to persons affiliated with the Sponsor or otherwise, whether pursuant to a secondary offering or otherwise. The financial obligations and interests of the Sponsor and its affiliates may not always be consistent with those of the other Investors. See “RISK FACTORS – *Risks Related to the Offering – If all of the Interests are not sold, the Depositor and/or its affiliate will own the unsold Interests, which could result in potential conflicts of interest.*”

Resolution of Conflicts of Interest

The Sponsor, the Administrative Trustee, the Master Tenant, and the Property Manager have not developed, and do not expect to develop, any formal process for resolving conflicts of interest. Although the foregoing conflicts could materially and adversely affect the Property, the parties, in their sole judgment and discretion, will try to mitigate such potential adversity by the exercise of their business judgment in an attempt

to fulfill their obligations. There can be no assurance that such an attempt will prevent adverse consequences resulting from the numerous conflicts of interest.

THE SPONSOR AND PRIOR PERFORMANCE

The Sponsor

The Sponsor, Peachtree Hotel Group II, LLC, a Georgia limited liability company (“**Peachtree Group**”), and Peachtree Hospitality Management, a Georgia limited liability company (“**Peachtree Management**”), focus on acquiring and managing high quality hospitality properties in fast-growing markets across the United States. The Sponsor and Peachtree Management are wholly owned and controlled by Greg Friedman, Jatin Desai, and Mitul Patel.

Peachtree Group is a privately held real estate investment company that finances, owns, operates, manages and develops hotel and hotel-related assets throughout the United States. Founded in 2008, Peachtree Group has invested, through acquisition, origination or development, in a portfolio of more than 660 hotels and mortgage loans secured primarily by hotel properties, with a cost basis of approximately \$9 billion as of the date of this Memorandum. Peachtree Group and its affiliates provide investment services, loan origination, loan servicing, property management, asset management, development and construction/renovation management for nationally branded, limited-service, full-service and select-service hotels located throughout the United States.

Peachtree Group manages and controls a multibillion-dollar investment portfolio and direct investment strategies across its distinct operating and real estate divisions, including hospitality, commercial lending, residential development and capital markets. The Sponsor’s track record spans more than 133 real estate transactions and \$3.8 billion in total capitalization of real estate assets.

Peachtree Group utilizes proprietary systems and processes to maximize every asset’s financial performance and value. It delivers efficiencies to enable franchisors to provide guests with unique and memorable experiences. Peachtree Hospitality Management operates 81 owned and third-party managed hotels across 26 brands with more than 10,000 rooms located in 22 states.

Sponsor Management Team

The Management Team of the Sponsor are seasoned investment and operations professionals with many years of experience investing in hospitality real estate and related debt assets. The Sponsor will have access to the Management Team and other employees of Peachtree Group, which maintains a team of full-time investment professionals and supporting staff. The Management Team has proven its ability to source potential transactions while acting in the capacity as entrepreneurial investor representatives. This experience is complemented by extensive industry contacts that the members of the Management Team believe create an outstanding potential source of deal flow and fund size critical mass to enable investment diversity. The members of the Management Team are: Gregory Friedman, Jatin Desai, Mitul Patel, Mathew Crosswy, Kevin Cadin, Brian Waldman, Patrick Short, Lee Shuman and Michael Harper. Biographies of the Management Team members follow.

Greg Friedman

Mr. Friedman is the Chief Executive Officer of Peachtree Group and has more than 22 years of hospitality experience with an emphasis on deal-structure and financing. Mr. Friedman has successfully led Peachtree Group in more than \$5 billion in hotel acquisitions, investments and development since cofounding the company. He formerly was Senior Vice President of Business Development for Specialty Finance Group, LLC (“Specialty Finance Group”), a direct lender providing hotel first mortgage and FF&E financing, where he originated more than \$2 billion of hotel debt. Previously, Mr. Friedman was Vice President of Business Development for GMAC Commercial Mortgage – Asset-Backed Lending Division. During his six-year tenure, he originated, closed and funded more than 300 hospitality FF&E financing transactions with an aggregate capital structure exceeding \$10 billion. Mr. Friedman holds a Bachelor of Arts in Biology from the University of Texas at Austin.

Jatin Desai

Mr. Desai is the Chief Investment Officer and Chief Financial Officer of Peachtree Group and has more than 17 years of hospitality experience. Mr. Desai's primary responsibilities include sourcing, negotiating, and financing hotel acquisition and development projects. Mr. Desai has overseen hundreds of transactions valued at over \$5 billion while at Peachtree Group. Previously, he was with Wachovia Securities, where he focused on asset underwriting and private equity transactions ranging from \$100 million to more than \$5 billion. He also formed Stonehill Property Group, a family-funded investment venture targeting select- and full-service hotel investments throughout the Southeast. Mr. Desai received his bachelor's degree in Business Administration from The University of North Carolina at Chapel Hill. He also completed coursework at The University of New South Wales in Sydney, Australia, and The London School of Economics and Political Science. Mr. Desai is an advisory board member for the Wood Center for Real Estate Studies at the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill and serves on the board of the Atlanta Hospitality Alliance.

Mitul Patel

Mr. Patel is the Chief Operating Officer of Peachtree Group and brings over 21 years of management, development and acquisition experience to Peachtree Group's growing portfolio. Mr. Patel also focuses on sourcing, analyzing and positioning acquisition/reposition and development opportunities for the organization. Mr. Patel is responsible for Peachtree Group's development and renovation programs, ensuring product quality is achieved to the highest standard in timely fashion. To date, he has been responsible for more than \$900 million in both new construction and refurbishment programs. Born into the hospitality industry, Mr. Patel worked at his family's portfolio of independent hotels before eventually expanding the family business and cofounding Peachtree Group. His background includes hotel consulting at PKF Hospitality Research and hotel real estate valuation at CBRE Hotel Brokerage. Mr. Patel holds a bachelor's degree in Hospitality Administration from Florida International University's School of Hospitality and Tourism Management. Mr. Patel also is on the board of advisors for Gwinnett Technical College's School of Hospitality Management.

Timothy Witt

Mr. Witt is President of 1031 Exchange/DST Products for Peachtree PCI Investors. Has over 25 years of investment experience, most of which has been focused on alternative investments. He has worked at a number of broker-dealers ranging from boutiques to a NYSE-member firm. In his prior two positions, he served as the firms' Chief Investment Officer. His focus has been on identifying investment solutions that can provide attractive, risk-adjusted returns. He has been performing due diligence on DST and Tenant-in-Common 1031 exchange offerings since 2004, with the total real estate value of these offerings exceeding \$10 billion. Mr. Witt began his investment career as an equity analyst and was recognized by the Wall Street Journal as an All-Star Analyst for the performance of his stock recommendations. He served as a Legislative Director at the United State Housing of Representatives during the 113th Congress. He earned a B.A. from Moody Bible Institute and an MBA from Keller Graduate School of Management. Mr. Witt holds Series 7, 24, 86, 87, 16, 79, 63 and 65 securities licenses and is a member of the Alternative & Direct Investment Securities Association (ADISA) and the Institute for Portfolio Alternatives (IPA).

Kevin Cadin

Mr. Cadin serves as Peachtree Group's general counsel. Mr. Cadin is involved in all aspects of the company's transactions, including fund structuring, negotiation of the transactional agreements, interfacing with franchisors and lenders, and asset management and ultimately disposition of the assets. Additionally, he supervises all of the legal, regulatory and compliance aspects of Peachtree Group and its affiliates. Prior to joining Peachtree Group, he was an attorney in the Corporate, Securities and Real Estate Capital Markets practices at Morris, Manning and Martin, LLP in Atlanta, Georgia. In this role, he assisted public and private companies in general corporate and compliance matters and securities offerings. He earned his law degree from Georgetown University Law Center and his bachelor's degree from the University of Pennsylvania.

Brian Waldman

Mr. Waldman is the Executive Vice President of Investments of Peachtree Group and has more than 21 years of hospitality experience. He leads investment execution and credit for the company's hotel real estate and debt programs. He was formerly Managing Director and Head of Capital Markets for Beacon Hospitality Members ("Beacon"), where he was responsible for executing capital markets assignments and other advisory assignments with an aggregate asset value exceeding \$8 billion. Prior to Beacon, Mr. Waldman served as Senior Vice President of DTZ Hospitality Group and Vice President of The Mumford Company. Prior to that, Mr. Waldman worked at InterContinental Hotels Group, Arthur Andersen and PricewaterhouseCoopers. Throughout his career, Mr. Waldman has had experience underwriting a broad range of asset and portfolio types spanning from luxury hotels and resorts to limited, select-service and extended stay hotel properties. His experience includes executing transactional and advisory assignments with an aggregate asset value exceeding \$11 billion, underwriting more than \$10 billion of individual hospitality asset and hotel companies, consulting on development projects valued in excess of \$4 billion, restructuring and/or working out portfolios and individual hotels valued in excess of \$5 billion, and marketing more than 100 individual hotels for sale. Mr. Waldman is a graduate of the Cornell School of Hotel Administration, where he completed a dual concentration in Real Estate and Finance.

Patrick Short

Mr. Short is the President of Peachtree Hospitality Management. He leads the Peachtree Hospitality Management team, which is responsible for the overall performance of Peachtree Group's owned/managed hotels and third-party managed portfolio. Prior to joining Peachtree Group, Mr. Short has spent more than 25 years in the hospitality industry operating hotels and restaurants. He has recently held roles as Vice President of Operations with TPG Hotels & Resorts and Wischermann Partners where he oversaw both full-service and select-service hotels throughout the country. He has experience with owned & managed, third-party management and institutional investors. Prior to these executive roles, he served as a full-service general manager for several brands and has worked with; Marriott, Starwood, Hilton, IHG, Hyatt, Wyndham, Choice and additional restaurant operators. Mr. Short has a Hospitality and Tourism Management degree from The University of Wisconsin-Stout as well as an MBA in Finance from Argosy University – Twin Cities. He holds a Certified Hotel Administrator (CHA) from the American Hotel and Lodging Association and a Food Safety Certification.

Lee Shuman

Mr. Shuman is the Vice President of Construction and Design at Peachtree Group. He has accumulated 22 years of extensive experience in the construction industry, previously as an architect and construction manager, and currently with Peachtree Group. Mr. Shuman joined Peachtree Group in December of 2014 and has overseen several complicated conversions and renovations and has also completed numerous new development projects with Peachtree. He manages all construction related projects from inception to final close out and is an integral part of the Peachtree team. He graduated from University of North Carolina at Charlotte with a professional degree in Architecture. His successful architecture career included working for several architectural firms in the Charlotte area. He also managed his own successful architecture firm and understands the importance of client satisfaction. Mr. Shuman also successfully managed over 75 full hotel renovation and new build projects, ranging from new lobby and guest room renovations to dual branded new builds prior to joining Peachtree Group. He has extensive experience in all areas of the development and construction process.

Michael Harper

Mr. Harper is the Senior Vice President for Stonehill and is responsible for operational oversight of debt investments from origination through underwriting, closing and asset management. Previously, Mr. Harper served as Vice President of Finance for Access Point Financial, a hospitality lending platform, where he managed the company's loan portfolio and guided originations to maximize yield through credit facility utilization, in addition to underwriting and originating loans. Mr. Harper began his career in hospitality finance with Specialty

Finance Group, where he underwrote hospitality construction loans and oversaw the performance of the company's \$1.8 billion portfolio of hospitality assets. Mr. Harper earned a Bachelor of Science in Management with certificates in finance and accounting from Georgia Tech.

Prior Performance

IN CONSIDERING THE TRACK RECORD AND EXPERIENCE OF THE PRINCIPALS OF THE SPONSOR DESCRIBED BELOW, PROSPECTIVE INVESTORS SHOULD BEAR IN MIND THAT PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS, AND THERE CAN BE NO ASSURANCE THAT THE PROPERTY WILL ACHIEVE ANY CERTAIN RESULTS IN THE FUTURE.

Since 2002, Peachtree Group and its principals and affiliates have invested over \$3.8 billion of equity in more than 650 real estate acquisitions and structured financings, primarily in the hospitality sector. Peachtree Group and its principals and affiliates have realized more than 380 of these investments since 2005 and, in the process, have demonstrated the ability to achieve favorable risk-adjusted returns for investors through various business/real estate cycles due to their ability to opportunistically invest in "off-market" transactions, often at a basis representing a significant discount to replacement cost or comparable trades.

Peachtree Group currently manages equity and debt investments comprised of approximately \$3.4 billion of equity across 12 sponsored funds and 208 non-fund investments.

Past performance does not guarantee future results. Prospective investors should not assume that they will experience returns comparable to those experienced in the past by the asset transactions sponsored by Peachtree Group set forth in the tables below.

A copy of the Track Record summarizing the investment experience and, to the degree fully realized, the performance results of Peachtree Group and its affiliates is attached as Exhibit E to this Memorandum. The Track Record was prepared by the Sponsor as of December 31, 2023 relying on the internal accounting records of each investment furnished to it by its affiliates. A majority of the investments described therein have not previously undergone audits.

MANAGEMENT

Asset Management

The Sponsor, Peachtree Hotel Group II, LLC, serves as the Asset Manager pursuant to the Asset Management Agreement, a copy of which is available in the Investor Data Room. *See* “THE SPONSOR AND PRIOR PERFORMANCE” for information regarding the Sponsor.

Asset Management Agreement

In its capacity as asset manager, the Asset Manager is responsible to ensure that the Trust is managed and operated in accordance with the Asset Management Agreement in a commercially reasonable manner.

The Asset Management Agreement will terminate upon the sale of the Property and the payment of any accrued compensation due to the Asset Manager under the Asset Management Agreement. The Asset Management Agreement may be terminated by the Trust prior to the termination date For Cause. “**For Cause**” is defined in the Asset Management Agreement to mean any of the following: (i) a material breach of the Asset Management Agreement by the Asset Manager, subject to a cure period, (ii) the commission by the Asset Manager of any act or omission constituting fraud, theft, conversion, or willful misconduct in connection with the performance of its duties under the Asset Management Agreement, or (iii) the filing of a petition in bankruptcy by the Asset Manager, the filing of a petition in bankruptcy against the Asset Manager which is not dismissed within sixty (60) days of the date of filing, or if the Asset Manager makes a general assignment for the benefit of its creditors or takes advantage of any insolvency law. Additionally, either party may terminate the Asset Management Agreement at any time without cause upon ten (10) days’ prior written notice to the other party.

The Trust will pay the Asset Manager certain compensation, as described under “COMPENSATION OF THE SPONSOR AND AFFILIATES – *Asset Management Fee*” The Asset Manager may decide, in its sole discretion, to be paid an amount less than the total amounts to which it is entitled under the Asset Management Agreement, and any excess amount that is not paid may, in the Asset Manager’s sole discretion, be waived permanently or, as applicable, deferred or accrued, without interest, to be paid at a later point in time.

Property Management

Peachtree Hospitality Management, a Georgia limited liability company, serves as the Property Manager pursuant to the Property Management Agreement, a copy of which is available in the Investor Data Room. The Property Manager is wholly-owned by the Sponsor. *See* “THE SPONSOR AND PRIOR PERFORMANCE” for information regarding the Sponsor.

Property Management Agreement

Concurrently with entering into the Master Lease, the Master Tenant entered into the Property Management Agreement with the Property Manager, an affiliate of the Sponsor.

The Property Management Agreement has an initial term of ten (10) years, and will automatically renew for successive one (1) year terms, unless either party notifies the other of its election not to renew at least forty-five (45) days before the end of the current term. The Property Management Agreement may be terminated: (a) by mutual written agreement of the Property Manager and the Master Tenant; (b) by the non-defaulting party, upon thirty (30) days’ prior written notice to the defaulting party, if a Termination Event (as defined in the Property Management Agreement) occurs; (c) by either party in the event of a complete disposition of the fee interest of the Hotel to an unaffiliated third party in an arm’s length transaction; (d) by the Master Tenant upon the termination of the Master Lease; or (e) as otherwise expressly set forth in the Property Management Agreement.

The Master Tenant is responsible for paying the Property Manager certain compensation, as described in “COMPENSATION OF THE SPONSOR AND ITS AFFILIATES – *Property Management Fees*.” Except for management fees that are incurred in connection with a construction matter involving a Capital Expense (which are included as part of such Capital Expense and thus borne by the Trust under the terms of the Master Lease), the Master Tenant is responsible for any fees payable to the Property Manager.

FEDERAL INCOME TAX CONSEQUENCES

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

Classification for Purposes of Section 1031

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

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

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

- whether a prospective Investor has properly identified the replacement property within the 45-day time period;
- whether the Relinquished Property qualified as being held for investment purposes or in a trade or business;
- whether a prospective Investor will fall within the deferred exchange safe harbor rules by properly using a “qualified intermediary” and a “qualified exchange escrow”;
- whether a prospective Investor acquiring an Interest and attempting to do a reverse exchange meets all the qualifications spelled out in IRS Revenue Procedure 2000-37, 2000-2 C.B. 308 (September 18, 2000);
- whether some portion of the Property is “personal property” as opposed to “real property”; and
- whether any amounts paid by, or deemed paid by, the prospective Investors with respect to certain costs and expenses of the Offering, financing costs and funding of the Trust Reserves will be deemed to constitute other consideration received in the exchange.

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

Property Identification for Section 1031 Exchanges

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

Receipt of Boot

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

of real estate or boot to the Investors. See “ESTIMATED USES OF PROCEEDS” and “PLAN OF DISTRIBUTION.”

Excess Business Losses May Not Be Currently Deductible.

Excess business losses of a taxpayer other than a corporation are not allowed for the taxable year. Such losses are carried forward and treated as part of the taxpayer’s net operating loss carryforward in subsequent taxable years. An excess business loss for the taxable year is the excess of aggregate deductions of the taxpayer attributable to trades or businesses of the taxpayer over the sum of aggregate gross income or gain of the taxpayer plus a threshold amount. The threshold amount for 2024 is \$305,000 (or twice the applicable threshold amount in the case of a joint return). The threshold amount is indexed for inflation. In the case of a partnership or S corporation, the provision applies at the partner or shareholder level. The provision applies after the application of the passive loss rules.

Deduction for Qualified Business Income.

Code Section 199A generally provides that a noncorporate taxpayer can deduct 20% of the “qualified business income” that he, she, or it receives during the taxable year. “Qualified business income” is the net amount of qualified items of income, gain, deduction, and loss with respect to any qualified trade or business of the taxpayer. For taxpayers whose taxable income exceeds the threshold amount of \$191,950 (\$383,900 in the case of a joint return) the deductible amount for a qualified trade or business is the lesser of: (1) 20% of the taxpayer’s qualified business income, or (2) the greater of (a) 50% of the W-2 wages relating to the qualified trade or business or (b) the sum of (i) 25% of the W-2 wages relating to the qualified trade or business and (ii) 2.5% of the “unadjusted basis immediately after acquisition of qualified property.”

There is substantial uncertainty as to whether a taxpayer’s ownership of real estate that is subject to a triple-net lease can qualify as a “trade or business” for purposes of Code Section 199A. The Department of Treasury recently issued Final Regulations that provide some guidance with respect to Code Section 199A. The “Summary of Comments and Explanation of Revisions” that the Department of Treasury included with the Final Regulations (the “**Explanation**”) discusses rental real estate activities as a trade or business for purposes of Code Section 199A. The Final Regulations state that “trade or business” has the same meaning as in Code Section 162. The Explanation notes that the Department of Treasury and the IRS will not provide a bright-line rule as to whether rental real estate activities will be considered a Code Section 162 trade or business for purposes of Code Section 199A. The IRS issued IRS Revenue Procedure 2019-38 that creates a safe harbor that taxpayers with rental real estate activities can, if they meet the requirements, rely upon to treat their rental real estate activities as a “rental real estate enterprise” that will be considered a “trade or business” for purposes of Code Section 199A. However, IRS Revenue Procedure 2019-38 specifically excludes from the safe harbor triple net leases. IRS Revenue Procedure 2019-38 notes that failure to satisfy the requirements of the safe harbor does not preclude a taxpayer from otherwise establishing that a rental real estate activity is a trade or business for purposes of Code Section 199A. Thus, a taxpayer with a triple net lease will need to establish that his, her or its rental real estate activity qualifies as a Code Section 162 trade or business.

Under Code Section 162, the determination as to whether an activity rises to the level of a “trade or business” is based on the facts and circumstances. The current rules with respect to Code Section 162 require a taxpayer to be an active participant in his, her, or its real estate rental activities for the activities to constitute a “trade or business.” As the Final Regulations note, a taxpayer seeking to determine whether a rental real estate activity is a Code Section 162 trade or business will need to consider factors including, but are not limited to, the following: (i) the type of rented property, (ii) the number of properties rented, (iii) the owner’s or the owner’s agents day-to-day involvement, (iv) the types and significance of any ancillary services provided under the lease, and (v) the terms of the lease. The Property is subject to the Master Lease, which may be a triple-net lease, and Investors are expected to be passive investors in the Property. Thus, there is substantial uncertainty as to whether the income that Investors receive from the Trust can qualify as “qualified business income” from a qualified trade or business.

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

The application of Code Section 199A will differ based on each Investor's facts and circumstances. Therefore, each prospective Investor should consult with his, her, or its personal tax advisor to determine whether Code Section 199A applies to the income that the Investor receives from the Trust.

Tax Deficiency, Penalties and Interest

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

Taxable Income

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

Net Income and Loss of Each Investor

Each Investor will be required to determine his, her or its own net income or loss from the Property for income tax purposes. Certain expenses of the Property, such as depreciation and any interest expense attributable to refinancing proceeds which are distributed to the Investors, will be different for different Investors. The Administrative Trustee will keep records and provide information about expenses and income for each Investor. An Investor, however, will be required to keep separate records and to separately report his, her or its own net income or loss from the Property for income tax purposes. The application of certain rules, including the passive activity loss rules and the at-risk rules, may cause the tax treatment of certain expenses of the Property such as depreciation, to be different for each Investor.

In addition to other income tax imposed by the Code, certain Investors who are U.S. individuals, estates, or trusts (including those that would own their Interests through an entity treated as a partnership or S corporation for U.S. income tax purposes) are subject to the Medicare Contributions Tax, which imposes a 3.8% tax on the lesser of (1) "net investment income" for the relevant taxable year and (2) the excess of modified adjusted gross

income for the taxable year over a certain threshold of certain U.S. individuals and on the lesser of (a) the undistributed “net investment income” for the relevant tax year and (b) the excess of the “adjusted gross income” for such taxable year over the dollar amount at which the highest tax bracket in Code Section 1(e) begins for such taxable year of certain estates and trusts. Among other items, “net investment income” generally includes rent and net gain from the disposition of investment property, less certain deductions.

Tax Impact of Sale of the Property

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

State and Local Laws

Some states adopt Section 1031 in whole, other states adopt it in part and still other states impose their own requirements to qualify for deferral of gain under state law. In addition, while many states follow federal tax law by treating the owner of an interest in a fixed investment trust as owning an interest in the assets held by the trust, other state laws may differ and could result in the imposition of income or other taxes on such entities. Therefore, each Purchaser must consult his, her, or its own tax advisor as to the qualification of a transaction for deferral of gain under state law.

Moreover, the Trust may be obligated to pay state or local income taxes in the states and/or localities where the Property is located. For instance, since the Property is located in Tennessee, the Trust will be required to pay Tennessee excise and franchise taxes. In addition, ownership of an Interest may result in an obligation to pay state or local tax in the states and/or localities where the Properties are located, and Purchasers may be subject to state and/or local tax withholding on their cash distributions from the Trust. If so, the Trust may be obligated to act as withholding agent and to pay such withholdings over to the state and/or local taxing authorities. Any such withholdings should be creditable against a Purchaser’s income tax obligations in the state and/or locality with respect to his, her or its share of the Trust’s income from the Properties. However, since the Property is located in Tennessee and the Trust will pay Tennessee excise and franchise taxes, the Investors are not expected to be required to be subject to pay Tennessee income taxes as a result of owning Interests. State and local taxing jurisdictions may also impose applicable transfer taxes upon a disposition of the Properties or an Interest. Purchasers must consult with their own tax advisors concerning the applicability and impact of state and local tax laws.

Tax Opinion

Seyfarth Shaw LLP, Special Tax Counsel to the Trust, has rendered the Tax Opinion concerning certain issues related to the Interests as set forth in this Memorandum. A copy of the Tax Opinion of Special Tax Counsel is attached as Exhibit D to this Memorandum. Except as to matters stated therein, which are based upon the law in effect as of the date of the Tax Opinion, the issuance of the Tax Opinion should not in any way be construed as implying that Special Tax Counsel has approved or passed upon any other matter for the Trust.

LITIGATION

There are no material legal actions pending against the Sponsor, the Master Tenant or the Trust nor, to the knowledge of the Sponsor, the Master Tenant or the Trust, respectively, are any such proceedings threatened or contemplated.

REPORTS AND ADDITIONAL INFORMATION

Books and Records

The Administrative Trustee will keep proper and complete records and books of account for the Property, which will be used by the Sponsor to prepare periodic financial statements. These books and records will be kept at the Administrative Trustee's principal place of business and will be available to the Investors during reasonable business hours with notice.

Reports

The Administrative Trustee intends to provide all Investors with a Semi-Annual Report, which will include a financial update as well as updates regarding the performance of the Property, on a semi-annual basis. However, the Administrative Trustee will not begin providing these Investor Reports until the later to occur of (1) the last Investor closing on his, her or its investment in the Trust and (2) the Trust completing its first full year of operations.

Tax Information

The Administrative Trustee will provide to the Investors in time for each Investor to file the Investor's tax returns, all tax information (other than with respect to depreciation) concerning the Trust that is necessary for preparing the Investor's income tax returns for that year.

Additional Information

The Trust will answer inquiries concerning the Interests and other matters relating to the Offering. Also, the Trust will afford the prospective Investors the opportunity to obtain any additional information (to the extent the Trust possesses such information or can acquire such information without unreasonable effort or expense) that is necessary to verify the information in this Memorandum.

EXHIBIT A

Form of Investor Questionnaire and Purchase Agreement

[Attached]



PG Sugarloaf DST

INVESTOR QUESTIONNAIRE AND PURCHASE AGREEMENT

Instructions For Purchase of Beneficial Interest in PG Sugarloaf DST

Dear Investor,

We would like to take this opportunity to thank you for your interest in the PG Sugarloaf DST and request your assistance in expediting the closing of this transaction. It is crucial that you immediately process and return all paperwork as you receive it. In order to begin the closing process, you will need to provide the following information:

- Purchaser Questionnaire (attached)
- Purchase and Sale Agreement (attached)
- Copy of Government Issues Photo ID
- Copy of Voided Check
- Entity Documentation (i.e. trust document (Certificate of Trust), partnership agreements and certification of partnership, articles of incorporation and bylaws, articles of organization and operating agreement); **MUST INCLUDE DOCUMENTS AUTHORIZING SIGNING AUTHORITY.**
- Funds to Close

Upon receipt of these documents and acceptance by the Trust, we will send the Purchase Agreement and estimated closing statement to you and the qualified intermediary you specify in your Investor Questionnaire. If you are making a direct cash investment in the Trust, upon acceptance we will provide funding instructions. Shortly after the funds to close have been received, you will be sent a final closing statement and welcome letter.

Questions?

For questions or assistance, please contact

Investor Relations (470) 826-3212 ir@peachtreepcinvestors.com

Mollie Carruthers (470) 826-2202 mcarruthers@peachtreepcinvestors.com

Madi Burke (470) 704-9797 mburke@peachtreepcinvestors.com

INVESTOR QUESTIONNAIRE
INVESTMENT IN BENEFICIAL INTERESTS OF
PG Sugarloaf DST

Legal Name of Investor: _____

Please read carefully the Confidential Private Placement Memorandum of PG Sugarloaf DST, a Delaware statutory trust (the “Trust”) dated on or about April 2, 2024, and all exhibits and supplements thereto (collectively, the “Memorandum”) relating to the potential investment in beneficial interests of the Trust (each, an “Interest” and collectively the “Interests”) before deciding to invest. Defined terms used herein and not otherwise defined shall have the meaning ascribed to them in the Memorandum.

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

This Offering is limited to an investor who certifies that he, she or it meets all of the suitability requirements set forth in the Memorandum and the Purchase Agreement for the purchase of Interests. Prospective investors must provide a signed Purchase Agreement demonstrating its qualification as an accredited investor.

The Investor agrees to transact business with the Trust electronically, and also agrees to receive all required and contemplated communications electronically. The Investor understands and agrees that any electronic signature executed by Investor has the same force and effect as if the signature were holographic. This agreement to transact electronically applies to all instruments needing execution between the Investor and the Trust.

If the undersigned meets these qualifications and desires to purchase an Interest, please complete, execute and deliver to the Trust this Investor Questionnaire and the accompanying Purchase Agreement and signature page to the Trust Agreement.

The executed documents should be mailed or delivered to the Trust at the following address:

PG Sugarloaf DST
c/o Capital Markets
Attn: Mollie Carruthers
One Alliance Center
3500 Lenox Road NE, Suite 625
Atlanta, GA 30326

Mollie Carruthers
mcarruthers@peachtreepcinvestors.com
(770)741-1359
One Alliance Center
3500 Lenox Road NE, Suite 625
Atlanta, GA 30326

Upon receipt of the signed Investor Questionnaire and Purchase Agreement and verification of the prospective Investor’s investment qualifications, the Trust will elect whether to accept the prospective Investor’s investment. Prospective Investors may be accepted or rejected by the Trust at any time within 30 days of receipt of the foregoing documents. Any proposed purchase of Interests not accepted within 30 days of receipt shall be deemed rejected. Prospective Investors cannot acquire Interests if the Trust does not approve such purchase.

Upon the Trust’s acceptance of a prospective Investor for the purchase of an Interest, the Trust will so notify the prospective Investor. Investors whose subscriptions are accepted by the Trust must remit the entire purchase price for their Interests to the Trust by wiring such funds (wiring instructions will be provided by the Trust at such time) or by delivering a check (made payable to the order of “PG Sugarloaf DST”) for the purchase price made payable to the Trust. The Trust reserves the right, in its sole discretion, to accept or reject a prospective Investor for any reason whatsoever. If a prospective Investor is not accepted, such prospective Investor’s original documents and payments (if any) will be returned without interest.

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

INVESTOR QUESTIONNAIRE

INVESTMENT IN INTERESTS OF PG Sugarloaf DST

This Investor Questionnaire relates to the undersigned's intention to purchase an Interest in the Trust for a purchase price of \$ _____. PLEASE NOTE: the minimum purchase for an Investor participating in a Section 1031 exchange (an "Exchange Investor") is \$100,000, and for an Investor not participating in a Section 1031 exchange (a "Cash Investor") is \$100,000, subject to the terms, conditions, acknowledgments, representations and warranties stated herein and in the Memorandum.

In order to induce the Trust to accept the Purchase Agreement, and as further consideration for such acceptance, the undersigned hereby makes the following acknowledgments, representations and warranties, with the full knowledge that the Trust will expressly rely thereon in making a decision to accept or reject the undersigned's Purchase Agreement:

The undersigned's primary state of residence is: _____

The undersigned's date of birth is: _____

The following information is required in order that the Trust may accurately determine if the undersigned prospective investor is an "Accredited Investor," as defined in Rule 501(a) of Regulation D under the Securities Act of 1934. **(PLEASE COMPLETE BOTH PART I AND PART II)**

PART I:

The undersigned represents that the undersigned meets the requirements of the initialed categories: **(PLEASE INITIAL ALL CATEGORIES THAT APPLY)**

- (a) _____ The undersigned is a natural person whose individual net worth, or joint net worth with that person's spouse or spousal equivalent, exceeds **\$1,000,000** at the time of purchasing the Interests, provided that for purposes of calculating such net worth (A) the undersigned's primary residence shall not be included as an asset; (B) indebtedness that is secured by the undersigned's primary residence, up to the estimated fair market value of the primary residence at the time of the closing of the undersigned's acquisition of an Interest, shall not be included as a liability, *provided, however*, that if the amount of such indebtedness outstanding at the time of the closing of the undersigned's acquisition of an Interest exceeds the amount of indebtedness outstanding 60 days before such time, other than as a result of the acquisition of the primary residence (such as, for example, if the undersigned takes out a home equity loan that is not used to acquire a primary residence during such 60-day time frame), the amount of such new indebtedness shall be included as a liability; and (C) indebtedness that is secured by the undersigned's primary residence is in excess of the estimated fair market value of the primary residence shall be included as a liability.
- (b) _____ The undersigned is a natural person who had individual income in excess of **\$200,000** in each of the two most recent years, or joint income with that person's spouse or spousal equivalent in excess of **\$300,000** in each of those years, and has a reasonable expectation of reaching the same income level in the current year.
- (c) _____ The undersigned is a natural person who is a "knowledgeable employee," as defined in Rule 3c-5(a)(4) of the Investment Company Act of 1940, as amended.
- (d) _____ The undersigned is a "family office," as defined in Rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940, as amended, not formed for the specific purpose of acquiring the securities offered with total assets in excess of five million dollars (\$5,000,000).
- (e) _____ The undersigned is a natural person holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution designated by the SEC, which the SEC has currently designated as any one or more of a Series 7, Series 65 or Series 82 FINRA license.

- (f) _____ The undersigned is an organization described in Section 501(c)(3) of the Code, or a corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the Interests, with total assets in excess of **\$5,000,000**.
- (g) _____ The undersigned is a trust, with total assets over **\$5,000,000**, not formed for the specific purpose of acquiring Interests and whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in the Interests.
- (h) _____ The undersigned is a broker-dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended.
- (i) _____ The undersigned is an investment company registered under the Investment Company Act of 1940, as amended, or a business development company (as defined in Section 2(a)(48) of the Investment Company Act of 1940, as amended).
- (j) _____ The undersigned is a small business investment company licensed by the Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958, as amended.
- (k) _____ The undersigned is a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets of more than \$5,000,000.
- (l) _____ The undersigned is a private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended).
- (m) _____ The undersigned is a bank as defined in Section 3(a)(2) of the Securities Act, any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity, or any insurance company as defined in Section 2(13) of the Securities Act.
- (n) _____ The undersigned is an entity in which all of the equity owners are “accredited investors.”

PART II:

Furthermore, the undersigned represents that the undersigned meets the requirements of the initialed category: **(PLEASE INITIAL BELOW)**

_____ The undersigned is not purchasing the Interests with funds that constitute, directly or indirectly, the assets of a Benefit Plan Investor (defined below).

The term “Benefit Plan Investor” means a benefit plan investor within the meaning of U.S. Department of Labor Regulation 29 C.F.R. Section 2510.3-101, which includes (i) any employee benefit plan (as defined in Section 3(3) of ERISA), whether or not such plan is subject to Title I of ERISA (which includes both U.S. and Non-U.S. plans, plans of governmental entities as well as private employers, church plans and certain assets held in connection with nonqualified deferred compensation plans); (ii) any plan described in Code Section 4975(e)(1) (which includes a trust described in Code Section 401(a) which forms a part of a plan, which trust or plan is exempt from tax under Code Section 501(a), a plan described in Code Section 403(a), an individual retirement account described in Code Sections 408(a) or 408A, an individual retirement annuity described in Code Section 408(b), a medical savings account described in Code Section 220(d), and an education individual retirement account described in Code Section 530); and (iii) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (generally because 25 percent or more of a class of interests in the entity is owned by plans). Benefit Plan Investors also include that portion of any insurance company's general account assets that are considered “plan assets” and the assets of any insurance company separate account or bank common or collective Trust in which plans invest. 100% of an Investor's Interests whose underlying assets include “plan assets,” such as a fund investor, shall be treated as “plan assets” by the Trustees for purposes of meeting an exemption under the Department of Labor regulation.

The undersigned acknowledges that the undersigned has consulted with a qualified attorney or other knowledgeable professional as to the tax and real estate issues associated with the purchase of the Interests.

The undersigned represents and warrants that the documentary evidence submitted to PG Sugarloaf DST for the purpose of qualifying as an Accredited Investor, is true, accurate and complete; if the undersigned is qualifying on the basis of income, it has a reasonable expectation of reaching the income level necessary to qualify as an Accredited Investor during the current year; if the undersigned is qualifying on the basis of net worth, then the documentary evidence regarding liabilities of the undersigned, if any, identifies all direct or indirect liabilities of the undersigned and no other liabilities exist as of the date hereof.

THE INTERESTS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND IS BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE INTERESTS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION, OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THE MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

The undersigned hereby agrees to indemnify, defend and hold harmless the Trust, the Trustees, and their respective affiliates and all of their members, managers, shareholders, officers, employees, affiliates and advisors from any and all damages, losses, liabilities, costs and expenses (including attorneys' fees and costs) that they may incur by reason of the undersigned's failure to fulfill all of the terms and conditions of the associated Purchase Agreement or by reason of the untruth or inaccuracy of any of the representations, warranties or agreements contained herein, in the Purchase Agreement or in any other documents the undersigned has furnished to any of the foregoing in connection with this transaction. This indemnification includes, but is not limited to, any damages, losses, liabilities, costs or expenses (including reasonable attorneys' fees and costs) incurred by the Trust, the Trustees, and their respective affiliates or any of their members, managers, shareholders, officers, employees, affiliates or advisors defending against any alleged violation of federal or state securities laws which is based upon or related to any untruth or inaccuracy of any of the representations, warranties or agreements contained herein, in the Purchase Agreement or in any other documents the undersigned has furnished to any of the foregoing in connection with this transaction.

INVESTOR
REGISTRATION
INFORMATION

Please print the exact title (registration) and address the undersigned desires on the account. In the case of a corporation, trust or other entity, the undersigned should use the full name of such entity and include the name and title of the signatory for such entity (*i.e.*, Trustee, President, Manager, etc.) **Please also complete the appropriate EXECUTION section below for the registered entity type, e.g., Husband & Wife or Limited Liability Company. Organizational documents of any investor that is an entity must be included with the Investor Questionnaire:**

Name: _____

Investor Address: _____

Work: _____ Home: _____

Fax: _____ Cell: _____

Primary State of Residence: _____

Federal Tax ID Number/Social Security Number: _____

E-Mail Address: _____

* Please **do not** use a P.O. Box address. A street address is required to send documents via overnight delivery.

EXECUTION SECTION

Please sign this Investor Questionnaire by completing the appropriate EXECUTION section below:

***NOTE - EXECUTE ONLY ONE SECTION**

HUSBAND AND WIFE AS JOINT TENANTS WITH RIGHTS OF SURVIVORSHIP

If the prospective Investors are HUSBAND AND WIFE, complete the following:

Signature of Spouse

Name of Spouse (please print or type)

Social Security Number

Signature of Spouse

Name of Spouse (please print or type)

Social Security Number

State of Residence

INDIVIDUAL AND/OR JOINT OWNER

If the prospective Investor is an INDIVIDUAL and/or JOINT OWNER, please complete the following:

Signature of Investor

Signature of Joint Owner (if applicable)

Name (please print or type)

Name of Joint Owner (if applicable)

Social Security Number

Social Security Number of Joint Owner (if applicable)

State of Legal Residence

(NOTE: If you are married, and your primary state of residence is a community property state, which are currently Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin, and the Interests are to be held as your separate property, then your spouse must sign the Consent of Spouse form, Attachment A hereto.)

TRUST

If the prospective Investor is a TRUST (excluding trusts that are Benefit Plan Investors), complete the following:

The undersigned hereby represents, warrants and agrees that: (i) the undersigned trustee(s) is duly authorized by the terms of the trust instrument (the "Trust Instrument") for the trust ("trust") set forth below to acquire the Interests; (ii) the undersigned, as trustee(s), has all requisite power and authority to acquire the Interests for the trust; and (iii) the undersigned trustee(s) is authorized by the trust to execute this Investor Questionnaire and the Purchase Agreement. **The undersigned trustee(s) encloses a true copy of the Instrument of said trust, as amended to date, and, as necessary, the resolutions of the trustees authorizing the purchase of the Interests.**

Name of trust (please type or print)

Signature: _____ Signature: _____

Print Name: _____ Print Name: _____

Title (check one): Trustee(s) Co-Trustee(s)

Federal Employer ID Number

State of Formation

LIMITED
LIABILITY
COMPANY

If the prospective Investor is a LIMITED LIABILITY COMPANY, complete the following:

The undersigned hereby represents, warrants, and agrees that: (i) the undersigned is either the authorized manager or all of the members of the limited liability company named below (the "LLC"); (ii) the undersigned has been duly authorized by the LLC to acquire the Interests and has all requisite power and authority to acquire the Interests; and (iii) the undersigned is authorized by the LLC to execute this Investor Questionnaire and the Purchase Agreement. **The undersigned encloses a true copy of the Operating Agreement of the LLC, as amended to date, together with a current and complete list of all members and managers and, as necessary, the resolutions of the LLC authorizing the purchase of the Interests.**

Name of LLC (please type or print)

Signature: _____ Signature: _____

Print Name: _____ Print Name: _____

Title (check one): Member Manager Managing Member

Federal Employer ID Number

State of Formation

PARTNERSHIP

If the prospective Investor is a PARTNERSHIP, complete the following:

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

Name of Partnership (please print or type)

Signature: _____ Signature: _____

Print Name: _____ Print Name: _____

Title: General Partner Title: General Partner

Federal Employer ID Number

State of Formation

CORPORATION

If the prospective Investor is a CORPORATION, complete the following:

The undersigned hereby represents, warrants and agrees that: (i) the undersigned has been duly authorized by all requisite action on the part of the corporation listed below (the "Corporation") to acquire the Interests; (ii) the Corporation has all requisite power and authority to acquire the Interests; and (iii) the undersigned officer of the Corporation has authority under the Articles of Incorporation, Bylaws, and resolutions of the Board of Directors of the Corporation to execute this Investor Questionnaire and the Purchase Agreement. **The undersigned officer encloses a true copy of the Articles of Incorporation, the Bylaws and, as necessary, the resolutions of the Board of Directors authorizing a purchase of the Interests, in each case as amended to date.**

Name of Corporation (please type or print)

Signature: _____ Signature: _____

Print Name: _____ Print Name: _____

Title: _____ Title: _____

Federal Employer ID Number

State of Formation

**INVESTOR SIGNATURE PAGE
TO THE TRUST AGREEMENT OF
PG Sugarloaf DST**

The undersigned hereby covenants and agrees to be bound by the terms and conditions of the Trust Agreement.

ON BEHALF OF OR BY INDIVIDUAL INVESTOR(S):

Signature Investor #1

Signature Investor #2

Print Name

Print Name

ON BEHALF OF OR BY AN ENTITY INVESTOR (trust, corporation, partnership, limited liability company):

NAME OF TRUST/ENTITY: _____

Signature of Authorized Person

Signature of Authorized Person

Print Name / Title

Print Name / Title

1031 EXCHANGE INFORMATION AND AUTHORIZATION AGREEMENT

Prospective Purchaser’s Intent to Exchange

If the undersigned is an Exchange Investor completing a tax-deferred exchange pursuant to Section 1031 of the Internal Revenue Code in connection with an investment in the Trust, please complete this page. The minimum investment for an Exchange Investor is \$100,000 which equals approximately a 0.31054% Interest in the Trust.

The undersigned’s exchange information is as follows:

45-day identification period expires on: _____

180-day exchange period expires on: _____

Cash to complete this investment will be available on: _____

The undersigned hereby confirms that the acquisition of Interest is part of a tax-deferred exchange pursuant to Section 1031 of the Internal Revenue Code, pursuant to an Exchange Agreement between Buyer and _____ (the “Accommodator”) whose address, telephone number and contact person are as follows (**Please complete in full**):

Street Address

City State Zip Code

Telephone No. Fax No. E-mail

Contact Person

Authorization of Inquiry

Signing this form authorizes the Trust and its authorized representatives to contact the Accommodator to obtain and confirm the following information:

- Funds available for exchange;
- Expiration date of 45-day identification period; and
- Expiration date of 180-day exchange period.

The Trust will use this information solely for the purpose of approving the undersigned’s investment in the Interest and establishing the required time period for completing the exchange.

Please indicate the undersigned’s approval by printing the undersigned’s name and signing below.

Print Name: _____ Date: _____

Signature: _____

Print Name: _____ Date: _____

Signature: _____

AUTHORIZATION AGREEMENT FOR DIRECT DEPOSITS (ACH CREDITS)

The Trust requires that distributions be made via direct deposit; please complete the below Authorization Agreement for Direct Deposits (ACH Credits).

Individual/Trust/Company Name: _____

Individual/Trust/Company Tax ID Number: _____

The undersigned hereby authorizes PG Sugarloaf DST, or its designee (the "Trust") to initiate credit entries to the undersigned's Checking Account / Savings Account (select one) at the depository financial institution named below (the "Depository") and to credit the undersigned's distributions to such account. The undersigned acknowledges that the origination of ACH transactions to the undersigned's account must comply with the provisions of U.S. law.

Depository Name: _____ Branch: _____

City: _____ State: _____ Zip: _____

Bank Account Name: _____

Routing Number: _____ Account Number: _____

This authorization is to remain in full force and effect until the Trust has received written notification from the undersigned (or either of the undersigned) of its termination in such time and in such manner as to afford the Trust and the Depository a reasonable opportunity to act on it.

Name: _____ Tax ID Number: _____

Date: _____ Signature: _____

Name: _____ Tax ID Number: _____

Date: _____ Signature: _____

For the Company to verify bank account and routing numbers, investors should attach a **VOIDED CHECK or BANK STATEMENT/LETTER** for each investor account to be credited. Investors should retain completed copies of this form for their records. Failure to provide supporting documents may result in distributions paid via check.



APPENDIX A-1
Broker/Dealer Representations and Warranties

Purchaser suitability requirements have been established by the Trust and fully disclosed in the Memorandum under “Who May Invest” and in the Purchase Agreement. Before recommending the purchase of an Interest, we have reasonable grounds to believe, on the basis of information supplied by the subscriber concerning his or her investment objectives, other investments, financial situation and needs, and other pertinent information that: (i) the subscriber is an Accredited Investor as defined in Section 501(a) of Regulation D and meets the investor suitability requirements set forth in the Memorandum and the Purchase Agreement, (ii) the subscriber has a net worth and income sufficient to sustain the risks inherent in the Interests, including loss of investment and lack of liquidity and (iii) the Interests are otherwise a suitable purchase for the subscriber. We will maintain in our files documents disclosing the basis upon which the suitability of this subscriber was determined.

The Offering is being made in reliance on Rule 506(c) of Regulation D. The undersigned certifies that it has complied with all of the requirements of Rule 506(c) of Regulation D, including with respect to the verification of the “accredited investor” status of any investor recommended by the broker-dealer for the purchase of Interests. The undersigned hereby certifies that the investor is an “accredited investor” and that the undersigned has made the determination of accredited investor status within the past 3 months. The undersigned understands that this Appendix A-1 will be relied upon by the Trust in determining the status of the person identified below as an “accredited investor.”

We verify that the above subscription either does not involve a discretionary account or, if so, that the subscriber’s prior written approval was obtained relating to the liquidity and marketability of the Interests during the term of the purchase.

We hereby certify that the Registered Representative is not or has not been subject to any disqualified or disclosure events as set forth in Rule 506(d) and Rule 506(e) of Regulation D.

We hereby certify that we will retain adequate records that document the steps taken to verify that the Investor-identified below is an accredited investor.

We affirm the Broker-Dealer and Registered Representative are properly licensed in the state of residence of the Purchaser.

We hereby certify that we know of no facts, circumstances or events that are contrary to or inconsistent with the statements contained in this Appendix A-1.

We hereby agree to indemnify the Trust and its affiliates and hold them harmless from any liability that they may incur as a result of the undersigned’s failure to perform reasonable steps as provided above to verify accredited investor status.

We hereby agree to indemnify the Trust and its affiliates and hold them harmless from any liability that they may incur as a result of this Appendix A-1 being untrue in any respect.

Except as otherwise stated, the representations and warranties made herein are made as of the date hereof and shall be continuing representations and warranties. In the event that the Registered Representative or Broker-Dealer becomes aware that any of these representations or warranties becomes untrue or is incorrect, it shall promptly notify the Trust in writing of the fact which makes such representation or warranty untrue or incorrect.

[Signatures on Next Page]

APPENDIX A-1 (continued)
Broker/Dealer Representations and Warranties Signature Page

Investor Name: _____

Broker/Dealer Firm Name: _____

Registered Representative (Print): _____

Registered Representative's Branch Address: _____

Branch City / State / Zip: _____

Branch Phone Number: _____

Email Address: _____

I hereby certify that I am registered in _____, the state of sale.

Signature of Registered Representative

Date

Signature of Principal

Date

APPENDIX A-2
Registered Investment Advisor Representations and Warranties

Purchaser suitability requirements have been established by the Trust and fully disclosed in the Memorandum under “Who May Invest” and in the Purchase Agreement. I certify that my firm is a SEC registered investment adviser duly licensed.

The Offering is being made in reliance on Rule 506(c) of Regulation D. The undersigned certifies that it has complied with all of the requirements of Rule 506(c) of Regulation D, including with respect to the verification of the “accredited investor” status of any investor recommended by the registered investment advisor for the purchase of Interests. The undersigned hereby certifies that the investor is an “accredited investor” and that the undersigned has made the determination of accredited investor status within the past 3 months. The undersigned understands that this Appendix A-2 will be relied upon by the Trust in determining the status of the person identified below as an “accredited investor.”

We verify that the above subscription either does not involve a discretionary account or, if so, that the subscriber’s prior written approval was obtained relating to the liquidity and marketability of the Interests during the term of the purchase.

I hereby certify that I am not or been subject to any disqualified or disclosure events as set forth in Rule 506(d) and Rule 506(e) of Regulation D.

We hereby certify that we will retain adequate records that document the steps taken to verify that the Investor-identified below is an accredited investor.

We hereby certify that we know of no facts, circumstances or events that are contrary to or inconsistent with the statements contained in this Appendix A-2.

We hereby agree to indemnify the Trust and its affiliates and hold them harmless from any liability that they may incur as a result of the undersigned’s failure to perform reasonable steps as provided above to verify accredited investor status.

We hereby agree to indemnify the Trust and its affiliates and hold them harmless from any liability that they may incur as a result of this Appendix A-2 being untrue in any respect.

I affirm that and my firm is lawfully able to transact business in the sale of Interests in the jurisdiction of the legal residence of the Purchaser.

Except as otherwise stated, the representations and warranties made herein are made as of the date hereof and shall be continuing representations and warranties. In the event that the undersigned becomes aware that any of these representations or warranties becomes untrue or is incorrect, it shall promptly notify the Trust in writing of the fact which makes such representation or warranty untrue or incorrect.

[Signatures on Next Page]

APPENDIX A-2 (continued)
Registered Investment Advisor Representations and Warranties – Signature Page

Investor Name: _____

Name of Investment Advisor: _____

RIA Firm Name: _____

Firm Address: _____

City / State / Zip: _____

Firm Phone Number: _____

Email Address: _____

I hereby certify that I am registered in _____, the state of sale.

Signature of Investment Advisor

Date

PURCHASE AGREEMENT
PG Sugarloaf DST

THIS PURCHASE AGREEMENT (“Agreement”) is made and effective as of the date Seller executes this Agreement (“Effective Date”) by and between **PG Sugarloaf DST**, a Delaware statutory trust (“Seller”), and _____ (“Buyer”), with reference to the facts set forth below. All terms with initial capital letters not otherwise defined herein shall have the meanings set forth in the Defined Terms attached hereto as Schedule 1 and incorporated herein.

WHEREAS, as described in the Memorandum, the Seller owns the real estate and improvements located at 1765 North Brown Road, Lawrenceville, Georgia 30043, commonly known as “Home2 Suites by Hilton Lawrenceville Atlanta Sugarloaf”, which, as of the Effective Date, consists of approximately 4.43 acres of land and a 4-story hotel building, which includes 130 guest rooms, breakfast dining area, meeting space, outdoor pool, a fitness room, a lobby workstation, a market pantry, a guest laundry area, and an outdoor patio and barbeque area, all of which is 100% leased to PG Sugarloaf Master Tenant, LLC.

NOW, THEREFORE, in consideration of the mutual agreements set forth herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as set forth below.

1. Agreement of Purchase and Sale.

1.1 Purchase and Sale. Seller hereby agrees to sell, and Buyer hereby agrees to purchase, a beneficial interest (the “Interest”) of _____% in the Seller (please provide percentage rounded to five decimal places; example 0.12345%) at a purchase price (“Purchase Price”) equal to \$ _____.

1.2 Payment. If Buyer’s subscription is accepted by Seller, Buyer shall pay to Seller on or before five Business Days before the Closing Date (the first day of such five day period being referred to as the “Funding Date”) in immediately available funds an amount equal to the Purchase Price. Seller shall provide Buyer written notice of the Funding Date at least two Business Days prior to the Funding Date. In the event Buyer fails to deposit the Purchase Price in accordance with this Section 1.2, Seller shall have the right to terminate this Agreement.

1.3 Buyer’s Deliveries. Buyer shall execute, acknowledge (where appropriate) and deliver to Seller: (i) the Investor Questionnaire, and (ii) an executed signature page for the Trust Agreement, and (iii) such other documents as may reasonably be requested by Seller.

1.4 Buyer’s Intent to Exchange. If Buyer’s acquisition of the Interest is part of a tax-deferred exchange pursuant to Section 1031 of the Internal Revenue Code, pursuant to an Exchange Agreement between Buyer and Buyer’s Accommodator set forth on the Investor Questionnaire, then Seller agrees to execute such documents or instruments as may be necessary or appropriate to evidence such exchange, provided Seller’s cooperation in such regard shall be at no additional cost, expense, or liability whatsoever to Seller, and that there shall be no delays to the closing.

1.5 Advisors. Buyer has consulted with a qualified attorney or other knowledgeable professional as to the tax and real estate issues associated with a purchase of the Interest.

2. Representations and Warranties.

2.1 Seller Representations and Warranties.

2.1.1 Seller Representations and Warranties. Seller hereby represents and warrants, as of the date of this Agreement, that:

(a) the execution, delivery, and performance of this Agreement and all other agreements contemplated hereby to which Seller is a party have been duly and validly authorized by Seller;

(b) this Agreement and each such other agreements constitutes a valid and binding obligation of Seller, enforceable in accordance with its terms;

(c) the execution and delivery by Seller of this Agreement and all such other agreements, and the sale of the Interests hereunder, and the fulfillment of and compliance with the respective terms hereof and thereof by Seller, do not and shall not (1) conflict with or result in a breach of the terms, conditions, or provisions of, (2) constitute a material default under, (3) result in the creation of any lien or encumbrance upon Seller’s assets pursuant to, (4) give

any third party the right to modify, terminate, or accelerate any obligation under, (5) result in a violation of, or (6) require any authorization, consent, approval, exemption, or other action by or notice or declaration to, or filing with any court or administrative or governmental body or agency pursuant to, the organizational documents of Seller, or any law, statute, rule or regulation, order, judgment or decree to which Seller is subject, or any material agreement or instrument to which Seller is subject;

(d) there are no actions, suits, proceedings, orders, investigations, or claims pending or, to the best of Seller's knowledge, threatened against or, to Seller's knowledge, affecting Seller, or pending or threatened by Seller against any third party, at law or in equity, or before or by any governmental department, commission, board, bureau, agency, or instrumentality (including, without limitation, any actions, suit, proceedings, or investigations with respect to the transactions contemplated by this Agreement); nor have there been any such actions, suits, proceedings, orders, investigations or claims pending against or affecting Seller during the past three years;

(e) Seller is not subject to any judgment, order, or decree of any court or governmental body, agency, or official of any country or political subdivision of any country, including, but not limited to, federal, state, county, and local governments, administrative agencies, and courts (a "Governmental Authority"), which could have any change or effect (or aggregation of changes and effects) that is or could reasonably be expected to be materially adverse to the business, assets, condition (financial or otherwise), or operations of Seller;

(f) no permit, consent, approval, or authorization of, or declaration to or filing with, any Governmental Authority or any other person or entity is required in connection with the execution, delivery, and performance by Seller of this Agreement or the other agreements contemplated hereby, or the consummation by Seller of any other transactions contemplated hereby or thereby, except those that have already been obtained or made;

(g) all documents, instruments, and other materials provided to Buyer, by Seller, in conjunction with this transaction, including, but not limited to the Memorandum, are true and correct in all material respects, and do not contain any material misstatement of a material fact or fail to state any material fact required to be stated therein or necessary to make any statements contained therein, in light of the circumstances in which they are made, not misleading;

(h) assuming the representations by Buyer made in this Agreement and in the Investor Questionnaire related hereto are true and correct in all material respects, (1) the offer and sale of the Interest pursuant to this Agreement will be exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), as amended, and (2) neither Seller nor any person or entity acting on Seller's behalf has, in conjunction with the offering of the Interest, engaged in (i) any action involving a public offering within the meaning of Section 4(a)(2) of the Securities Act, or (ii) any action that would require the registration under the Securities Act, of the offering or sale of the Interest pursuant to this Agreement; and

(i) Seller has not made, directly or indirectly, any offer or sale of the Interests or of other securities of the same or similar class as the Interests if, as a result thereof, the offer and sale contemplated hereunder of the Interests could fail to be entitled to exemption from the registration requirements of the Securities Act.

For purposes of the foregoing, the terms "offer" and "sale" have the meanings specified in Section 2(a)(3) of the Securities Act. Further, as used herein, the term "knowledge" shall mean the actual knowledge of such person or party, following due and reasonable inquiry.

2.1.2 NO TAX REPRESENTATIONS. BUYER REPRESENTS AND WARRANTS THAT EXCEPT AS EXPRESSLY PROVIDED IN THE TAX OPINION PROVIDED BY SELLER'S SPECIAL TAX COUNSEL, WHICH OPINION IS QUALIFIED AND BASED ON NUMEROUS ASSUMPTIONS THAT MAY NOT BE APPLICABLE TO BUYER, IT IS NOT RELYING UPON ANY ADVICE OR ANY INFORMATION OR MATERIAL FURNISHED BY SELLER, THE SPONSOR OR THEIR REPRESENTATIVES, WHETHER ORAL OR WRITTEN, EXPRESSED OR IMPLIED, OF ANY NATURE WHATSOEVER, REGARDING ANY TAX MATTERS, INCLUDING WITHOUT LIMITATION, A DECISION BY BUYER TO EFFECT A TAX-DEFERRED EXCHANGE UNDER INTERNAL REVENUE CODE SECTION 1031, AS AMENDED. BUYER FURTHER REPRESENTS AND WARRANTS THAT IT HAS INDEPENDENTLY OBTAINED ADVICE FROM ITS OWN INDEPENDENT LEGAL COUNSEL AND/OR TAX ACCOUNTANT REGARDING ANY SUCH TAX-DEFERRED EXCHANGE, INCLUDING, WITHOUT LIMITATION, WHETHER THE ACQUISITION OF THE INTEREST PURSUANT TO THIS AGREEMENT MAY QUALIFY AS PART OF A TAX-DEFERRED EXCHANGE, AND BUYER IS RELYING SOLELY ON SUCH ADVICE.

2.2 Commissions. The parties mutually warrant and covenant that, other than commissions and fees described in the Memorandum or this Agreement, no brokerage commissions, finder's fees, or similar commissions or fees shall be due or payable by the Buyer on account of this transaction. Each party shall indemnify, protect, defend (with legal counsel acceptable to the other), and hold the other harmless from the claims for such commission or finder's fees or similar commissions or fees arising out of the actions of the indemnifying party, including, without limitation, attorneys' fees and costs, incurred in connection therewith or to enforce this indemnity, which indemnities shall survive the consummation of the transaction described in the Memorandum.

2.3 Additional Buyer Representations and Warranties. Buyer hereby represents and warrants to Seller that the following are true and correct on the date of this Agreement and shall be true and correct as of the date on which the closing of the transactions contemplated in this Agreement occur (the "**Closing Date**").

2.3.1 Buyer acknowledges that it has received, read, and fully understands the Memorandum. Buyer acknowledges that it is basing its decision to invest in the Interest on the Memorandum and Buyer has relied only on the information contained in said materials and has not relied upon any representations made by any other person. Buyer recognizes that an investment in the Interest involves substantial risk and Buyer is fully cognizant of and understands all of the risk factors related to the purchase of the Interests, including, but not limited to, those risks set forth in the section of the Memorandum entitled "RISK FACTORS."

2.3.2 Buyer's overall commitment to investments that are not readily marketable is not disproportionate to its individual net worth, and its investment in the Interests will not cause such overall commitment to become excessive. Buyer has adequate means of providing for its financial requirements, both current and anticipated, and has no need for liquidity in this investment. Buyer can bear and is willing to accept the economic risk of losing its entire investment in the Interests. Buyer has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the investment in the Interests.

2.3.3 The documentary evidence submitted to PG Sugarloaf DST for the purpose of qualifying as an Accredited Investor, is true, accurate and complete; if Buyer is qualifying on the basis of income, then Buyer has a reasonable expectation of reaching the income level necessary to qualify as an Accredited Investor during the current year; if Buyer is qualifying on the basis of net worth, then the documentary evidence regarding liabilities of the Buyer, if any, identifies all direct or indirect liabilities of the Buyer and no other liabilities exist as of the date hereof.

2.3.4 All information that Buyer has provided to Seller concerning its suitability to invest in the Interests is complete, accurate, and correct as of the date of its signature on the last page of this Agreement. Buyer hereby agrees to notify Seller immediately of any material change in any such information occurring prior to the Closing Date, including any information about changes concerning its net worth and financial position.

2.3.5 Buyer has had the opportunity to ask questions of, and receive answers from, Seller, the Administrative Trustee and their owners, officers, members, managers, employees, and affiliates, concerning the Seller and the terms and conditions of the offering of the Interests and to obtain any additional information deemed necessary to verify the accuracy of the information contained in the Memorandum. Buyer has been provided with all materials and information requested by either Buyer or others representing Buyer, including any information requested to verify any information furnished Buyer.

2.3.6 Buyer is purchasing the Interests for Buyer's own account and for investment purposes only and has no present intention, agreement, or arrangement for the distribution, transfer, assignment, resale, or subdivision of the Interests. Buyer understands that, due to the restrictions referred to in Section 2.3.7, and the lack of any market existing or to exist for the Interests, Buyer's investment in the Interests will be highly illiquid and may have to be held indefinitely.

2.3.7 Buyer understands that there may be restrictions on the transfer, resale, assignment, or subdivision of the Interests imposed by applicable federal and state securities laws. Buyer is fully aware that the Interests have not been registered with the Securities and Exchange Commission in reliance on the exemptions specified in Regulation D issued by the Securities and Exchange Commission pursuant to the Securities Act, which reliance is based in part upon Buyer's representations set forth herein. Buyer understands that the Interests have not been registered under applicable state securities laws and are being offered and sold pursuant to the exemptions specified in said laws, and unless it is registered, they may not be re-offered for sale or resold except in a transaction or as a security exempt under those laws. Buyer understands that the Trustees will operate in a manner such that the assets of the Trust will not be "plan assets" subject to the provisions of Part 4 of Subtitle B of Title I of ERISA. Buyer further understands that the specific approval of such resales by a state securities administrator or official may be required in some states.

2.3.8 BUYER UNDERSTANDS THAT SELLER HAS NOT OBTAINED, AND DOES NOT PLAN TO OBTAIN, A RULING FROM THE INTERNAL REVENUE SERVICE THAT THE INTEREST WILL BE TREATED AS AN INTEREST IN REAL ESTATE AS OPPOSED TO A BUSINESS ENTITY. BUYER UNDERSTANDS THAT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE INTEREST, ESPECIALLY THE TREATMENT OF THE TRANSACTION UNDER SECTION 1031 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (“IRC”), AND THE RELATED “1031 EXCHANGE” RULES AND REGULATIONS, ARE COMPLEX AND VARY WITH THE FACTS AND CIRCUMSTANCES OF EACH INDIVIDUAL PURCHASER. BUYER SPECIFICALLY REPRESENTS AND WARRANTS THAT BUYER (I) HAS CONSULTED ITS OWN TAX ADVISOR REGARDING AN INVESTMENT IN THE INTEREST AND THE TREATMENT OF THE TRANSACTION UNDER IRC SECTION 1031; (II) EXCEPT AS EXPRESSLY PROVIDED IN THE TAX OPINION FROM SELLER’S SPECIAL TAX COUNSEL, WHICH IS QUALIFIED AND BASED ON NUMEROUS ASSUMPTIONS AND QUALIFICATIONS THAT MAY NOT BE APPLICABLE TO THE BUYER, IS NOT RELYING ON SELLER OR ANY OF ITS AFFILIATES OR ANY BROKER-DEALER THROUGH WHOM THE INTEREST IS PURCHASED, FOR ANY TAX ADVICE REGARDING THE TREATMENT OF BUYER’S TRANSACTION UNDER IRC SECTION 1031; AND (III) IS NOT RELYING ON ANY STATEMENTS MADE IN THE MEMORANDUM REGARDING THE TREATMENT OF ITS PURCHASE OF THE INTEREST UNDER IRC SECTION 1031.

2.3.9 Buyer understands that none of Seller, the Sponsor, the Trustees or their owners, officers, members, managers, employees or affiliates, legal counsel, or advisors represent Buyer in any way in connection with the purchase of the Interests and the entering into any of the related agreements associated with the purchase. Buyer also understands that legal counsel to Seller, the Sponsor, the Trustees and their affiliates does not represent, and shall not be deemed under the applicable codes of professional responsibility to have represented or to be representing, Buyer.

2.3.10 THE INTERESTS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATES AND IS BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE INTERESTS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION, OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THE MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

2.3.11 Buyer hereby agrees to indemnify, defend, and hold harmless Seller, the Sponsor, the Trustees and each of their owners, officers, members, managers, affiliates, and advisors of and from any and all damages, losses, liabilities, costs, and expenses (including reasonable attorneys’ fees and costs) that they may incur by reason of Buyer’s failure to fulfill all of the terms and conditions of this Agreement or by reason of the untruth or inaccuracy of any of the representations, warranties, covenants, or agreements contained herein or in any other documents Buyer has furnished to any of the foregoing in connection with this transaction. This indemnification includes, but is not limited to, any damages, losses, liabilities, costs, and expenses (including reasonable attorneys’ fees and costs) incurred by Seller, the Sponsor, the Trustees or any of their owners, officers, members, managers, affiliates, or advisors defending against any alleged violation of federal or state securities laws which is based upon or related to any untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents Buyer has furnished to any of the foregoing in connection with this transaction.

2.3.12 Within five days after receipt of a written request from Seller, Buyer agrees to provide such information and to execute and deliver such documents as may be reasonably necessary to comply with any and all laws and regulations to which Seller or Buyer is subject.

2.3.13 Buyer has taken no action that would give rise to any claim by any person for brokerage commissions, finders’ fees or the like relating to the offer and sale of the Interests or the transactions contemplated by this Agreement.

2.3.14 The representations, warranties and other information set forth in the Investor Questionnaire are, and shall continue to be, true, correct and complete in all respects.

2.4 The representations and warranties of Buyer and Seller set forth herein above shall survive the termination of this Agreement.

3. General Provisions.

3.1 Interpretation. The use herein of (i) the neuter gender includes the masculine and the feminine, (ii) the singular number includes the plural, whenever the context so requires and (iii) the words “I” and “me” include “we” and “us” if Buyer is more than one person. Captions in this Agreement are inserted for convenience of reference only and do not define, describe, or limit the scope or the intent of this Agreement or any of the terms hereof. All exhibits referred to herein and attached hereto are incorporated by reference. This Agreement, together with the other Transaction Documents, contain the entire agreement between the parties relating to the transactions contemplated hereby, and all prior or contemporaneous agreements, understandings, representations and statements, whether oral or written, are merged herein.

3.2 Modification. No modification, waiver, amendment, discharge, or change of this Agreement shall be valid unless the same is in writing and signed by the party against which the enforcement thereof is or may be sought.

3.3 Cooperation. Buyer and Seller acknowledge that it may be necessary to execute documents other than those specifically referred to herein to complete the acquisition of the Interests as provided herein. Buyer and Seller agree to cooperate with each other in good faith by executing such other documents or taking such other action as may be reasonably necessary to complete this transaction in accordance with the parties’ intent evidenced in this Agreement.

3.4 Assignment. Neither party may assign its rights under this Agreement, except, in the case of Buyer, to (a) a “Qualified Intermediary” as required by the IRC Section 1031, and/or (b) a limited liability company in which Buyer is the sole member, without first obtaining the other party’s prior written consent, which consent may be withheld in such party’s sole and absolute discretion. No such assignment shall operate to release the assignor from the obligation to perform all of its obligations hereunder.

3.5 Notices. Unless otherwise specifically provided herein, all notices, demands, or other communications given hereunder shall be in writing and shall be addressed as follows:

If to Seller, to: PG Sugarloaf/DST
c/o Capital Markets
One Alliance Center
3500 Lenox Road NE, Suite 625
Atlanta, GA 30326
Attention: Brian Cho

If to Buyer, to: Buyer’s address as provided to Seller.

Either party may change such address by written notice to the other party. Unless otherwise specifically provided for herein, all notices, payments, demands or other communications given hereunder shall be deemed to have been duly given and received: (i) upon personal delivery, or (ii) as of the third business day after mailing by United States registered or certified mail, return receipt requested, postage prepaid, addressed as set forth above, or (iii) the immediately succeeding Business Day after deposit with Federal Express or other similar overnight delivery system that maintains tracking and evidence of delivery.

3.6 Periods of Time. All time periods referred to in this Agreement include all Saturdays, Sundays, and state or United States holidays, unless Business Days are specified, provided that if the date or last date to perform any act or give any notice with respect to this Agreement falls on a Saturday, Sunday, or state or national holiday, such act or notice may be timely performed or given on the next succeeding Business Day.

3.7 Counterparts. This Agreement may be executed in counterparts, all of which when taken together shall be deemed fully executed originals.

3.8 Electronic Signatures. By executing this Agreement, Buyer agrees that this Agreement, the Investor Questionnaire, the Trust Agreement and all other related documents (collectively, the “Purchase Documents”) may be executed electronically. Buyer agrees that its electronic signature is the legal equivalent of its manual signature on the Purchase Documents. Buyer further agrees that its use of a keypad, mouse or other device to select an item, button, icon or similar act/action while using any electronic service we offer, or in accessing or making any transactions regarding any documents or agreements relating to the subject matter of the Purchase Documents, constitutes Buyer’s signature (“E-Signature”), acceptance and agreement as if actually signed by Buyer in writing. Buyer also agrees that no certification, authority or other third party verification is necessary to validate

its E-Signature and that the lack of such certification or third party verification will not in any way affect the enforceability of its E-Signature or any resulting contract between Buyer and Seller.

3.9 Attorneys' Fees. If either party commences litigation for the judicial interpretation, enforcement, termination, cancellation, or rescission hereof, or for damages (including liquidated damages) for the breach hereof against the other party, then, in addition to any or all other relief awarded in such litigation, the substantially prevailing party therein shall be entitled to a judgment against the other for an amount equal to reasonable attorneys' fees and court and other costs incurred.

3.10 Joint and Several Liability. If any party consists of more than one person or entity, the liability of each such person or entity signing this Agreement shall be joint and several.

3.11 Choice of Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Delaware, without regard to its conflicts of laws principles. Subject to Section 3.18, all actions arising out of or relating to this Agreement shall be heard and determined exclusively by a court of competent jurisdiction located in Atlanta, Georgia, and each party hereto expressly and irrevocably consents and submits to personal jurisdiction therein. The parties hereby knowingly, voluntarily, and intentionally waive any right to a trial by jury with respect to any litigation arising out of or relating to this Agreement.

3.12 Time. Time is of the essence with respect to all dates set forth in this Agreement.

3.13 Third-Party Beneficiaries. Buyer and Seller do not intend to benefit any party that is not a party to this Agreement and no such party shall be deemed to be a third party beneficiary of this Agreement or any provision hereof.

3.14 Severability. If any term, covenant, condition, provision, or agreement herein contained is held to be invalid, void or otherwise unenforceable by any court of competent jurisdiction, such fact shall in no way affect the validity or enforceability of the other portions of this Agreement.

3.15 Binding Agreement. Subject to any limitation on assignment set forth herein, all terms of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective legal representatives, successors and assigns.

3.16 ACCEPTANCE OR REJECTION OF BUYER'S OFFER. THIS AGREEMENT DOES NOT CONSTITUTE AN OFFER OF ANY KIND BY SELLER AND SHALL NOT BIND SELLER UNLESS DULY EXECUTED AND DELIVERED BY SELLER. TO SUBMIT AN OFFER, BUYER SHALL DELIVER TO SELLER: (I) ONE COMPLETED AND EXECUTED COUNTERPART OF THIS AGREEMENT; (II) AN EXECUTED SIGNATURE PAGE FOR THE TRUST AGREEMENT AND (III) THE INVESTOR QUESTIONNAIRE. SELLER SHALL HAVE 30 DAYS TO EITHER ACCEPT OR REJECT BUYER'S OFFER. IF SELLER DOES NOT ACCEPT BUYER'S OFFER WITHIN SUCH 30-DAY PERIOD, THE OFFER SHALL BE DEEMED REJECTED. IN THE EVENT THE OFFER IS REJECTED, THIS AGREEMENT SHALL NOT BECOME EFFECTIVE.

3.17 BINDING ARBITRATION. ANY DISPUTE OR CONTROVERSY ARISING OUT OF, OR RELATING TO, THIS AGREEMENT SHALL BE RESOLVED BY FINAL AND BINDING ARBITRATION BROUGHT IN CHICAGO, ILLINOIS, OR SUCH OTHER JURISDICTION AS MAY BE SELECTED BY THE SELLER, UNDER THE AUSPICES AND RULES OF JAMS, INC., AND THE PARTIES HERETO SUBMIT TO THE IN PERSONAM JURISDICTION OF SUCH TRIBUNAL AND WAIVE ANY OBJECTION THAT SUCH FORUM IS INCONVENIENT OR OTHERWISE IMPROPER. THE SUBSTANTIALLY PREVAILING PARTY OR PARTIES IN ANY SUCH ARBITRATION (AS DETERMINED BY THE ARBITRATOR) SHALL RECEIVE FROM THE OTHER PARTY OR PARTIES TO THE ARBITRATION SUCH PREVAILING PARTY'S (OR PARTIES') FEES AND COSTS OF ARBITRATION, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND COSTS, IN ADDITION TO ANY OTHER RELIEF TO WHICH SUCH PREVAILING PARTY OR PARTIES MAY BE ENTITLED.

3.18 WAIVER OF LEGAL RIGHTS. BY INITIALING IN THE SPACE BELOW, THE PARTIES ACKNOWLEDGE AND AGREE TO HAVE ANY DISPUTE ARISING OUT THE MATTERS INCLUDED IN THIS ARTICLE DECIDED BY NEUTRAL ARBITRATION AS PROVIDED UNDER APPLICABLE LAW AND THAT THEY ARE KNOWINGLY WAIVING ANY RIGHTS THEY MAY POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR BY JURY TRIAL. THE PARTIES FURTHER ACKNOWLEDGE AND AGREE THAT THEY ARE WAIVING THEIR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL EXCEPT TO THE EXTENT SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THIS ARTICLE. IF EITHER PARTY REFUSES TO SUBMIT TO ARBITRATION AFTER EXECUTION OF THIS AGREEMENT AND INITIALING BELOW, SUCH PARTY MAY BE COMPELLED TO ARBITRATE UNDER APPLICABLE LAW. EACH PARTY'S AGREEMENT TO THIS ARTICLE IS VOLUNTARY. THE PARTIES HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES OUT OF THE MATTERS INCLUDED IN THIS ARTICLE TO BINDING ARBITRATION.

Seller's Initials

Buyer's Initials

[SIGNATURE PAGE FOLLOWS]

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

SELLER:

PG Sugarloaf DST, a
Delaware statutory trust

By: PG Sugarloaf MANAGER, LLC, a
Delaware limited liability company

By: Peachtree Hotel Group II, LLC,
a Georgia limited liability company, its
Manager

Signature: _____

Name: Timothy Witt

Title: President, 1031 Exchange /DST Products

Dated: _____

BUYER (or BUYERS, AS APPLICABLE):

Signature: _____

Print Name: _____

Signature: _____

Print Name: _____

Dated: _____

(NOTE: If you are married, and your primary state of residence is a community property state, which are currently Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin, and the Interests are to be held as your separate property, then your spouse must sign the Consent of Spouse form, Attachment A hereto.)

PARTIES MUST ALSO INITIAL SECTION 3.18

SCHEDULE 1
DEFINED TERMS

This list of Defined Terms is attached to and forms a part of the Purchase Agreement.

“Administrative Trustee” means PG Sugarloaf Manager, LLC, a Delaware limited liability company.

“Business Day” means any day other than a Saturday or Sunday or legal holiday in the State of Delaware.

“Closing Date” shall have the meaning set forth in Section 2.3.

“Interest” shall have the meaning set forth in Section 1.1.

“Investor Questionnaire” means the Investor Questionnaire described in the Memorandum.

“Memorandum” means the Confidential Private Placement Memorandum for the sale of Interests in PG Sugarloaf DST, dated April 2, 2024 as the same may from time to time be supplemented.

“Offering” means the offering of the Interests pursuant to the Memorandum.

“Purchase Price” shall have the meaning set forth in Section 1.1.

“Seller” shall have the meaning set forth in the preamble.

“Sponsor” means Peachtree Hotel Group II, LLC, a Georgia limited liability company.

“Transaction Documents” means this Agreement, the Investor Questionnaire and the Trust Agreement.

“Trust Agreement” means the Amended and Restated Trust Agreement of PG Sugarloaf DST dated as of March 28, 2024, executed or to be executed by Buyer.

“Trustees” means the Administrative Trustee and the Delaware Trustee (as defined in the Memorandum).

ATTACHMENT B

FORM W-9

[attached]

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

^a Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
	<input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate	Exempt payee code (if any) _____
	<input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ^a _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.	Exemption from FATCA reporting code (if any) _____
	<input type="checkbox"/> Other (see instructions) ^a	(Applies to accounts maintained outside the U.S.)
	5 Address (number, street, and apt. or suite no.) See instructions.	Requester's name and address (optional)
6 City, state, and ZIP code		
7 List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number											
				-			-				
or											
Employer identification number											
							-				

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ^a	Date ^a
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities C—

A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a) J—

A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.

You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.

You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLA accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹ The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*

For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

*Note: The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

EXHIBIT B
Trust Agreement
[Attached]

**AMENDED AND RESTATED TRUST AGREEMENT OF
PG SUGARLOAF DST
A DELAWARE STATUTORY TRUST**

This **AMENDED AND RESTATED TRUST AGREEMENT** of **PG SUGARLOAF DST**, a Delaware statutory trust (the “**Trust**”), dated as of March 28, 2024 is made by and among PG Sugarloaf Depositor, LLC, a Delaware limited liability company (the “**Depositor**”), PG Sugarloaf Manager, LLC, a Delaware limited liability company, as administrative trustee (the “**Administrative Trustee**”), Sorensen Entity Services LLC, a Delaware limited liability company (the “**Delaware Trustee**” and, together with the Administrative Trustee, the “**Trustees**”), and any other person who subsequently signs this agreement (the “**Trust Agreement**”) and becomes a party to it.

WHEREAS, the Depositor, the Administrative Trustee and Delaware Trustee, as Delaware trustee formed the Trust as a “statutory trust” pursuant to and in accordance with the Delaware Statutory Trust Act (Title 12, Chapter 38 §3801 et. seq.), as amended from time to time (the “**Act**”) by filing the Certificate of Trust with the Delaware Secretary of State on February 27, 2024, and intend that this Trust Agreement constitute the “governing instrument” of the Trust (as such term is defined in Section 3801(c) of the Act);

WHEREAS, the Depositor, the Administrative Trustee, and the Delaware Trustee entered into that certain Trust Agreement of PG Sugarloaf DST, dated as of February 27, 2024 (the “**Original Trust Agreement**”);

WHEREAS, the Administrative Trustee, on behalf of the Trust, shall hold a fee simple interest in the real estate and improvements located at 1765 North Brown Road, Lawrenceville, Georgia 30043, commonly known as “Home2 Suites by Hilton Lawrenceville Atlanta Sugarloaf” (the “**Real Estate**”);

WHEREAS, the Real Estate is subject to the Master Lease (as hereinafter defined);

WHEREAS, the Depositor owns 100% of the Interests;

WHEREAS, it is anticipated that certain Persons will purchase from the Trust up to one hundred percent (100%) of the Interests (as defined below) in exchange for payment of money and become Investors, as such terms are defined herein, pursuant to a private placement of the Interests, and that the proceeds of the private placement will be used by the Administrative Trustee to pay certain expenses and fees and to return to the Depositor all or a portion of its capital contributions in reduction of all or a portion of its Interests in the Trust, as the case may be, as set forth in the Private Placement Memorandum (as hereinafter defined); and

WHEREAS, in anticipation of the issuance of the Private Placement Memorandum, the Depositor, the Delaware Trustee and the Administrative Trustee have determined that it is advisable to amend and restate in its entirety the Original Trust Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

**ARTICLE I
DEFINITIONS**

For all purposes of this Trust Agreement, the capitalized terms set forth below shall have the following meanings:

“**Administrative Trustee**” shall have the meaning set forth in the preamble.

“**Affiliate**” shall mean, with respect to any specified Person, any other Person owning beneficially, directly or indirectly, any ownership interest in such specified Person or directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“**Delaware Trustee**” shall have the meaning set forth in the preamble.

“**Depositor**” shall have the meaning set forth in the preamble.

“**ERISA**” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

“**Interest**” shall mean, with respect to an Investor, such Investor’s beneficial ownership interest in the Trust Property, which is reflected on Schedule 1 attached hereto and made a part hereof. All Interests shall be of a single class. When the Depositor’s Interests have been redeemed, Schedule 1 will be updated accordingly.

“**Investor(s)**” shall mean the Depositor, to the extent it retains an Interest, each holder of an Interest and each of their successors in interest as beneficiaries of the Trust pursuant to Article III.

“**Majority**” shall mean more than fifty percent (50%).

“**Master Lease**” shall mean that certain Master Lease between the Trust, as landlord and the Master Tenant, as tenant, with respect to the Real Estate.

“**Master Tenant**” shall mean PG Sugarloaf Master Tenant, LLC, a Delaware limited liability company.

“**Original Trust Agreement**” shall have the meaning set forth in the recitals.

“**Percentage**” shall mean, with respect to a particular Investor, the percentage beneficial ownership interest of such Investor in the Trust Property as reflected on Schedule 1 attached hereto and made a part hereof (including any updates of Schedule 1 to reflect

transfers of Interests that satisfy the provisions of Article III), and the rights, obligations, benefits and burdens associated with such beneficial ownership interest.

“**Person**” shall mean a natural person, corporation, limited partnership, general partnership, limited liability company, joint stock company, joint venture, association, company, trust, bank trust company, land trust, business trust, statutory trust or other organization, whether or not a legal entity, and a government or agency or political subdivision thereof.

“**Plan Asset Rules**” shall mean 29 Code of Federal Regulations Section 2510.3-101, as amended from time to time.

“**Private Placement Memorandum**” shall mean the memorandum and related documents distributed to prospective Investors that provides such persons with information relating to an investment in the Interests.

“**Real Estate**” shall have the meaning set forth in the recitals.

“**Regulations**” shall mean U.S. Treasury Regulations promulgated under the Code.

“**Section**” shall mean a section in this Trust Agreement, unless otherwise modified.

“**Transaction Documents**” shall mean the Trust Agreement and the Master Lease.

“**Trust**” shall have the meaning set forth in the preamble.

“**Trust Agreement**” shall have the meaning set forth in the preamble.

“**Trust Property**” shall mean all right, title and interest of the Trust in and to any property owned by the Trust or the by Administrative Trustee, on behalf of the Trust, including the Real Estate.

ARTICLE II FORMATION OF TRUST

2.01 Name. The Trust created hereby shall be known as PG Sugarloaf DST.

2.02 Registered Office and Agent; Principal Place of Business.

(a) The name and address of the registered agent of the Trust in the State of Delaware is Sorensen Entity Services LLC, located at 1201 N. Orange St., Suite 7044, Wilmington, Delaware 19801. The Administrative Trustee may from time to time in accordance with the Act change any of the Trust’s registered agents and/or registered offices and designate a registered agent and registered office in each state the Trust is required to maintain or appoint one.

(b) The principal place of business of the Trust shall be at such place as

the Administrative Trustee shall designate from time to time by notice to the Investors, which need not be in the State of Delaware. The initial principal place of business of the Trust shall be 3500 Lenox Road, Suite 625, Atlanta, GA.

2.03 Purposes. The purposes of the Trust are to engage in the following activities: (i) to acquire, or to have the Administrative Trustee acquire on behalf of the Trust, and own the Real Estate and any related personal property; (ii) to enter into or assume and comply with the terms of the Transaction Documents; (iii) to conserve, protect and dispose of the Real Estate; and (iv) to take such other actions as the Trustees deem necessary or advisable to carry out the foregoing. For the avoidance of doubt, without further action or authorization of any Person, and consistent with Sections 7.01(d) and 7.02 of this Agreement, the Trust and the Administrative Trustee, on behalf of the Trust are hereby authorized to acquire the Real Estate (including entering into any agreements to effectuate such acquisition), enter into and assume the Master Lease, and to take such other actions as are required in order to effectuate the actions authorized by this sentence notwithstanding any other provision of this Agreement, the Act or applicable law, rule or regulation. All lawful acts and activities of the Trust, in the name or on behalf of the Trust, are approved, confirmed, and ratified in all respects. The Administrative Trustee is hereby authorized to enter into the Trust Agreement, to serve as administrative trustee of the Trust, and to execute on behalf of the Trust, the Transaction Documents and the Master Lease, and to take such other actions on behalf of the Trust as contemplated under Section 2.03 of the Trust Agreement. The Master Tenant is hereby authorized to enter into the Master Lease, in its capacity as tenant, and to take all such other actions as necessary thereby. The Trust shall hold the Trust Property for investment purposes and only engage in activities which are customary services in connection with the maintenance and repair of the Real Estate. Neither the Administrative Trustee, Investors, nor their agents shall provide services: (a) that are not “customary services” within the meaning of Revenue Ruling 75-374, 1975-2 C.B. 261; (b) the payment for which would not qualify as “rents from real property” within the meaning of Code Section 512(b)(3)(A)(i) and the Regulations thereunder; or (c) the payment for which would not qualify as “rents from real property” within the meaning of Code Sections 856(c)(2)(C) and 856(c)(3)(A) and the Regulations thereunder. The Trust shall conduct no business other than as specifically set forth in this Section 2.03.

2.04 Declaration of Trust by Administrative Trustee. The Administrative Trustee hereby declares that it will hold the Trust Property upon the terms and conditions herein for the benefit of the Investors, subject to the obligations of the Trust under the Master Lease, and other relevant agreements. It is the intention of the parties hereto that the Trust constitute a “statutory trust” under Chapter 38 of Title 12 of the Delaware Code. In accordance with the Original Trust Agreement, the Administrative Trustee caused the filing of a Certificate of Trust (the “**Certificate of Trust**”) with the Secretary of State of the State of Delaware (the “**Secretary of State**”) pursuant to Section 3810 of Title 12 of the Act. It is the intention of the parties hereto that the Trust shall not constitute an agency, partnership, corporation, association or business trust for federal income tax purposes. Each Investor shall have an undivided beneficial ownership interest in the Trust Property as provided in Section 3805(a) of the Act. Each Investor agrees to report its interest in the Trust for federal income tax

purposes in a manner consistent with the foregoing and otherwise not to take any action that would be inconsistent with the foregoing.

2.05 Intentionally Omitted

2.06 Operative Timing Related to Certain Provisions of this Trust Agreement. Notwithstanding anything else in this Trust Agreement to the contrary, the following sections of this Trust Agreement shall be of no force or effect until the Trust has more than one Investor, at which time they shall become fully operative: (a) Section 7.03; (b) Section 7.06 (solely to the extent it refers to Section 7.03); (c) Section 9.02; (d) Section 9.03; and (e) Section 11.09 (solely with respect to the clause limiting amendments that would “vary the investment” of the Investors).

ARTICLE III TRANSFER OF INTERESTS

3.01 Restrictions on Transfer. Subject to Section 3.02, no Interest, or any portion thereof, may be assigned, pledged, encumbered or transferred (each a “**Proposed Interest Transfer**”) without the prior consent of the Administrative Trustee. The Administrative Trustee’s consent to each Proposed Interest Transfer is subject to the sole discretion of the Administrative Trustee, including, but not limited to, the satisfaction as determined in the sole discretion of the Administrative Trustee, of the following:

(a) that such Proposed Interest Transfer complies with all applicable securities laws;

(b) that such Proposed Interest Transfer would not result in the Trust having to register as an investment company under the Investment Company Act of 1940, as amended, or require the Trust or any trustee to register as an investment adviser under the Investment Advisers Act of 1940, as amended;

(c) that such Proposed Interest Transfer does not cause the Trust Property to become “plan assets” (as defined in the Plan Asset Rules) subject to the fiduciary standards of Part 4 of Subtitle B of Title I of ERISA and Code Section 4975;

(d) that the transferor and transferee(s) in such Proposed Interest Transfer shall have executed documents to effectuate such transfer that are satisfactory to the Administrative Trustee, including that the transferee(s) shall have executed a written acceptance and adoption of this Trust Agreement; and

(e) that all expenses of such Proposed Interest Transfer shall have been paid by the transferor and/or transferee(s) as such persons may agree.

3.02 Transfers for Family and Estate Planning Purposes. The consent of the Administrative Trustee shall not be unreasonably conditioned, withheld or delayed with respect to any Proposed Interest Transfer by an Investor to: (i) a revocable trust or an entity

created for the primary benefit of the Investor, or any combination between or among the Investor, the Investor's spouse, and the Investor's issue (or to the Investor creating such trust or to any other permitted transferee hereunder, upon the termination of such trust); (ii) an Investor's spouse or third party upon a divorce decree or marital settlement or turnover order; (iii) the court-appointed guardian or custodian of an Investor; (iv) the executor(s) of a deceased Investor's estate (on a temporary basis pending final resolution of such estate); and (v) the heirs and devisees of a deceased Investor's estate.

ARTICLE IV DISTRIBUTIONS

4.01 Payments From Trust Property Only. Except as determined by the Administrative Trustee in its sole discretion and as is consistent with the status of the Trust described in Section 5.01(c), all payments to be made by the Administrative Trustee under this Trust Agreement shall be, directly or indirectly, from the Trust Property. Notwithstanding any provision to the contrary contained in this Trust Agreement, the Trust shall not be required to make a distribution to a trustee on account of its interest in the Trust if such distribution would violate the Act or any other applicable law.

4.02 Distributions in General. The Administrative Trustee shall distribute all available cash as determined pursuant to Section 4.01 to the Investors in accordance with their Percentages on a monthly basis, after paying or reimbursing the Administrative Trustee for any fees or expenses paid or incurred by the Administrative Trustee, on behalf of the Trust, and retaining any additional amounts as are necessary to pay anticipated ordinary current and future Trust expenses. Amounts of cash retained pursuant to this paragraph shall only be invested in short-term obligations of (or guaranteed by) the United States, or any agency or instrumentality thereof and in certificates of deposit or interest-bearing bank accounts of any bank or trust company having a minimum stated capital and surplus of \$50,000,000. All such obligations must mature prior to the next distribution date, and be held to maturity. All amounts distributable to the Investors pursuant to this Trust Agreement shall be paid by check or in immediately available funds by transfer to a banking institution with bank wire transfer facilities for the account of the Investors, as instructed from time to time by the Investors.

ARTICLE V RIGHTS, OBLIGATIONS AND REPRESENTATIONS OF INVESTORS

5.01 Status of Relationship.

(a) This Trust Agreement shall not be interpreted to impose a partnership or joint venture relationship on the Investors either at law or in equity. Accordingly, no Investor shall have any liability for the debts or obligations incurred by any other Investor, with respect to the Trust Property, or otherwise, and no Investor shall have any authority, other than as specifically provided herein, to act on behalf of any other Investor or to impose any obligation with respect to the Trust Property.

(b) For so long as there is only one (1) Investor that is an owner of the Trust, any Trust Property held at such time will be treated for federal income tax purposes as the property of the sole Investor.

(c) At such time as there is more than one (1) Investor that is an owner of Trust, the Trust shall not constitute a business entity for federal income tax purposes, but shall instead constitute an investment trust pursuant to Regulation Section 301.7701-4(c); and a Grantor Trust under Subpart E of Part 1, Subchapter J of the Code (Code Sections 671 and following).

(d) Legal title to the Trust Property, including the Real Estate, shall be held by the Administrative Trustee, on behalf of the Trust, and the Investors shall not have legal title to the Trust Property. Neither the bankruptcy, death or other incapacity of any Investor nor the transfer, by operation of law or otherwise, of any right, title or interest of the Investors in and to the Trust Property or hereunder shall terminate this Trust Agreement. Except as expressly set forth herein, the Investors shall not be liable for any liabilities or obligations of the Trust or the Administrative Trustee or for the performance of the Trust Agreement.

5.02 In-Kind Distributions; Waiver of Partition; Nature of Interest. To the fullest extent permitted by law, and consistent with Section 3805 of the Act, no Investor or any additional Investor admitted to the Trust shall have, and each Investor and each additional Investor hereby completely and irrevocably waives, any and all power or right: (a) to cause the Trust or any of its assets to be partitioned or divided or to demand or receive an in-kind distribution of the Trust Property; (b) to cause the appointment of a receiver for all or any portion of the assets of the Trust; (c) to compel any sale of all or any portion of the assets of the Trust pursuant to any applicable law; or (d) to file a complaint or to institute any proceeding at law or in equity to cause the bankruptcy, dissolution, liquidation, winding up or termination of the Trust. No Investor shall have any interest in any specific assets of the Trust, and no Investor shall have the status of a creditor with respect to any distribution pursuant to Section 4.02 hereof. The interest of each Investor in the Trust is personal property.

5.03 Role of Investors. For the avoidance of doubt, except solely as provided in Article X with respect to the appointment of a successor Administrative Trustee, Investors shall have no right to make decisions for, or to operate or manage, the Trust. The Investors' sole right with respect to the Trust shall be limited to the right to receive distributions as provided under Section 4.02. Each Investor's Interest in the Trust is personal property. Accordingly, by way of illustration and not limitation, any sale or other conveyance of the Trust Property or any part thereof by the Administrative Trustee made pursuant to the terms of this Trust Agreement shall bind the Investors and be effective to transfer or convey all rights, title and interest of the Administrative Trustee and the Investors in and to the Trust Property.

5.04 Intentionally Omitted.

5.05 Representations, Warranties and Acknowledgments of Investors. Each Investor, by executing a counterpart signature page to this Trust Agreement, represents, warrants and acknowledges to the Trust and to the Administrative Trustee as follows:

(a) the execution, delivery and performance of this Trust Agreement (i) has been duly authorized by such Investor, (ii) does not require such Investor to obtain any consent or approval that has not been obtained and (iii) does not contravene or result in a default under (A) any provision of any law or regulation applicable to such Investor, (B) the governing documents of such Investor or (C) any agreement or instrument to which such Investor is a party or by which such Investor is bound.

(b) that this Trust Agreement is valid, binding and enforceable against such Investor in accordance with its terms.

(c) that such Investor is (i) a citizen or resident of the United States for federal income tax purposes, (ii) a corporation (or other entity taxable as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate, the income of which is subject to United States federal income taxation regardless of the source of such income or (iv) a trust, if (A) the administration of the trust is subject to the primary supervision of a United States court and the trust has one or more United States persons with authority to control all substantial decisions or (B) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a United States person.

(d) that such Investor acknowledges and accepts the power, authority and duties vested in the Administrative Trustee pursuant to this Trust Agreement, and the limitations on the duties of the Administrative Trustee to the Investors set forth in this Trust Agreement, including but not limited to the limitations set forth in Section 6.02 of this Trust Agreement.

ARTICLE VI TRUST MANAGEMENT

6.01 Acceptance of Trust and Duties. The Delaware Trustee accepts the Trust hereby created and agrees to perform its duties as so provided herein. The Administrative Trustee accepts its duties as Administrative Trustee as set forth in this Trust Agreement, including, but not limited to, receiving and disbursing all money received by them constituting part of the Trust Property, subject to the Master Lease and other relevant agreements.

6.02 Limitation on Fiduciary Duties of Delaware Trustee and Administrative Trustee. Consistent with Sections 3803(b), 3806(c), 3806(d) and 3806(e) of the Act, to the fullest extent permitted by law, the duties and liabilities of the Administrative Trustee to the Trust and the Investors pursuant to this Trust Agreement are expressly limited as follows:

(a) The Administrative Trustee shall not be individually answerable or accountable for their omissions or actions on behalf of the Trust, except: (i) for their own

willful misconduct or gross negligence; (ii) for the inaccuracy of any of their representations or warranties contained in Section 6.05 hereof; (iii) for their failure to comply with Section 7.03; (iv) for their own income taxes based on fees, commissions or compensation received as Delaware Trustee or Administrative Trustee, as applicable; or (v) for the failure to use ordinary care to disburse money received by them in accordance with the terms hereof.

(b) The Investors hereby acknowledge and agree that the Administrative Trustee and its Affiliates engage in business activities other than acting as Administrative Trustee and Administrative Trustee hereunder, and each Investor hereby waives any claim or cause of action against the Delaware Trustee and Administrative Trustee as a result of any potential or actual conflict of interest arising as a result of any such business activity. Such business activities include, but are not limited to: (i) receiving fees related to the acquisition of the Trust Property; (ii) owning an interest in and receiving distributions of income from the Trust Property; (iii) engaging directly or indirectly in business activities that may relate to the Trust Property; (iv) acquiring, or sponsoring the acquisition of interests by investors in, parcels of real property that may compete with the Trust Property; and (v) undertaking obligations (including obligations as trustees and/or managers) to entities other than the Trust.

6.03 Not Acting in Individual Capacity. Except as otherwise provided in this Article VI, and pursuant to Section 3803(b) of the Act, the Delaware Trustee and the Administrative Trustee act solely as Administrative Trustee hereunder and not in their individual capacities, and all Persons other than the Investors having any claim against the Delaware Trustee or Administrative Trustee by reason of the transactions contemplated hereby shall look only to the Trust Property for payment or satisfaction thereof, but subject to the liens and other obligations created pursuant to the Master Lease.

6.04 Authority of Administrative Trustee. The Administrative Trustee shall manage, control, dispose of or otherwise deal with the Trust Property consistent with its duties to conserve and protect the Trust Property, subject to any restrictions provided in this Trust Agreement.

6.05 Representations or Warranties as to Trust Property or Documents. The Delaware Trustee and the Administrative Trustee make no representation or warranty as to: (i) the title, value, condition or operation of the Trust Property; and (ii) the validity or enforceability of any Transaction Document or as to the correctness of any statement contained in any thereof, except as expressly made by the Administrative Trustee in its individual capacity. The Administrative Trustee represents and warrants to the Investors that this Trust Agreement has been authorized, executed and delivered by the Administrative Trustee.

6.06 Reliance. The Administrative Trustee shall not be liable to anyone for relying on any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by them to be genuine and signed by the proper parties. The Trust Management may accept a copy of a resolution of the board of directors or other governing body of any corporate party, certified by the secretary or a senior officer thereof, as conclusive evidence that such resolution has been duly adopted by

such body and that the same is in full force and effect. As to any fact or matter, the manner of ascertainment of which is not specifically prescribed herein, the Administrative Trustee may for all purposes hereof rely on an officer's certificate of the relevant Person (if not an individual) as to such fact or matter, and such certificate shall constitute full protection to the Administrative Trustee for any action taken, suffered or omitted by it in good faith in reliance thereon.

6.07 Advice of Counsel. In the administration and interpretation of the Trust, the Administrative Trustee may perform any of its powers and duties, directly or through agents or attorneys and may consult with counsel, accountants and other skilled Persons selected and employed by it. The Administrative Trustee shall not be liable for anything done or omitted in good faith in accordance with the advice or opinion within the scope of competence of any such counsel, accountant or other skilled Persons selected with due care.

6.08 Compensation. The Delaware Trustee shall receive as compensation for its services an initial fee, monthly fees and document execution fees as agreed to by the Delaware Trustee and the Trust in a separate agreement.

ARTICLE VII DUTIES OF THE ADMINISTRATIVE TRUSTEE

7.01 Duties of the Trustees in General.

(a) The Trustees shall only have the duties and obligations expressly provided in this Trust Agreement.

(b) The Delaware Trustee is appointed to serve as the Delaware trustee of the Trust in the State of Delaware for the purpose of satisfying the requirement of Section 3807(a) of the Act that the Trust have at least one trustee with a principal place of business in Delaware.

(c) It is understood and agreed by the parties hereto that the Delaware Trustee shall have none of the duties or liabilities of the Administrative Trustee. The duties and obligations, and the authority, of the Delaware Trustee in its capacity as Delaware trustee of the Trust in the State of Delaware shall be limited to: (i) accepting legal process served on the Trust in the State of Delaware; (ii) executing of any certificates required to be filed with the Delaware Secretary of State which the Delaware Trustee is required to execute under Section 3811 of the Act; and (iii) any other duties specifically allocated to the Delaware Trustee as the Delaware trustee in the Trust Agreement. To the extent that, at law or in equity, the Delaware Trustee has duties (including fiduciary duties) and liabilities relating thereto to the Trust or the Investors, it is hereby understood and agreed by the other parties hereto that such duties and liabilities are replaced by the duties and liabilities of the Delaware Trustee expressly set forth in this Trust Agreement. To the fullest extent permitted by law, including Section 3806(e), the Delaware Trustee, shall not be liable to the Trust, the Administrative

Trustee, the Investors, or any other Person bound by this Trust Agreement for breach of contract or breach of duties (including fiduciary duties), unless the Delaware Trustee acted in bad faith or engaged in willful misconduct.

(d) The duties of the Administrative Trustee include holding bare legal title to the Real Estate on behalf of the Trust, for the benefit of the Trust, in a manner consistent with arrangements described in Treasury Regulation Section 301.7701-4(a). For the avoidance of doubt, the Administrative Trustee shall not hold any beneficial ownership interest in the Real Estate for income tax purposes or for any other legal or equitable purpose, and expressly disclaims any ownership or other interest (legal, equitable or otherwise) in the Real Estate other than such interest in bare legal title to such property as set forth herein, it being understood and agreed that all interests in the Real Estate not specifically ascribed herein to the Administrative Trustee are reserved to and held by the Trust. The Administrative Trustee will have all necessary powers it is required to have under Georgia state law as holder of bare legal title of the Real Estate, including the power and the authority to execute documents with respect to the acquisition, financing, operation and conveyance of the Real Estate.

(e) Except as provided in Section 7.01(c) above, the Administrative Trustee, including on behalf of the Trust, is hereby authorized and directed to enter into any agreement permitted or directed by this Trust Agreement without the consent or signature of the Delaware Trustee including, without limitation, the Transaction Documents. The Delaware Trustee, in its role as Delaware trustee, is authorized and directed to enter into such other documents and take such other actions as the Administrative Trustee shall specifically direct in written instructions delivered to the Delaware Trustee; provided, however, that the Delaware Trustee will take such action merely in a ministerial nondiscretionary capacity, as directed by the Administrative Trustee, and any such action shall not subject the Delaware Trustee to any liability, and provided further, however, that no Delaware Trustee shall be required to take any action if such Delaware Trustee shall determine, or shall be advised by counsel, that such action is likely to result in personal liability to such Delaware Trustee or is contrary to applicable law or any agreement to which such Delaware Trustee is a party.

(f) The Administrative Trustee has also been appointed hereunder to satisfy such legal or administrative requirements as may be necessary or prudent to carry out the duties of the Trust with respect to the Transaction Documents or any Trust Property to the extent that the Delaware Trustee is not required to do so under applicable law or this Agreement.

7.02 Actions of Administrative Trustee. The Administrative Trustee is hereby authorized and directed to take, or cause the Trust to take, any and all necessary actions to conserve and protect the Trust Property, including, but not limited to:

(a) acquiring, owning, conserving, protecting and selling the Trust Property;

(b) executing, including on behalf of the Trust, entering into and/or assuming and complying with the terms of the Master Lease, and any other Transaction Documents;

(c) collecting rents and making distributions in accordance with Article IV;

(d) entering into any agreement for purposes of completing tax-free exchanges of real property for Investors with each such Investor's "qualified intermediary" as defined in Section 1031 of the Code and the Treasury Regulations thereunder;

(e) notifying the relevant parties of any default by them under the Transaction Documents;

(f) solely to the extent necessitated by the bankruptcy or insolvency of a tenant, renegotiating the Master Lease or entering into a new lease with respect to the Real Estate or negotiating or financing any debt secured by the Real Estate; and

(g) taking any action which, in the reasoned opinion of tax counsel to the Trust, should not have an adverse effect on the treatment of the Trust as an "investment trust" within the meaning of Treasury Regulation Section 301.7701-4(c).

7.03 Prohibited Actions. Notwithstanding any other provision in this Trust Agreement, the Administrative Trustee shall not have the power to take any of the following actions, if the exercise of such action or actions would constitute a power under the Trust Agreement to "vary the investment of the certificate holders" as defined by Regulation Section 301.7701-4(c)(1): (a) reinvest any monies of the Trust, except in accordance with Section 4.02; (b) enter into mortgage financing, renegotiate the Master Lease or enter into new leases except in the case of Master Tenant's bankruptcy or insolvency; (c) make other than minor non-structural modifications to the Real Estate, other than as required by law; (d) accept any capital from the Investors or new investors except as provided for in the Private Placement Memorandum; or (e) take any other action that, in the reasoned opinion of tax counsel to the Trust, should be expected to cause the Trust to be treated as a "business entity" for federal income tax purposes.

7.04 Books and Records. The Administrative Trustee shall keep customary and appropriate books and records relating to the Trust and the Trust Property. The Administrative Trustee shall provide reports of income and expenses to the Investors as necessary for the Investors to prepare their income tax returns regarding the Trust Property.

7.05 Intentionally Omitted.

7.06 Duty to Act.

(a) The Administrative Trustee shall not be required to act or refrain from acting under this Trust Agreement if the Administrative Trustee reasonably determines,

or has been advised by legal counsel, that such actions may result in personal liability, unless the Administrative Trustee is indemnified by the Investors against any liability and costs (including reasonable legal fees and expenses) which may result, in a manner and form reasonably satisfactory to the Administrative Trustee. However, the Investors shall not be required to indemnify the Administrative Trustee with respect to any of the matters described in Section 6.02(a)(i) through 6.02(a)(v).

(b) The Delaware Trustee shall not have any duty: (i) except as provided in the second sentence of Section 7.01(c) to file, record or deposit any document or to maintain any such filing, recording or deposit or to refile, rerecord or redeposit any such document; (ii) to obtain or maintain any insurance on the Property; or (iii) to maintain the Property; (iv) to pay or discharge any tax levied against any part of the Property.

ARTICLE VIII INDEMNIFICATION AND PAYMENT OF ADMINISTRATIVE TRUSTEE

To the fullest extent permitted by law, the Trust agrees, and the Investors hereby acknowledge and agree that the Trust agrees: (a) to reimburse the Administrative Trustee for all reasonable expenses (including reasonable fees and expenses of counsel and other professionals) incurred or advanced in connection with the performance of their duties under this Trust Agreement or any other agreement that the Administrative Trustee enters into for the benefit of the Trust; (b) to the fullest extent permitted by law, to indemnify the Administrative Trustee, their owners, officers, directors, members, employees, agents and other Affiliates (collectively the “**Trust Management Indemnified Parties**” and each a “**Trust Management Indemnified Party**”) and hold the Trust Management Indemnified Parties harmless, in their individual capacities, from and against, any and all liabilities, obligations, losses, damages, taxes, claims, actions, suits, costs, expenses and disbursements including reasonable legal fees and expenses which may be imposed on, incurred by or asserted at any time against them, in their individual capacities (and not indemnified against by other Persons) which relate to or arise out of the operation of the Trust (including the Trust Agreement and all transactions and documents contemplated thereby), the Trust Property (all such items collectively the “**Indemnified Costs**”); provided, however, that the Trust shall not be required to indemnify any Trust Management Indemnified Party with respect to any of the matters described in Sections 6.02(a)(i) through 6.02(a)(v) to the extent any such section is adjudged (as provided in subsection (c) below) to apply to such Trust Management Indemnified Party; and (c) to the fullest extent permitted by law, to advance to each such Trust Management Indemnified Party the Indemnified Costs incurred by such Trust Management Indemnified Party in defending any claim, demand, action, suit or proceeding arising out of the operation of the Trust (including the Trust Agreement and all transactions and documents contemplated thereby), the Trust Property, prior to the final disposition of such claim, demand, action, suit or proceeding, upon receipt by the Trust of an undertaking by or on behalf of such Trust Management Indemnified Party, to repay such amount if a court of competent jurisdiction renders a final, nonappealable judgment that includes a specific finding of fact that such Trust Management Indemnified Party is not entitled to indemnification pursuant to this Article VIII (*i.e.*, because such court of competent jurisdiction specifically finds that

any of Sections 6.02(a)(i) through 6.02(a)(v) apply to such Trust Management Indemnified Party). The obligations of the Trust pursuant to this Article VIII shall survive the resignation or removal of the Administrative Trustee, the disposition of the Trust Property, the termination of the Trust (whether in accordance with Article IX or otherwise), or the amendment, supplement or restatement of this Trust Agreement.

ARTICLE IX TERMINATION OF TRUST AGREEMENT

9.01 Termination in General. The Trust shall dissolve and wind up in accordance with Section 3808 of the Act and each Investor's share of the Trust Property shall, subject to Article IV hereof, be distributed to the Investors, at the earlier of: (a) December 31, 2073; or (b) the sale or other disposition of the Real Estate. Notwithstanding any other provision of this Trust Agreement, (a) the bankruptcy of a trustee or a beneficiary shall not cause the trustee or the beneficiary, respectively, to cease to be a trustee or beneficiary of the Trust and upon the occurrence of such an event, the Trust shall continue without dissolution and (b) the Trust cannot be terminated by the Investors or any other beneficial owners.

9.02 Termination in Certain Circumstances. Notwithstanding Section 9.01, if: (i) the Trust Property or any portion thereof is subject to a casualty, condemnation or similar event that is not adequately compensated for through insurance or otherwise sufficient to permit restoration of the Trust Property to the same condition as previously existed; or (ii) the Administrative Trustee determines that the Investors are at risk of losing all or a substantial portion of their investment in the Interests, and the Administrative Trustee is prohibited from taking actions to cure or mitigate the event(s) described in clauses (i) or (ii) by reason of the restrictions set forth in Section 7.03 hereof, the Administrative Trustee shall terminate the Trust and distribute the Trust Property to the Investors in the manner provided in Section 9.03.

9.03 Distribution of Trust Property to Investors.

(a) If the circumstances described in Section 9.02 apply to the Trust, then the Administrative Trustee may in its sole discretion terminate the Trust in accordance with Section 9.02 by either (i) following the procedure described in Section 9.03(b), *i.e.*, converting the Trust to an LLC or (ii) terminating the Trust by distributing tenant-in-common interests in the Trust Property to the Investors in proportion to their ownership of the Trust, which interests (and the Investors) would be subject to an agency and/or co-ownership arrangement and other agreements that are in form and substance satisfactory to the Administrative Trustee as determined in its discretion and materially consistent with the terms and conditions set forth in Rev. Proc. 2002-22 or such other Internal Revenue Service guidance as may apply to the treatment of tenancy-in-common arrangements as direct interests in the Real Estate for purposes of Code Section 1031.

(b) If the circumstances described in Section 9.02 apply to the Trust, then the Administrative Trustee may: (i) terminate the Trust by converting it pursuant to Section 3821 of the Act into a Delaware limited liability company (an "LLC"), the operating agreement for which will be substantially similar in form to the LLC operating agreement set

forth as Exhibit A attached hereto and made a part hereof (the “**LLC Agreement**”) (or in lieu of such conversion, as determined in the sole discretion of the Administrative Trustee, by transferring or contributing the Trust Property to, or by merging the Trust into, such LLC), which LLC shall acquire, by operation of law, contract, or otherwise, the Trust Property subject to the then-outstanding obligations of the Trust under the Master Lease, and which LLC shall assume, by operation of law, contract or otherwise, the Trust’s obligations under the Master Lease; (ii) effect the conversion or exchange of the Investors’ ownership interests in the Trust into equivalent membership interests in the LLC; (iii) cause the Administrative Trustee to be designated as the Manager (as such term is defined in the LLC Agreement) of the LLC and to execute all necessary documents, including the LLC Agreement on behalf of the members of the LLC; and (iv) take all other actions necessary to complete the termination and winding up of the Trust and the formation of the LLC in accordance with the Act and the Delaware Limited Liability Company Act.

(c) For federal income tax purposes: a conversion of the Trust to an LLC effectuated pursuant to Section 9.03(b) shall be characterized as: (1) a distribution of Trust Property by the Trust to the Investors in complete termination of the Trust, followed by (2) a contribution by the Investors of the Trust Property to the LLC in exchange for membership interests in the LLC.

9.04 Certificate of Cancellation. Upon the completion of winding up of the Trust, the Administrative Trustee shall cause a Certificate of Cancellation to be filed with the Delaware Secretary of State and thereupon the Trust and this Trust Agreement shall terminate.

ARTICLE X SUCCESSOR ADMINISTRATIVE TRUSTEE

10.01 Resignation; Removal. The Administrative Trustee or any successor administrative trustee may resign at any time by giving at least 60 days’ prior written notice to the Investors. Investors holding a Majority of the Interests may remove the Administrative Trustee at any time for “Cause” by giving written notice to the Administrative Trustee. As used in the preceding sentence, “Cause” shall mean the willful misconduct, fraud or gross negligence of the Administrative Trustee, as determined by a final, nonappealable judgment of a court of competent jurisdiction.

10.02 Appointment of Successor Administrative Trustee. Notwithstanding anything herein to the contrary, no resignation or removal of the Administrative Trustee shall be effective until a successor Administrative Trustee has been appointed and such successor has accepted its responsibilities, all as hereinafter provided. In case of the resignation, liquidation or removal of the Trustee, the Administrative Trustee shall appoint a successor trustee. In case of the resignation, liquidation or removal of the Administrative Trustee, Investors holding a Majority of the Interests may appoint, by written instrument, a successor (a “**Majority Appointment**”). The Trust shall not be terminated solely due to the death, liquidation, resignation or removal of any Administrative Trustee. If a successor Administrative Trustee shall not have been appointed within 60 days after notice has been given pursuant to Section 10.01, the Administrative Trustee or a Majority of the Investors may apply to any court of

competent jurisdiction in the United States to appoint a successor administrative trustee to act until such time, if any, as a Majority Appointment shall have occurred. Any successor appointed by a court shall immediately and without further act be superseded by any successor appointed by Majority Appointment within one year from the date of the appointment by such court. Any successor, however appointed, shall execute and deliver to its predecessor trustee (the Administrative Trustee, Delaware Trustee) or a successor trustee, as the case may be, an instrument accepting such appointment, and thereupon such successor, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor trustee with like effect as if originally named the Administrative Trustee herein; provided, however, that upon the written request of such successor, such predecessor shall execute and deliver an instrument transferring to a successor all the estates, properties, rights, powers, duties and trusts of such predecessor, and such predecessor shall duly assign, transfer, deliver and pay over to such successor all monies or other property then held by such predecessor upon the trusts herein expressed. Any right of the Investors against the predecessor Administrative Trustee, in its, his or her individual capacity, shall not be prejudiced by the appointment of any successor trustee and shall survive the termination of the trusts created hereby.

10.03 Successor Delaware Trustee. Any successor Delaware Trustee, however appointed, shall be a bank or trust company with its principal place of business in the State of Delaware and having either: (a) a combined capital and surplus of at least \$50,000,000; or (b) the performance of its obligations hereunder guaranteed by such a bank or trust company having a combined capital and surplus of at least \$50,000,000, if there is such an institution willing, able and legally qualified to perform the duties of Delaware Trustee hereunder upon reasonable or customary terms. Any corporation into which the Delaware Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Delaware Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Delaware Trustee may be transferred, shall, subject to the preceding sentence, be the Delaware Trustee under this Trust Agreement without further act. Any successor Delaware Trustee, however appointed, shall be competent and qualified to: (i) serve as a Delaware Trustee of a statutory trust formed pursuant to Chapter 38 of Title 12 of the Delaware Code; (ii) own, buy, sell, lease and mortgage land in the state where the Trust Property is located; and (iii) take all actions required by the Delaware Trustee pursuant to the Trust in the State of Delaware.

ARTICLE XI MISCELLANEOUS

11.01 Limitations on Rights of Others. Nothing in this Trust Agreement, whether express or implied, shall give to any Person other than the Administrative Trustee and the Investors any legal or equitable right, remedy or claim hereunder.

11.02 Notices, Etc. All notices, requests, demands, consents and other communications (“**Notices**”) required or contemplated by the provisions hereof shall refer on their face to this Trust Agreement (although failure to do so shall not make such Notice ineffective), shall, unless otherwise stated herein, be in writing and shall be: (i) personally

delivered; (ii) sent by reputable overnight courier service; (iii) sent by certified or registered mail, postage prepaid and return receipt requested; (iv) transmitted by telephone facsimile with electronic confirmation of receipt; or (v) by email (if an email address is provided by such prospective recipient of Notice); in each case, as follows:

if to the Administrative Trustee: PG Sugarloaf Manager, LLC
3500 Lenox Road, Suite 625
Atlanta, GA 30326
ATTN: Kevin Cadin
Email: kcadin@peachtreehotelgroup.com

if to the Delaware Trustee: Sorensen Entity Services LLC
1201 N. Orange St., Suite 7044
Wilmington, DE 19801
ATTN: Chris Sorensen

if to the Depositor: PG Sugarloaf Depositor, LLC
3500 Lenox Road, Suite 625
Atlanta, GA 30326
ATTN: Kevin Cadin
Email: kcadin@peachtreehotelgroup.com

if to the Investors: at the address and/or fax set forth on Schedule 1 attached hereto and made part hereof.

or at such other address and telephone facsimile number as shall be designated, respectively, by the Administrative Trustee, the Delaware Trust, the Depositor or the Investors in a written notice to the other Persons receiving Notices pursuant to this Section. Notices given pursuant to this Section shall be deemed received upon the earliest of the following to occur: (i) upon personal delivery; (ii) on the third day following the day sent, if sent by registered or certified mail; (iii) on the next business day following the day sent, if sent by reputable overnight courier; and (iv) if transmitted by telephone facsimile or email, on the day sent if such day is a business day of the addressee and the telephone facsimile or email is transmitted by the sender by 5:00 p.m. local time of the addressee on such day and otherwise on the first business day of the addressee after the day that the telephone facsimile or email is sent.

11.03 Severability. Any provision of this Trust Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11.04 Separate Counterparts. This Trust Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

11.05 Successors and Assigns. All covenants and agreements contained herein shall be binding upon and inure to the benefit of the Trustees, their successors and assigns, and the Investors and their respective successors and assigns, all as herein provided. Any request, notice, direction, consent, waiver or other writing or action by the Investors shall bind their respective successors and assigns.

11.06 Usage of Terms. With respect to all terms in this Trust Agreement, the singular includes the plural and the plural includes the singular; words importing any gender include the other gender; references to “writing” include printing, typing, lithography and other means of reproducing words in a visible form; references to agreements and other contractual instruments include all subsequent amendments thereto or changes therein entered into in accordance with their respective terms and not prohibited by this Trust Agreement; references to Persons include their successors and permitted assigns; and the term “including” means including without limitation.

11.07 Headings. The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

11.08 Governing Law. This Trust Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts to be performed entirely within such state, including all matters of construction, validity and performance. Each party to this Trust Agreement acknowledges and agrees that, except solely for the Act, the laws of the State of Delaware or of any other state or authority having jurisdiction over the Trust which pertain to trusts shall not apply to this Trust Agreement, and that the Act is the sole law pertaining to trusts that applies to this Trust Agreement. Each party to this Trust Agreement agrees to only bring suit in a court located in Fulton County, Georgia, and consents to personal jurisdiction therein.

11.09 Amendments. This Trust Agreement may be supplemented or amended by determination of the Administrative Trustee to correct scrivener’s errors, to clarify any ambiguities in the Trust Agreement or to reflect any changes to or otherwise comply with securities and tax law, provided, however, that no amendment or supplement shall be made if, in the reasoned opinion of tax counsel to the Trust, the making or exercise of such amendment or supplement would constitute a power under the Trust Agreement to “vary the investment” of the Investors within the meaning of Treasury Regulation Section 301.7701-4(c)(1).

11.10 Benefits of Agreement. No Third-Party Rights. None of the provisions of this Trust Agreement shall be for the benefit of or enforceable by any creditor of the Trust or by any creditor of any Investor; and nothing in this Trust Agreement shall be deemed to create any right in any Person not a party hereto.


[SIGNATURE PAGE FOLLOWS]

WHEREFORE, the parties hereto have caused this Trust Agreement to be duly executed by their respective authorized signatories as of the day and year first above written.

DEPOSITOR:

PG SUGARLOAF DEPOSITOR, LLC,
a Delaware limited liability company


By: Peachtree Hotel Group II, LLC,
a Georgia limited liability company, its Manager

By: 
Name: Jatin Desai
Title: Manager

ADMINISTRATIVE TRUSTEE:

PG SUGARLOAF MANAGER, LLC,
a Delaware limited liability company

By: Peachtree Hotel Group II, LLC,
a Georgia limited liability company, its Manager

By: 
Name: Jatin Desai
Title: Manager

DELAWARE TRUSTEE:

Sorensen Entity Services LLC, a Delaware
limited liability company

By: 

Name: Chris Sorensen

Title: Manager

SCHEDULE 1

SIGNATURE OF INVESTORS

(SEE ATTACHED)

EXHIBIT A

**FORM OF OPERATING AGREEMENT FOR LLC CREATED PURSUANT TO
SECTION 9.03**

**OPERATING AGREEMENT
OF
PG SUGARLOAF, LLC**

THIS OPERATING AGREEMENT (this “**Agreement**”) of PG Sugarloaf, LLC, a Delaware limited liability company (the “**Company**”), is made and entered into as of [EFFECTIVE DATE] (the “**Effective Date**”), by and among PG Sugarloaf DST, a Delaware statutory trust (the “**DST**” or the “**Trust**”), PG Sugarloaf Manager, LLC, a Delaware limited liability company, and the persons whose names are set forth on Schedule 1 of this Agreement (the “**Members**”).

RECITALS:

WHEREAS, PG Sugarloaf Manager, LLC, a Delaware limited liability company, is the administrative trustee of the DST (the “**Administrative Trustee**”) and the Members collectively own all of the beneficial interests in the DST (the Members in such capacity the “**Owners**”);

WHEREAS, the Administrative Trustee, on behalf of the DST owns all right, title and interest of the Trust in and to all property contributed to the Trust or otherwise owned by the Trust, including the Real Estate (the “**Trust Property**”);

WHEREAS, the Administrative Trustee has determined that, to conserve and protect the Trust Property, the DST must be converted into a limited liability company as provided in Sections 9.02 and 9.03 of the Trust Agreement;

WHEREAS, pursuant to Section 9.03 of the Trust Agreement, the Company shall be the owner of the Trust Property (such property in the hands of the Company the “**Company Property**”) which shall remain subject to the Master Lease, the Administrative Trustee shall become the manager of the Company, the Owners shall become Members of the Company, and the Trust shall be converted into a limited liability company; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the parties agree as follows:

**ARTICLE I
FORMATION OF COMPANY**

1.1 Authority. The Company has been converted in accordance with the requirements of the Delaware Limited Liability Company Act (the “**Act**”) and PG Sugarloaf Manager, LLC, a Delaware limited liability company, has been designated the manager of the Company (the “**Manager**”). The Manager shall have the authority to perform such other

filings, recordings and actions and will comply with all formation requirements under the Act and the laws of such other states in which the Company elects to do business.

1.2 Membership; Rights and Obligations. Upon the consummation of the transactions described in the Recitals, the Members will be members of the Company. The rights and obligations of the Company and the Members will, except as otherwise provided herein, be governed by the Act.

1.3 Name. The name of the Company is “PG Sugarloaf, LLC” and its affairs will be conducted under the Company name or such other name(s) as the Manager may select. The Manager will execute and file with the proper offices any and all certificates required by the fictitious name or assumed name statutes of the states in which the Company elects to do business. The Company will have the exclusive ownership of and right to use the Company name.

1.4 Purposes of the Company. The purposes of the Company are: (i) to manage and dispose of, finance and refinance the Company Property; (ii) to assume and to satisfy the obligations of the DST set forth in the Master Lease; and (iii) to engage in such other activities, enterprises, ventures and undertakings permitted under this Agreement and/or the Act that are necessary or appropriate to the foregoing purposes.

1.5 Characterization. It is the intention of the Manager and the Members that the Company constitute a partnership for federal, state and local income tax purposes. Each Member will report its Membership Interest in a manner consistent with the foregoing, and neither the Manager nor any Member will take any action inconsistent with the foregoing.

1.6 Principal Office of the Company. The principal office of the Company is 3500 Lenox Road, Suite 625, Atlanta, GA, or at such other place as the Manager may designate. The Company may have other offices in such place or places as selected by the Manager.

1.7 Registered Office and Registered Agent. The name and address of the registered agent of the Company in the State of Delaware is Sorensen Entity Services LLC, located at 1201 N. Orange St., Suite 7044, Wilmington, Delaware 19801. The Manager may from time to time in accordance with the Act change any of the Company’s registered agents and/or registered offices and designate a registered agent and registered office in each state the Company is required to maintain or appoint one.

1.8 Term of Existence of the Company. The term of the Company commenced upon the filing of its Certificate of Formation with the Secretary of State of the State of Delaware and will be perpetual unless sooner terminated as provided in Article VIII.

ARTICLE II

MEMBERSHIP INTERESTS; CAPITAL CONTRIBUTIONS

2.1 Membership Interest. Each Member’s percentage ownership interest in the Company shall be equal to such Member’s beneficial ownership interest in the DST

immediately prior to the transactions described in the Recitals. The amount of each Member's percentage ownership interest in the Company ("**Membership Interest**") is set forth opposite such Member's name on Schedule 1 hereto.

2.2 Capital Contributions.

(a) Each Member will be credited with an initial capital contribution ("**Capital Contribution**") in the amount set forth opposite such Member's name on Schedule 1 hereto.

(b) The Manager may request at any time that the Members make additional Capital Contributions to the Company on a pro rata basis in proportion to each Member's Membership Interest. The Members are not required to comply with any such request. The Manager shall adjust the Members' Capital Contributions and Membership Interests set forth on Schedule 1 hereto to equitably reflect any additional capital contributions made by Members.

ARTICLE III ACCOUNTING, ALLOCATIONS AND DISTRIBUTIONS

3.1 Books of Account.

(a) The Manager shall maintain the books of account of the Company.

(b) The books of account will be closed promptly after the end of each calendar year, which will be the Company's fiscal year ("**Fiscal Year**"). Promptly after the close of the Fiscal Year, the Company will cause to be prepared such partnership income tax and other returns required under applicable law and regulation, including any and all statements necessary to advise all Members promptly about their investment in the Company for federal income tax reporting purposes. The Manager will be responsible for the prompt filing and delivery of all such returns and statements. All elections and options available to the Company for tax purposes will be taken or rejected by the Company in the sole discretion of the Manager.

3.2 Capital Accounts. A separate capital account ("**Capital Account**") will be maintained for each Member. Each Member's initial Capital Account shall be equal to the amount set forth opposite such Member's name on Schedule 1 hereto. Thereafter, each Member's Capital Account will, *inter alia*, be increased by: (i) the amount of money contributed by such Member to the Company; (ii) the fair market value of property contributed by such Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Code Section 752); and (iii) allocations to such Member of Company income and gain (or items thereof), including income and gain exempt from tax; and decreased by (iv) the amount of money distributed to such Member (as a Member) by the Company; (v) the fair market value of property distributed to such Member (as a Member) by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to under Code Section

752); (vi) allocations to such Member of expenditures of the Company described in Code Section 705(a)(2)(B); and (vii) allocations to such Member of Company loss and deduction (or items thereof).

3.3 Profit and Loss Allocations. Except as otherwise required by Code Section 704 and the Treasury Regulations thereunder, net profit or net loss of the Company, determined for income tax purposes, will be allocated to the Members pro rata with their Membership Interests.

3.4 Special Tax Allocations. In accordance with Code Sections 704(b) and 704(c) and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any asset contributed to the capital of the Company will, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its fair market value at the time of contribution to the Company.

3.5 Distributions.

(a) Company cash flow for any Fiscal Year will consist of all cash received by the Company (other than as a capital contribution) less cash expenditures for Company debts, expenses, capital expenditures and reasonable reserves as determined by the Manager in its sole discretion.

(b) Company cash flow for any Fiscal Year will be distributed to the Members in proportion to their Membership Interests.

(c) No Member has the right to partition, or otherwise demand an in-kind distribution of, the Company Property. If the Company distributes Company Property to the Members, the fair market value of such property at the time of such distribution will be determined by the Manager in its sole discretion, and any such distribution will be made to the Members in proportion to their Membership Interests.

ARTICLE IV RIGHTS, DUTIES, LIABILITIES AND RESTRICTIONS OF THE MANAGER

4.1 The Manager.

(a) Except solely as provided in Section 4.1(b) with respect to Major Decisions (as defined below), the Manager will have the sole and exclusive right to manage, control and conduct the affairs of the Company and to manage the Company Property, including the right to convert the Company into another form of entity (for the avoidance of doubt, the Manager shall have a limited power of attorney to execute all documents to effect such conversion).

(b) Notwithstanding the foregoing, the following actions (the “**Major Decisions**”) will require the consent of Members holding a Majority of the Membership

Interests: (i) entering into any agreement for the sale, transfer, or exchange of all or any substantial portion of the Company Property; (ii) entering into, modifying, extending, renewing or canceling any lease with respect to the Company Property or any portion thereof; (iii) entering into, modifying, extending, renewing or canceling any agreement pertaining to any indebtedness to be secured in whole or in part by any mortgage, pledge, lien or other encumbrance upon the Company Property; (iv) admitting new Members to the Company in exchange for Capital Contributions by such persons to the Company; (v) dissolving and winding up the Company; or (vi) amending this Agreement; provided, however, this Agreement may be supplemented or amended by agreement of the Manager to correct scrivener's errors, to clarify any ambiguities in this Agreement or to reflect any changes to or otherwise comply with securities and tax law. The consent of the Members to any Major Decision shall be determined as provided in Section 5.1.

4.2 Intentionally Omitted.

4.3 Duties and Responsibilities of the Manager. The Manager will diligently, faithfully and competently perform its duties and responsibilities, and will devote such time to the Company's business as, in the judgment of the Manager, is reasonably required.

4.4 Officers of the Company. The Manager may appoint one or more persons to serve as officers of the Company, in such capacities and with such delegated rights and powers as the Manager may approve; provided, however, that no such officer will have any different or greater rights and powers than the Manager. The Manager may provide that compensation be paid to persons who provide services to the Company as officers.

4.5 Expenditures by Manager. The Company will reimburse the Manager and its Affiliates for any costs and expenses reasonably incurred by them on behalf of the Company.

4.6 Potential Conflicts. The Company may purchase goods or services from the Manager or its Affiliates, provided that any such transaction will be conducted on commercially reasonable terms. The Manager may engage in business ventures of any nature and description independently or with others, including, but not limited to, the business or businesses engaged in by the Company, and neither the Company nor any of the other Members will have any rights in or to such independent ventures or the profits derived therefrom.

4.7 Liability of Manager. The Manager will not be liable to any Member or the Company for honest mistakes of judgment, or for action or inaction, taken reasonably and in good faith for a purpose that was reasonably believed to be in the best interests of the Company, or for losses due to such mistakes, action or inaction, or for the negligence, dishonesty or bad faith of any employee, broker or other agent of the Company. The Manager may consult with counsel and accountants in respect of Company affairs and be fully protected and justified in any action or inaction that is taken in accordance with the advice or opinion of such counsel or accountants, provided that they will have been selected with reasonable care. The Members will look solely to the Company Property for the return of their capital and, if the assets of the Company remaining after payment or discharge of the

debts and liabilities of the Company are insufficient to return such capital, they will have no recourse against the Manager for such purpose. Notwithstanding any of the foregoing to the contrary, the provisions of this Section will not relieve the Manager of any liability by reason of the gross negligence, willful misconduct or intentional wrongdoing or to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but will be construed so as to effectuate the provisions of this Section to the fullest extent permitted by law.

4.8 Indemnification. The Company agrees: (a) to reimburse the Manager for all reasonable expenses (including reasonable fees and expenses of counsel and other professionals) incurred in connection with the performance of its duties under this Agreement; (b) to the fullest extent permitted by law, to indemnify the Manager, its owners, officers, directors, members, employees, agents and other Affiliates (collectively the “**Manager Indemnified Parties**” and each a “**Manager Indemnified Party**”) and hold the Manager Indemnified Parties harmless, in their individual capacities, from and against, any and all liabilities, obligations, losses, damages, taxes, claims, actions, suits, costs, expenses and disbursements including reasonable legal fees and expenses which may be imposed on, incurred by or asserted at any time against them, in their individual capacities (and not indemnified against by other Persons) which relate to or arise out of the operation of the Company (including this Agreement and all transactions and documents contemplated thereby), or the Company Property (all such items collectively the “**Indemnified Costs**”), provided, however, that the Company shall not be required to indemnify any Company Indemnified Party with respect to any willful misconduct or gross negligence with respect to the Company on the part of such Manager Indemnified Party to the extent such Manager Indemnified Party is adjudged (as provided in subsection (c) below) to have engaged in such willful misconduct or gross negligence with respect to the Company; and (c) to the fullest extent permitted by law, to advance to each such Manager Indemnified Party the Indemnified Costs incurred by such Manager Indemnified Party in defending any claim, demand, action, suit or proceeding arising out of the operation of the Company (including this Agreement and all transactions and documents contemplated thereby) or the Company Property, prior to the final disposition of such claim, demand, action, suit or proceeding, upon receipt by the Company of an undertaking by or on behalf of such Manager Indemnified Party, to repay such amount if a court of competent jurisdiction renders a final, nonappealable judgment that includes a specific finding of fact that such Manager Indemnified Party is not entitled to indemnification pursuant to this Section 4.8 (*i.e.*, because such court of competent jurisdiction specifically finds that such Manager Indemnified Party engaged in willful misconduct or gross negligence with respect to the Company). The obligations of the Company pursuant to this Article IV shall survive the resignation or removal of any Manager, the disposition of the Company Property, the termination of the Company, or the amendment, supplement or restatement of this Agreement.

4.9 Successor to Manager. If the Manager resigns, a successor manager will be selected by Members holding a Majority of the Membership Interests.

4.10 Partnership Representative.

(a) The “partnership representative” as provided for in Code Section 6223 shall be the Manager, or such other individual as may be designated by the Manager (the “**Partnership Representative**”). Each Member hereby consents to such designation and agrees to take any such further action as may be required by the Treasury Regulations or otherwise to effectuate such designation. The Partnership Representative shall be indemnified and reimbursed for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with its serving in that capacity. The Partnership Representative may delegate its responsibilities as Partnership Representative.

(b) For each fiscal year of the Company: (i) the Members consent to either of the elections set forth in Code Sections 6221 and/or 6226(a) and agree to take any action, and furnish the Partnership Representative with any information necessary, to give effect to such election if the Partnership Representative decides to make such election; and (ii) any imputed underpayment imposed on the Company pursuant to Code Section 6232 (and any related interest, penalties or other additions to tax) that the Partnership Representative reasonably determines is attributable to one or more Members (including any former Member) shall be, in the Partnership Representative’s sole discretion, either (A) treated as a distribution under Section 3.5 or (B) promptly paid by such Members to the Company (pro rata in proportion to their respective shares of such underpayment) within fifteen (15) days following the Partnership Representative’s request for payment (and any failure to pay such amount shall result in a subsequent reduction in distributions otherwise payable to such Member in such amount plus interest on such amount calculated at the rate of ten percent (10%)); provided that in making the determination of which Members (including former Members) any such imputed underpayment is attributable to, the Partnership Representative will allocate any imputed underpayment imposed on the Company (and any related interest, penalties, additions to tax, and audit costs) among the Members in good faith taking into account each Member’s particular status, including, for the avoidance of doubt, a Member’s tax-exempt status. The Manager, and the individual designated by the Manager, in his or her capacity as the Partnership Representative, shall be authorized to take any of the foregoing actions (or any similar actions), to the extent necessary to allow the Company to comply with the partnership audit provisions of the Bipartisan Budget Act of 2015. Regarding the potential obligation of a former Member under this Section 4.10, the following shall apply: (x) each Member agrees that, notwithstanding any other provision in this Agreement, if it is no longer a Member it shall nevertheless be obligated for any responsibilities under this Section 4.10 as if it were a Member at the time of demand hereunder; and (y) the Manager will not consent to the transfer of the Membership Interest of any Member unless the transferee receiving such Membership Interest agrees that in the event the transferor of such Membership Interest does not fulfill its obligation under the preceding clause (x) within twenty (20) business days following written demand by the Partnership Representative, such transferee shall be jointly and severally liable with such transferor for such obligation and the Partnership Representative may thereafter treat the transferee as the relevant Member for purposes of this paragraph.

ARTICLE V MEMBERS

5.1 Powers of the Members. Except as otherwise provided in the Agreement, as to any matters on which the Members have a right to vote, such vote shall require an affirmative vote of a Majority of the Membership Interests.

5.2 Liability. No Member will be personally liable for any of the debts of the Company or any of the losses thereof beyond the amount of such Member's Capital Contribution to the Company.

5.3 Meetings of the Members. A meeting of the Members may be called at any time by the Manager or by Members holding a Majority of the Membership Interests. The meetings will be held at the Company's principal place of business or any other place designated by the Manager. The Manager will give the Members at least ten days prior written notice stating the time, place and purpose of the meeting. At a meeting of the Members, the presence of Members holding a Majority of the Membership Interests, in person or by proxy, will constitute a quorum. A Member may vote either in person or by written proxy signed by the Member or by his, her or its duly authorized attorney in fact. Persons present by telephone will be deemed to be present "in person" for purposes hereof.

5.4 Removal of Manager. Notwithstanding any other provision of this Agreement, a Manager can be removed and its successor chosen by Members holding at least seventy five percent (75%) of the Membership Interests for cause by giving written notice to the Manager. As used in the preceding sentence, "**Cause**" shall mean the willful misconduct, fraud or gross negligence of the Manager, as determined by a final, nonappealable judgment of a court of competent jurisdiction.

ARTICLE VI ASSIGNMENT PROVISIONS

6.1 Transfers by Members.

(a) Subject to Section 6.2, a Member may Transfer some or all of its Membership Interests in the Company. For purposes hereof, "Transfer" means, when used as a noun, any sale, hypothecation, pledge, assignment, gift, or other transfer, be it voluntary or involuntary, to any person, inter vivo, testamentary, by operation of laws of devise and descent or other laws, and, when used as a verb, to sell, hypothecate, pledge, assign, gift, or otherwise transfer to any person, be it voluntarily or involuntarily, inter vivo, testamentary, by operation of the laws of devise or descent or any other laws.

(b) Notwithstanding anything contained herein to the contrary, no Transfer of any Membership Interest will be permitted if such Transfer would: (i) result in a termination of the Company for federal income tax purposes that would have a material adverse effect on the Company or any of the Members; (ii) result in the Company not qualifying for an exemption from the registration requirements of any applicable federal or

state securities laws; (iii) result in any violation of any applicable federal or state securities laws; (iv) require the Company, the Manager or any Affiliate of the Manager to register as an investment advisor under the Investment Advisers Act of 1940, as amended; or (v) cause the Company Property to become “plan assets” (as defined in the Plan Asset Rules) subject to the fiduciary standards of Part 4 of Subtitle B of Title I of ERISA and Code Section 4975.

6.2 General Provisions. The following rules will apply to the Transfer of membership interests in the Company:

(a) no person will be admitted as a substitute member hereunder unless and until: (i) the assignment is made in writing, signed by the assignor and accepted in writing by the assignee, and a duplicate original of the assignment is delivered to and accepted by the Manager; (ii) the prospective assignee executes and delivers to the Company a written agreement, in form and substance satisfactory to the Manager, pursuant to which said person agrees to be bound by this Agreement; and (iii) an appropriate amendment hereto is executed and, if required, filed of record;

(b) the effective date of admission of a substitute member will be no earlier than the date that the documents specified in subsection (a) above are delivered to and accepted by the Manager;

(c) the Company and the Manager will treat the assignor of the assigned interest as the absolute owner thereof and will incur no liability for distributions made in good faith to such assignor prior to such time as the documents specified in subsection (a) above have been delivered to and accepted by the Manager;

(d) unless admitted as a substitute member to the Company by the Manager, the assignee or transferee of an interest in the Company hereunder will not be entitled to become or exercise any rights of a Member, but will, to the extent of the interest acquired, be entitled only to the predecessor Member’s share of distributions from the Company. No person, including the legal representatives, heirs or legatees of a deceased Member, will have any rights or obligations greater than those set forth herein and no person will acquire an interest in the Company or become a Member except as permitted hereby. Substitute Members admitted pursuant to Section 6.2 (a) will be entitled to all of the rights and privileges of the original Members hereunder and will be subject to all of the obligations and restrictions hereunder, and in all other respects their admission will be subject to all of the terms and provisions hereof;

(e) the costs incurred by the Company in processing an assignment (including attorney’s fees) will be borne by the assignor or assignee as such parties may agree, and will be payable prior to and as a condition of any distribution of cash or property; and

(f) upon the Transfer of a Membership Interest which satisfies Section 6.2, Schedule 1 to this Agreement will be revised to reflect such Transfer.

ARTICLE VII
ADMISSION OF ADDITIONAL MEMBERS; RESIGNATIONS AND
WITHDRAWALS

7.1 Admission of Additional Members.

(a) Subject to compliance with applicable securities laws and this Agreement, the Manager, in its sole discretion, may admit new Members in exchange for Capital Contributions by such persons to the Company in an amount as determined by the Manager in its sole discretion. The Members hereby grant the Manager the power of attorney to amend the Company's Articles of Organization and this Agreement to effect any issuance of Membership Interests pursuant this subsection, including such Membership Interests that may constitute one or more classes of interests with preference as to distributions from the Company (provided, however, that the Members will be provided an opportunity to make such Capital Contributions in respect of such new class(es) of interests). Upon the admission of any new Members to the Company, the Manager shall adjust the Members' Membership Interests set forth on Schedule 1 hereto to equitably reflect the Capital Contributions made by new Members.

(b) Additional Members admitted pursuant to Section 7.1(a) will be entitled to all of the rights and privileges of the original Members hereunder and will be subject to all of the obligations and restrictions hereunder, and in all other respects their admission will be subject to all of the terms and provisions hereof.

(c) No Member shall have any preemptive or similar rights to increase or maintain such Member's Membership Interest in the Company.

7.2 Resignations and Withdrawals. A Member who withdraws from the Company will forfeit all Membership Interests and rights as a Member, including his right to receive any distributions from the Company and the right to vote. Upon the withdrawal of a Member, the Company will not have any obligation to purchase such Member's Membership Interests or any part thereof. The Manager shall adjust the Members' Membership Interests set forth on Schedule 1 hereto to equitably reflect the withdrawal of a Member.

ARTICLE VIII
TERMINATION AND WINDING UP

8.1 Termination.

(a) The Company will terminate upon the earliest to occur of the following:

(i) The Manager and Members holding a Majority of the Membership Interests vote to terminate the Company or convert it into a different legal entity pursuant to Delaware law; or

(ii) The Company's sale, exchange or other disposition of all of the Company Property.

(b) This Agreement generally and Article VIII in particular will govern the conduct of the parties during the winding up of the Company.

8.2 Liquidation Procedures. Upon termination of the Company, the Company's affairs will be wound up and the Company will be dissolved. A proper accounting will be made of the profit or loss of the Company from the date of the last previous accounting to the date of termination.

8.3 Liquidating Trustee. Upon the winding up of the Company, the Manager will act as the liquidating trustee or will appoint a liquidating trustee. The liquidating trustee will have full power to sell, assign and encumber the Company Property. All certificates or notices thereof required by law will be filed on behalf of the Company by the liquidating trustee.

8.4 Distribution on Winding Up. The proceeds of liquidation will be applied by the end of the taxable year in which the liquidation occurs or, if later, within 90 days after the date of such liquidation, in the following order:

(a) first, to the creditors of the Company, in the priority and to the extent provided by law; and

(b) thereafter, to the Members in proportion to their Membership Interests.

8.5 No Dissolutions. The Bankruptcy, death, dissolution, liquidation, termination or adjudication of incompetency of a Member shall not cause the termination or dissolution of the Company and the business of the Company shall continue. Upon any such occurrence, the trustee, receiver, executor, administrator, committee, guardian or conservator of such Member (an "assignee") shall have all the rights of such Member for the purpose of settling or managing its estate or property, subject to satisfying conditions precedent to the admission of such assignee as a substitute Member. The transfer by such trustee, receiver, executor, administrator, committee, guardian or conservator of any Membership Interest shall be subject to all of the restrictions, hereunder to which such transfer would have been subject if such transfer had been made by such bankrupt, deceased, dissolved, liquidated, terminated or incompetent Member.

ARTICLE IX GENERAL PROVISIONS

9.1 Definitions. The following terms not otherwise defined herein will have the meanings ascribed to them below:

(a) "**Affiliate**" (whether or not such term is capitalized) shall mean, with respect to any specified Person any other Person owning beneficially, directly or indirectly, any ownership interest in such specified Person or directly or indirectly controlling or

controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control,” when used with respect to any specified Person, shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” shall have meanings correlative to the foregoing.

(b) “**Code**” shall mean the Internal Revenue Code of 1986, as amended from time to time.

(c) “**Majority**” shall mean more than fifty percent (50%).

(d) “**Master Lease**” shall mean that certain Master Lease between the Trust, as landlord and the Master Tenant, as tenant, with respect to the Real Estate.

(e) “**Master Tenant**” shall mean PG Sugarloaf Master Tenant, LLC, a Delaware limited liability company.

(f) “**Person**” (whether or not such term is capitalized) shall mean a natural person, corporation, limited partnership, general partnership, limited liability company, joint stock company, joint venture, association, company, trust, bank trust company, land trust, business trust, statutory trust or other organization, whether or not a legal entity, and a government or agency or political subdivision thereof.

(g) “**Private Placement Memorandum**” shall mean the memorandum and related documents distributed to prospective investors in the Trust that provided such persons with information relating to an investment in the Trust interests.

(h) “**Real Estate**” shall mean the real estate and improvements located at 1765 North Brown Road, Lawrenceville, Georgia 30043, commonly known as “Home2 Suites by Hilton Lawrenceville Atlanta Sugarloaf.”

(i) “**Section**” shall mean a section in this Agreement unless the context clearly indicates otherwise.

(j) “**Treasury Regulations**” shall mean U.S. Treasury Regulations promulgated under the Code.

9.2 Notices. All notices, requests, demands, consents and other communications (“**Notices**”) required or contemplated by the provisions hereof shall refer on their face to this Agreement (although failure to do so shall not make such Notice ineffective), shall, unless otherwise stated herein, be in writing and shall be: (i) personally delivered; (ii) sent by reputable overnight courier service; (iii) sent by certified or registered mail, postage prepaid and return receipt requested; (iv) transmitted by telephone facsimile with electronic confirmation of receipt; or (v) by email (if an email address is provided by such prospective recipient of Notice). Any Member may change its address by giving fifteen (15) days advance written notice stating its new address to the Manager. Commencing with the giving of such

notice, such newly designated address will be such Member's address for purposes of all notices or other communications required or permitted to be given pursuant to this Agreement.

9.3 Third Party Reliance. Third parties dealing with the Company shall be entitled to conclusively rely on the signature of the Manager and/or any officer of the Company to bind the Company.

9.4 Successors. This Agreement and all the terms and provisions hereof will be binding upon and will inure to the benefit of all Members, and their legal representatives, heirs, successors and permitted assigns, except as expressly herein otherwise provided.

9.5 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts to be performed entirely within such state, including all matters of construction, validity and performance. Each party to this Agreement acknowledges and agrees that, except solely for the Act, the laws of the State of Delaware or of any other state or authority having jurisdiction over the Company which pertain to limited liability companies shall not apply to this Agreement, and that the Act is the sole law pertaining to limited liability companies that applies to this Agreement. Each party to this Agreement agrees to only bring suit in a court located in Atlanta, Georgia, and consents to personal jurisdiction therein.

9.6 Counterparts. This Agreement may be executed in counterparts, each of which will be an original, but all of which will constitute one and the same instrument.

9.7 Pronouns and Headings. As used herein, all pronouns will include the masculine, feminine, neuter, singular and plural thereof wherever the context and facts require such construction. The headings, titles and subtitles herein are inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

9.8 Members Not Agents. Nothing contained herein will be construed to constitute any Member the agent of another Member, except as specifically provided herein, or in any manner to limit the Members in the carrying on of their own respective businesses or activities.

9.9 Entire Understanding. This Agreement constitutes the entire understanding among the Members and supersedes any prior understanding and/or written or oral agreements among them with respect to the Company.

9.10 Severability. If any provision of this Agreement, or the application of such provision to any person or circumstance, is held invalid by a court of competent jurisdiction, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid by such court, will not be affected thereby.

9.11 Further Assurances. Each of the Members will hereafter execute and deliver such further instruments and do such further acts and things as may be required or useful to

carry out the intent and purpose of this Agreement and as are not inconsistent with the terms hereof. Recognizing that the Company may find it necessary from time to time to establish to third parties, such as accountants, banks, mortgagees or the like, the then current status of performance hereunder, each Member agrees, upon the written request of the Manager to furnish promptly a written statement of the status of any matter pertaining to this Agreement or the Company to the best of the knowledge and belief of the Member making such statements.

9.12 Benefits of Agreement; No Third-Party Rights. (a) None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or by any creditor of any Member, and (b) nothing in this Agreement shall be deemed to create any right in any Person not a party hereto, and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third Person, except as provided in this Section 9.12.

9.13 Waiver of Partition; Nature of Interest. To the fullest extent permitted by law, and notwithstanding any provision in this Agreement to the contrary, each of the Members, and any additional and substitute members admitted to the Company hereby irrevocably waives any right or power that such Person might have to cause the Company or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of the Company, to compel any sale of all or any portion of the assets of the Company pursuant to any applicable law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of the Company. No Member shall have any interest in any specific assets of the Company, and no Member shall have the status of a creditor with respect to any distribution pursuant to Section 3.5 hereof. The interest of each Member in the Company is personal property.

[SIGNATURE PAGE FOLLOWS]

**COUNTERPART SIGNATURE PAGE
OPERATING AGREEMENT
OF
PG SUGARLOAF, LLC**

IN WITNESS WHEREOF, the undersigned has executed this Operating Agreement as of the day and year first above written.

MANAGER:

PG SUGARLOAF MANAGER, LLC,
a Delaware limited liability company

By: Peachtree Hotel Group II, LLC,
a Georgia limited liability company, its
Manager

By: _____
Name:
Title:

MEMBER:

Signature

Print Name

Address

City, State & Zip Code

SCHEDULE 1
(of Exhibit A)

MEMBERS, CAPITAL CONTRIBUTIONS AND MEMBERSHIP INTERESTS

NAME AND ADDRESS OF MEMBER	CAPITAL CONTRIBUTION	CAPITAL ACCOUNT	MEMBERSHIP INTEREST
_____ _____ _____			
_____ _____ _____			
_____ _____ _____			
_____ _____ _____			
_____ _____ _____			
_____ _____ _____			
_____ _____ _____			
_____ _____ _____			

EXHIBIT C

Master Lease

[Attached]

**MASTER LEASE
FOR
HOME2 SUITES BY HILTON LAWRENCEVILLE ATLANTA SUGARLOAF**

THIS MASTER LEASE (this “**Lease**”) is entered into to be effective as of March 28, 2024 between PG Sugarloaf Manager, LLC, a Delaware limited liability company, on behalf of PG Sugarloaf DST, a Delaware statutory trust (the “**Landlord**”), and PG Sugarloaf Master Tenant, LLC, a Delaware limited liability company (the “**Tenant**”).

ARTICLE 1

Demise of Premises; Personalty; Leases; Contracts; Intangible Property

Section 1.01. Landlord, for and in consideration of the rents to be paid and the covenants and agreements hereinafter contained to be kept and performed by Tenant, hereby demises and leases to Tenant and Tenant hereby lets and takes from Landlord, for the term hereinafter set forth, Landlord’s interest (including through its administrative trustee on behalf of the Trust) in the real estate 1765 North Brown Road, Lawrenceville, Georgia 30043, commonly known as “Home2 Suites by Hilton Lawrenceville Atlanta Sugarloaf”, as more particularly described on Exhibit A attached hereto and made a part hereof, together with the easements, rights and appurtenances thereunto belonging or appertaining, together with (i) the hotel known as “Home2 Suites by Hilton Lawrenceville Atlanta Sugarloaf” (the “**Hotel**”) and all other improvements, structures, and buildings, all furniture, trade fixtures, equipment, vehicles, and other tangible personal property, operating inventories, supplies, and consumables located in or on, or used in the operation or maintenance of, the Hotel (collectively “**Original Personalty**”), (ii) any service contracts, both written and oral, equipment leases, finance purchase obligations, parking licenses and agreements, and other contracts, agreements and licenses with respect to the operation of the Hotel (other than that certain Franchise Agreement between Tenant and Hilton Franchise Holding LLC (“**Franchisor**”) together with any other related agreements between Tenant and Franchisor and/or its affiliates, as the same may be amended, modified, supplemented or replaced (“**Franchise Agreement**”), in each case that relate to the Hotel and Original Personalty (all such agreements collectively, the “**Property Contracts**”), (iii) any intangible property relating to the Hotel and Original Personalty, including, without limitation, all tradenames and trademarks (collectively, the “**Intangible Property**”), and (iv) all other rights and property (real, personal and intangible) associated with such improved real property (collectively, the “**Property**”).

Section 1.02. As a material inducement to the Tenant in the making of this Lease, the Landlord hereby pays and transfers or assigns, and agrees to pay and transfer or assign to the Tenant the following: (1) the Original Personalty and Property Contracts (to the extent the Landlord holds any rights to such Property Contracts as of the date of execution of this Lease); and (2) the “**Master Lease Inducement Payment**” and the “**Master Lease PIP Payment**”, along with all other payments described in Section 7.03(b), each as more fully described, with respect to timing and amount, in Section 7.03(b) hereof.

Section 1.03. The parties hereto acknowledge that the Property or portions thereof are presently the subject of the Property Contracts. Landlord hereby assigns and transfers to Tenant, as of the Term of this Lease, all of the Landlord’s rights, duties and obligations under the Property Contracts, including, without limitation, the right to enforce the terms of the Property Contracts,

and all of the Landlord's rights and interest (if any) in and to any Intangible Property. Tenant acknowledges and agrees that Intangible Property does not include any trademarks, service marks or other intellectual property owned by Franchisor or any of its affiliates. Tenant does hereby assume, undertake, covenant and agree for and during the Term of this Lease, to do, perform and discharge any and all rights, duties and obligations in connection with matters affecting the Original Personalty, the Property Contracts, the Intangible Property, and the possession of the Property or the title thereto that the Landlord might otherwise have incurred during the Term of the Lease by reason of the Property Contracts, the Intangible Property, or the ownership of the Property by the Landlord.

ARTICLE 2
Term of Lease

Section 2.01. The term of this Lease shall commence on the date hereof, and subject to this Section 2.01 shall expire, unless sooner terminated as hereinafter provided, on December 31, 2033 (the "**Original Term**"). Each year during the Term is herein referred to as a "**Lease Year.**" The first Lease Year shall commence on the date hereof and end on December 31, 2024 and each subsequent Lease Year commencing on January 1st and end on December 31st of each calendar year. The term of this Lease shall automatically terminate upon the sale or other disposition of the Property by the Landlord. Notwithstanding the first sentence of this Section 2.01, if Landlord owns the Property on the last day of the Original Term, the Lease shall automatically renew for one (1) additional six (6) year term upon expiration of the Original Term and continuing until December 31, 2039 (the "**Renewal Term,**" and together with the Original Term, the "**Term**"). If the term of Lease is extended for the Renewal Term, the Landlord will be required to pay to the Master Tenant the "**Master Lease Renewal PIP Payment**", as more fully described, with respect to timing and amount, in Section 7.03(b) hereof.

Section 2.02. This Lease constitutes the absolute and unconditional obligation of Tenant. Tenant waives all rights which are not expressly stated in this Lease but which may now or otherwise be conferred by law (i) to quit, terminate or surrender this Lease or the Property, (ii) to any setoff, counterclaim, recoupment, abatement, suspension, deferment, diminution, deduction, reduction or defense of or to "**Rent**" (as defined below) or any other sums payable under this Lease, except as otherwise expressly provided in this Lease, and (iii) for any statutory lien or offset right against Landlord or its property. Notwithstanding clause (i) above, if a person not affiliated with Tenant is the administrative manager (or otherwise in control) of Landlord, Tenant shall have the right to terminate this Lease in the event of a default by Landlord hereunder.

ARTICLE 3
Rent

Section 3.01.

(a) Tenant shall pay to Landlord during the Term, in currency of the United States of America, at the office of Landlord, or at such other address as shall be specified, in writing, from time to time by Landlord, the rentals hereinafter provided. If Landlord so requests, Tenant agrees to make Rent payments by wire transfer of immediately available federal funds.

(b) Tenant covenants to pay Landlord, in lawful money of the United States of America, without notice or demand and without any set-off, deduction or abatement whatsoever except to the extent set forth in Section 7.04 hereof, at the office of Landlord, or at such other address designated by Landlord during the Term of this Lease, the following:

(i) an annual amount, as set forth in Exhibit "C", (the "**Base Rent**") on the first (1st) day of each month. Prorated monthly payments of Base Rent shall be made if the Term of this Lease begins on a date other than the first day of a month or ends on a date other than the last day of a month. Such payments shall be prorated based on the number of days in the prorated month.

(ii) an amount equal to one hundred percent (100%) of Gross Income for a year ("**Additional Rent**") that exceeds the additional rent breakpoint for that year (the "**Additional Rent Breakpoint**") up to a maximum amount of Additional Rent for that year (the "**Additional Rent Cap**"), each as outlined on Exhibit C. Additional Rent shall be calculated for each Lease Year (prorated for any partial year). Tenant shall pay Additional Rent to Landlord in monthly installments. Such installment payments shall be based on Tenant's good faith estimates taking into consideration the operational characteristics of the Property. Prorated monthly payments of Additional Rent shall be made if the Term of this Lease begins on a date other than the first day of a month or ends on a date other than the last day of a month. Tenant and Landlord shall reconcile Additional Rent within 120 days after the end of each calendar year, or as soon as practicable thereafter. For purposes of this Lease, "**Gross Income**" means all income collected by Tenant from guests, customers and invitees making transient use or occupancy of guest rooms, banquet rooms, conference rooms or other facilities in the normal course of the operation of the Hotel (collectively "**Hotel Guests**"), rents, license fees and/or assessments and other items arising from the use of the Property or operation of the Hotel, including but not limited to, guest room and conference facility charges, the sale of food, liquor, soft drinks or other beverages, gift shop revenue, administrative charges, proceeds of rental interruption insurance, parking fees, reimbursement of lender impounds for insurance, real estate taxes and reserves, proceeds from insurance claims, income from coin operated machines and other miscellaneous income, due or to become due; provided, that the definition of Gross Income shall not include any of the following: (1) federal state and municipal excise taxes and sales taxes paid by customers in connection with goods, merchandise or services purchased by them, to the extent such taxes are separately itemized on the customers' bills or checks; (2) gratuities to employees, if separately itemized on the customers' bills or checks; (3) installment payments received in respect of each charge or sale made upon installment or credit that has been treated as a sale for full price; (4) credits, payments or refunds received from shippers or manufacturers resulting from Tenant's claims for loss or damage to merchandise in transit; (5) to the extent previously included in Gross Income for any period and then refunded or credited in such current period, the sales price of merchandise returned by customers; (6) amounts received on account of any sales, liquor or gross receipts tax and paid directly to the taxing authority; and (7) amounts received from sale of U.S. postage stamps or any other such items the full price of which Tenant is required to remit to the supplier thereof.

(iii) an amount equal to seventy percent (70%) of Gross Income for a year ("**Bonus Rent**") that exceeds the bonus rent breakpoint for that year ("**Bonus Rent Breakpoint**"), as outlined on Exhibit C (Base Rent, Additional Rent, Bonus Rent and any other amounts payable by Tenant to Landlord hereunder are collectively referred to as "**Rent**"). Bonus

Rent shall only be paid after Base Rent and Additional Rent have been fully paid. Bonus Rent shall be calculated on a calendar year basis (prorated for any partial year) and shall be paid in arrears by Tenant to Landlord within 120 days after the end of each calendar year, or as soon as practicable thereafter.

(iv) Notwithstanding the foregoing, or anything in this Lease to the contrary, Base Rent includes only the amounts specific in Section 3.01(b)(i).

(c) Subject to Section 3.01(e), additional financial obligations of Tenant to Landlord consist of the following:

(i) Tenant shall pay (A) all costs and expenses (and taxes, if any, thereon) paid or incurred in respect of the operation, maintenance, management and security of the Property which, in accordance with generally accepted accounting principles are properly chargeable to the operation, maintenance, management and security of the Property, including the “**Cost of Utilities**” (which for purposes of this Lease shall mean the cost of electricity, gas, oil, steam, water, air conditioning, cable, internet and other fuel and utilities used or consumed in connection with the Property), property management fees, fees under the Franchise Agreement, reasonable attorneys’ fees and disbursements and auditing, management and other professional fees and expenses (hereinafter collectively, in addition to the items described in Section 7.01, referred to as “**Operating Costs**”), and (B) before any fine, penalty or cost may be added thereto for the nonpayment thereof, subject to Section 3.01(c)(iii) hereof, all taxes, assessments, water and sewer rents, rates and charges, charges for public utilities, excises, levies, license and permit fees and other similar charges associated with the Property and/or the Original Personalty and all accessions, additions, replacements, and replenishments of any such personalty in the operation of the Hotel (the “**Personalty**”) and the transactions contemplated in this Lease in excess of the Tax and Insurance Reserve Funds (as defined in Section 7.03) (each, an “**Imposition**” and collectively, “**Impositions**”). For the avoidance of doubt, Operating Costs shall include (1) non-routine repairs and replacements other than Capital Expenses to the Property (“**Tenant Repairs**”) and (2) the periodic refurbishment, repair and replacement of furnishings, fixtures and equipment at the Property (“**FF&E Refurbishments**”, together with the Tenant Repairs, the “**Repairs and Replacements**”).

(ii) Nothing herein shall obligate Tenant to pay, and the term “Impositions” shall exclude, federal, state or local (A) transfer taxes as the result of a conveyance by (or suffered by) Landlord, (B) franchise, capital stock or similar taxes if any, of Landlord, (C) income, excess profits or other taxes, if any, of Landlord, determined on the basis of or measured by its net income, or (D) any estate, inheritance, succession, gift, capital levy or similar taxes, unless the taxes referred to in clauses (B) and (C) above are in lieu of or a substitute for any other tax or assessment upon or with respect to any of the Property or Personalty which, if such other tax or assessment were in effect at the commencement of the Term, would be payable by Tenant. In the event that any assessment against any of the Property or Personalty may be paid in installments, Tenant shall have the option to pay such assessment in installments; and in such event, Tenant shall be liable only for those installments which become due and payable during the Term. Tenant shall prepare and file all tax reports required by governmental authorities which relate to the Impositions.

(iii) After prior written notice to Landlord, Tenant shall not be required to pay any Imposition so long as Tenant shall contest, in good faith and at its expense, the amount thereof by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of, or other realization upon any property securing, the Imposition. In no event shall Tenant pursue any contest with respect to any Imposition in such manner that exposes Landlord to (A) criminal liability, penalty or sanction, (B) any civil liability, penalty or sanction for which Tenant has not made provisions reasonably acceptable to Landlord or (C) defeasance of its interest in the Property. Tenant agrees that each such contest shall be promptly and diligently prosecuted to final conclusion, except that Tenant shall have the right to attempt to settle or compromise such contest through negotiations. Tenant shall pay and save Landlord harmless against any and all losses, judgments, decrees and costs (including all reasonable attorneys' fees and expenses) in connection with any such contest and shall, promptly after the final determination of such contest, fully pay and discharge the amounts which shall be levied, assessed, charged or imposed or be determined to be payable therein or in connection therewith, together with all penalties, fines, interest, costs and expenses thereof or in connection therewith, and perform all acts the performance of which shall be ordered or decreed as a result thereof.

(d) Provided such monthly escrows are required by the first lienholder of the Property, Tenant shall deposit monthly with Landlord (or Landlord's designee), simultaneously with its payment of Rent, as additional rent, one-twelfth (1/12) of the Impositions and premiums for insurance required under Article 4 hereof, which amounts may be adjusted from time to time depending on such Impositions and insurance premiums from time to time, in amounts sufficient to pay the same when due.

(e) Tenant and Landlord hereby agree that, as provided in this Lease, Tenant will pay, on behalf of Landlord, any real estate taxes with respect to the Property, the Insurance Costs (as defined in Section 4.02) and the Cost of Utilities (the "**Uncontrollable Expenses**"). Nevertheless, Landlord and Tenant hereby agree that Tenant is financially responsible solely for the amount of Uncontrollable Expenses set forth as the projected Uncontrollable Expenses in the Financial Forecast attached as Exhibit E to the Confidential Private Placement Memorandum for Beneficial Interests in Landlord (the "**Financial Forecast**") (such projected amounts the "**Projected Uncontrollable Expenses**"). If the actual Uncontrollable Expenses for any calendar year exceed the Projected Uncontrollable Expenses for such calendar year, then Tenant shall be entitled to offset the amount of such excess against Additional Rent and/or Bonus Rent falling due hereunder. If the actual Uncontrollable Expenses are less than the Projected Uncontrollable Expenses, then Tenant shall pay such amount to Landlord as additional Rent hereunder (determined and paid in a manner consistent with the determination and payment hereunder of Bonus Rent).

Section 3.02. Landlord shall promptly send to Tenant all bills which it may receive for Impositions and Operating Costs referred to in Section 3.01 above. Tenant shall make payment of all Impositions directly to the appropriate Governmental Authority (as hereinafter defined) and all Operating Costs to the parties to whom such amounts are due and payable. Within fifteen (15) days after receipt thereof, Tenant shall make available to Landlord for its inspection official receipts of the appropriate taxing authority, or other proof satisfactory to Landlord, evidencing the payment of any Imposition payable directly by Tenant to a Governmental Authority as in this

Article provided. To the extent available, Tenant shall be entitled to use amounts deposited pursuant to Section 3.01(c) above to fund the payment of Impositions and premiums for insurance.

Section 3.03. Landlord shall inform Tenant in writing, within five (5) business days following receipt of notice thereof, of any audit, threatened audit, or other administrative or judicial proceeding or action by any Governmental Authority which could give rise to an obligation by Tenant to pay, or indemnify Landlord for, Impositions.

Section 3.04. Notwithstanding any other terms of this Article 3, Tenant shall not be required to pay, nor to indemnify or hold harmless Landlord to the extent (and only to the extent) that any Imposition or Operating Cost arises or is increased directly as a result of the breach by Landlord of any of its obligations under this Lease.

Section 3.05. To the extent that any portion of the Operating Costs or Impositions relate to any period not included within the Term, Tenant's obligation to pay the same shall be prorated.

Section 3.06. Tenant shall pay the Rent, Operating Costs, Impositions and all other amounts due and payable hereunder without notice, demand, setoff, counterclaim, deduction, defense, abatement, suspension, deferment, diminution or reduction during the Term.

Section 3.07. [Intentionally Omitted]

Section 3.08. Landlord and Tenant agree that this Lease is a true lease and does not represent a financing arrangement, partnership, joint venture, management or other arrangement. Each party shall reflect the transactions represented by this Lease in all applicable books, records and reports (including, without limitation, income tax filings) in a manner consistent with "true lease" treatment rather than "financing," "partnership" or "management" treatment.

Section 3.09. For the avoidance of doubt, Tenant's obligation to pay rent and any other amounts to Landlord shall be limited to the Rent and Tenant shall be entitled to retain any other revenues generated by the Property after payment of Rent and any other amounts Tenant is expressly required to pay under this Lease.

ARTICLE 4

Insurance

Section 4.01. Throughout the Term, Landlord may, at Landlord's sole cost and expense, obtain and maintain, or cause to be obtained and maintained, insurance in amounts and against risks consistent with insurance coverages obtained and maintained by owners of improved real property similar to the Property. Landlord shall be a named insured on any such policies.

Section 4.02. Throughout the Term, Tenant shall, at Tenant's sole cost and expense after the Tax and Insurance Reserve Funds have been utilized for payment of insurance premiums as provided in Section 7.04 (subject to Section 3.01(e)), obtain and maintain, or cause to be obtained and maintained, insurance, in the amounts and against the risks, described on Exhibit B attached hereto and made a part hereof, or, if different, such insurance, in the amounts and against the risks, as may be required by the Franchise Agreement. Landlord shall be named as an additional insured

on all such policies of insurance. All costs incurred by Tenant in maintaining the insurance required by this Section 4.02 are herein collectively referred to as the “**Insurance Costs.**”

Section 4.03. Landlord shall be furnished with evidence reasonably satisfactory to Landlord of Tenant’s payment of the premiums for the insurance coverage required by this Lease. Tenant shall renew all such insurance and deliver to Landlord certificates evidencing such renewals before any such insurance is set to expire (except to the extent that provision for payment of the premiums therefor is actually made pursuant to Section 3.01(c) of this Lease).

Section 4.04. Landlord shall not be required to incur any expense under any policy of insurance maintained by Tenant or to prosecute any claim against any insurer or to contest any settlement proposed by any insurer. Tenant may, at its cost and expense, prosecute any such claim or contest any such settlement.

Section 4.05. Landlord and Tenant shall comply with the terms and conditions of the Franchise Agreement relating to insurance.

ARTICLE 5 Casualty and Restoration

Section 5.01. If during the Term all or any part of the Property shall be damaged or destroyed by fire or other casualty, Tenant shall promptly give notice thereof to Landlord.

Section 5.02.

(a) If during the Term all or any part of the Property shall be damaged or destroyed by any fire or other casualty, this Lease shall continue in full force and effect. Subject in all respects to the terms of the Franchise Agreement, any insurance proceeds received by Landlord on account of such damage or destruction, less the actual cost, fees and expenses, if any, incurred in connection with adjustment of the loss, shall, provided no default by Tenant or Event of Default shall have occurred and be continuing hereunder, be used by Landlord to cause the repair, restoration or replacement of any portion of the Property so damaged or destroyed as nearly as possible to its value, condition and character immediately prior to such damage or destruction and to pay contractors, subcontractors, materialmen, engineers, architects or other persons who have rendered services or furnished materials for said repairs, restorations or replacements (collectively, the “**Casualty Restoration**”), and shall be paid out from time to time as the Casualty Restoration progresses upon the written request of Tenant.

(b) If the insurance proceeds received by Landlord are applied to the cost of the Casualty Restoration and the insurance proceeds shall, at any time, be insufficient to pay the cost of the Casualty Restoration, Landlord shall use the Reserve Account (as defined in Article 7) to make up the deficiency, subject to any required approvals of the first lienholder of the Property. In the event the Trust Reserves are insufficient to make up the deficiency, Landlord shall be required to make up any remaining deficiency. If such net insurance proceeds shall exceed the cost of the Casualty Restoration, then, in such event, Landlord, shall retain the excess.

Section 5.03. If Landlord fails to diligently pursue to completion the Casualty Restoration of any portion of the Property damaged or destroyed by fire or other casualty as provided in Section

5.02(a) above, then, in such event, Tenant shall have the right to perform such Casualty Restoration on behalf of Landlord and at Landlord's expense. Subject to any required approval of the first lienholder of the Property, Tenant shall have the right to use the Trust Reserves in connection with any such Casualty Restoration performed by Tenant on behalf of Landlord.

Section 5.04. Landlord shall have the right to satisfy its obligations under this Article 5 by requiring the property manager of the Property to perform the Casualty Restoration.

Section 5.05. Notwithstanding the foregoing provisions of this Article 5, in the event all or a material portion of the Property is damaged or destroyed by fire or other casualty, following which Landlord elects not to reconstruct the Property, then this Lease automatically shall terminate and neither party shall have any further obligations hereunder.

ARTICLE 6 Condemnation

Section 6.01.

(a) If during the Term all or any part of the Property shall be subject to a "**Taking**," which shall mean any taking of the Property or a part thereof, in or by condemnation or other eminent domain proceeding, this Lease shall continue in full force and effect. Tenant hereby assigns to Landlord any award, payment or compensation to which it may be or become entitled during the Term by reason of a Taking whether the same shall be paid or payable in respect of Tenant's leasehold interest hereunder or otherwise. Provided no default by Tenant or Event of Default shall have occurred and be continuing hereunder, Landlord shall be obligated to cause the repair, restoration or rebuilding of any part of the Property remaining after such Taking, including payment of all contractors, subcontractors, materialmen, engineers, architects or other persons who render services or furnish materials for said repairs, restorations or rebuilding (collectively, the "**Condemnation Restoration**"). The Condemnation Restoration shall be performed by Landlord so as to restore the Property, as nearly as possible, to its value, condition and character immediately prior to such Taking. Any award, payment or compensation paid or assigned to Landlord on account of said Taking, less the actual costs, fees and expenses, if any, incurred in connection with obtaining the award, shall be used by Landlord to perform the Condemnation Restoration.

(b) If the award, payment or compensation received by Landlord as the result of a Taking are applied to the cost of the Condemnation Restoration and said award, payment or compensation shall, at any time, be insufficient to pay the cost of the Condemnation Restoration, Landlord shall use the Trust Reserves (as defined in Section 7.03) to make up the deficiency, subject to any required approvals of the first lienholder of the Property. Should the award, payment or compensation, together with the Trust Reserves, be insufficient to pay the cost of the Condemnation Restoration, then Landlord shall be required to make up any remaining deficiency. If such award, payment or compensation shall exceed the cost of the Condemnation Restoration, then, in such event, Landlord shall retain the excess.

(c) If Landlord fails to diligently pursue to completion the Condemnation Restoration of any portion of the Property affected by any Taking as provided in Section 6.01(a) hereof, then, in such event, Tenant shall have the right to perform such Condemnation Restoration

on behalf of Landlord and at Landlord's expense. Subject to any required approval of the first lienholder of the Property, Tenant shall have the right to use the Trust Reserves in connection with any such Condemnation Restoration performed by Tenant on behalf of Landlord.

(d) Landlord shall be entitled to participate in any Taking proceeding at Landlord's cost and expense.

Section 6.02.

(a) If during the Term (i) there is a permanent Taking of all of the Property, or (ii) there is a permanent taking of less than all of the Property but it is impractical to rebuild the Property and/or continue to operate the Property as a hotel, then this Lease automatically shall terminate, and neither party shall have any further obligations hereunder.

(b) If during the Term (i) there is a permanent Taking of less than all of the Property and it is economically feasible to rebuild the Property and/or continue to operate the Property as a hotel, or (ii) the use or occupancy of any part, or all, of the Property shall be temporarily requisitioned by any federal government, or any state or other political subdivision thereof, or any agency, court or body of the federal government, any state or other political subdivision thereof, exercising executive, legislative, judicial, regulatory or administrative functions (collectively, "**Governmental Authority**"), then this Lease shall continue in full force and effect, however, (A) Landlord shall proceed to perform any necessary repairs, restoration or replacement, and (B) Landlord and Tenant shall adjust the Rent in an equitable fashion to reflect the economic effect of any such Taking or temporary requisition.

Section 6.03. Landlord shall have the right to satisfy its obligations under this Article 6 by requiring the property manager of the Property to perform the Condemnation Restoration.

ARTICLE 7
Maintenance and Repairs

Section 7.01. Tenant shall be financially responsible for all "**Operating Costs**" as defined in Section 3.01(c)(i). Tenant shall take good care (or cause good care to be taken) of the Property, alleyways and passageways and the sidewalks, curbs and vaults adjoining the Property, and keep the same (or cause the same to be kept) in good order and condition, ordinary wear and tear and obsolescence excepted, and make necessary nonstructural repairs thereto, interior and exterior. Tenant shall perform all personal property replacements and repairs, and all repairs necessary to avoid any structural damage or injury to the Property, whether or not the cost of such replacements or repairs constitute Operating Costs borne by Tenant or Capital Expenses borne by Landlord, it being understood, for the avoidance of doubt, that Tenant's performance obligations as set forth in this Section 7.01 (or in any other section of this Lease) do not alter the relative financial responsibilities of Tenant and Landlord otherwise established in this Lease, and it being further understood, for the avoidance of doubt, that notwithstanding Tenant's performance obligations set forth in this Section 7.01 and in Section 7.02, to the extent a Tenant performance obligation arises with respect to an item for which Landlord is financially responsible, Tenant shall not be obligated to perform such item if funds are not immediately available to Tenant, as reasonably determined

by Tenant taking Tenant's rights set forth in Section 7.03 into account, to compensate Tenant for any costs associated with such item.

Section 7.02. Landlord shall be responsible for all "**Capital Expenses**," which shall mean any and all costs and expenses incurred in connection with major repairs, replacements, and improvements relating to the structural elements of the Property which are not Operating Costs, including, but not limited to (i) replacement of roofs, chimneys, gutters, downspouts, paving, curbs, ramps, driveways, parking lots, balconies, patios, windows, foundations, exterior walls and all load bearing walls, exterior doors and doorways, interior flooring and carpeting, windows, elevators, fences, gates, pools, saunas and similar equipment and the mechanical and structural components thereof, and HVAC and water heading and conditioning systems and components thereof, and (ii) exterior painting or other façade maintenance. In addition, "Capital Expenses" shall include (i) any obligations of the Landlord with respect to environmental matters and capital repairs made at the Property and costs arising with respect to extraordinary measures taken to conserve and protect the Property in the context of any declared pandemic in the United States (including, but not limited to, the COVID-19 pandemic) while such pandemic is ongoing in the United States, and (ii) the Property Improvement Plan ("**PIP**") work required by the Franchise Agreement. Other than as set forth in this Section 7.02, Landlord shall not be required to furnish any services or facilities or make any repairs, replacements or alterations in or to the Property, and Tenant hereby assumes the full and sole responsibility (but not cost) for the operation, repair, replacement, maintenance and management of the Property.

Section 7.03.

(a) Upon the execution of this Lease, Landlord shall deposit the following sums into separate accounts designated by Tenant:

(i) The "**Trust Reserves**," which initially shall be \$2,625,000 which is the sum of a \$1,000,000 seller credit (the "**Seller Credit**") and \$1,625,000, which shall be funded by the Landlord in connection with and over the course of the offering of interests in Landlord to Investors, and which amount shall be supplemented by the Landlord out of Rent payments it receives from the Tenant under this Lease; which reserves shall be available (subject to Section 7.03(b)(i) below) for payment of the Master Lease PIP Payment, the Master Lease Renewal PIP Payment, and Capital Expenses during the Term.

(ii) The "**Master Lease Inducement Payment**," which shall be \$574,938 and which shall be funded by the Landlord in connection with and over the course of the offering of interests in Landlord to Investors, which shall be used to provide working capital to the Tenant, to reimburse the Tenant for certain start-up costs incurred in connection with entering into the Lease including but not limited to certain property management transition fees, franchise application fees, information technology, licenses and other expenses, and certain utility deposit expenses.

(b) In order to provide funds to the Tenant to fund PIP work required by the Franchise Agreement, and for certain other anticipated expenses incurred in operating the Property the Landlord shall pay to the Tenant the following amounts:

(i) The “**Master Lease PIP Payment**,” which shall be in the amount of \$2,600,000, and which shall be required to be paid by the Landlord to the Tenant in one or more installments on or before December 31, 2025, provided, however, that an amount of such payment equal to the Seller Credit shall not be available to or paid by the Landlord until the satisfaction in full of certain financing undertaken in connection with the Landlord’s acquisition of the Property;

(ii) A payment in the amount of up to \$300,000, and which shall be required to be paid by the Landlord to the Tenant in one or more installments between March 28, 2024 and December 31, 2033;

(iii) If the Lease is automatically extended into the Renewal Term, the “**Master Lease Renewal PIP Payment**,” which shall be in the anticipated amount of \$2,800,000 but which amount is subject to final determination by the Franchisor pursuant to the Franchise Agreement, and which shall be required to be paid by the Landlord to the Tenant in one or more installments on or before December 31, 2034.

(iv) For the avoidance of doubt, if this Lease is terminated on or before the making of the payments described in this Section 7.03(b), the Landlord shall have no obligation to pay such amounts beyond such amounts it has paid through the date of such termination.

(c) Funds in the Trust Reserves shall be available to and may be withdrawn by Tenant to pay for (i) Operating Costs and Capital Expenses described in Section 7.02 above, as determined by Tenant in its sole discretion, (ii) Repairs and Replacements, (iii) any Restoration, and (iv) any Condemnation Restoration. Within one hundred twenty (120) days following the end of each Lease Year, Tenant shall provide evidence of such expenditures paid with Trust Reserves funds and reconciliation of withdrawals over the calendar year, and upon request of Landlord, all such corresponding invoices and receipts. If the Trust Reserves are not available for any reason and funds of Tenant are used to pay for expenses for which Landlord is responsible hereunder, such amount shall be treated as a loan from Tenant to Landlord bearing interest at the prime rate (or base rate) reported from time to time in the “Money Rates” column or section of The Wall Street Journal as being the base rate on corporate loans at larger United States money center commercial banks plus five percent (5%), which Tenant may recover by set off against Rent and, if not previously repaid, out of the gross sales proceeds of the Property if such amounts are not repaid prior to the sale or exchange of the Property (or the expiration or earlier termination of this Lease if sooner). Any amounts so reimbursed by Landlord to Tenant out of Rent or proceeds from the sale of the Property shall be treated first as having been paid to Tenant (whether as Rent or proceeds from the sale of the Property) and then remitted by Landlord to Tenant in satisfaction of Landlord’s obligation pursuant to this Section 7.03. If funds held in the Trust Reserves are used to pay for expenses for which Tenant is responsible hereunder, such amount shall be treated as a loan from Landlord to Tenant bearing interest at the prime rate (or base rate) reported from time to time in the “Money Rates” column or section of The Wall Street Journal as being the base rate on corporate loans at larger United States money center commercial banks plus five percent (5%), which Tenant will reimburse to the Trust Reserves as soon as practicable thereafter, and in no event later than the expiration or earlier termination of this Lease.

For the avoidance of doubt, the dates set forth in this Section 7.03 may be extended, in the sole and absolute discretion of the Landlord, if and only if, the timing for such payments is extended by the Franchisor.

Section 7.04. Tenant shall have the right to satisfy its obligations with respect to the Property under this Article 7 by requiring the property manager to cause the performance of such obligations.

Section 7.05. The necessity for and adequacy of replacements, maintenance and repairs to the Property pursuant to this Article 7 shall be measured by the standard which is appropriate for comparable hotel properties in the area in which the Property is situated.

Section 7.06. Tenant, at its sole cost and expense, shall provide, maintain, repair, replace and replenish the Personalty. All Personalty shall be and shall remain the property of Tenant and may be removed by Tenant at any time. Upon a sale of the Property by Landlord, Tenant may, pursuant to a separate agreement, sell the Personalty to the third party buyer of the Property for consideration separate from that being paid to the Landlord for the Property. Landlord shall not be responsible for any loss or damage occurring to any Personalty or to any property owned by Tenant.

ARTICLE 8 Alterations and Additions

Section 8.01. Tenant may make alterations to (but not additions to, removals of, and substitutions for) the buildings or any portion thereof situated on the Property, provided that (a) no such alterations shall be undertaken without Landlord's prior written consent; (b) the fair market value of the Property shall not be lessened by reason thereof; (c) all such alterations shall be completed in compliance with any and all valid laws, rules, regulations, ordinances, orders, codes, judgments, decrees, injunctions, permits or similar norms or decisions of any Governmental Authority having jurisdiction over the Property or the use, manner of use or occupancy thereof (collectively, "**Law**"); and (d) any such additions shall become the property of Landlord when completed. Tenant shall discharge any and all liens filed against the Property arising out of any alteration thereof and, upon the written request of Landlord, shall deliver to Landlord a surety bond or other security satisfactory to Landlord to assure the completion thereof.

Section 8.02. Tenant shall not construct or place upon the Property any additional buildings, structures, facilities or other improvements without the prior written consent of Landlord. Notwithstanding anything else in this Lease, or at any time Landlord is a Delaware statutory trust, Landlord shall not have the right, power or ability to make more than minor non-structural modifications to the Property (in accordance with Revenue Ruling 2004-86).

Section 8.03. Tenant shall have the right, from time to time, to purchase personal property to be used for the benefit of the Property. Upon the expiration of the Term, all such personal property shall belong to Landlord.

ARTICLE 9
Compliance with Law; Zoning

Section 9.01. Tenant shall during the Term, at its sole cost and expense, except for noncompliances which may have existed prior to the commencement of the Term, promptly comply (or cause compliance) with all Laws which may be applicable to the Property or to the use, manner of use or occupancy thereof, and shall take all actions reasonably necessary to comply with any and all orders or requirements affecting the Property by any federal, state, county or municipal authority having jurisdiction over the Property. Tenant shall likewise observe and comply (or cause observance and compliance) with the requirements of all policies of public liability, fire and other insurance at any time in force with respect to the Property. In addition, Tenant shall cause all tenants, subtenants or other occupants of the Property to comply with all Laws which may be applicable to the Property or to the use, manner of use or occupancy thereof.

Section 9.02. Tenant shall not cause or maintain any nuisance in or upon the Property. Tenant shall not suffer or permit the Property, or any portion thereof, to be used by the public, as such, in any way as might tend to impair Landlord's title thereto.

Section 9.03. If Tenant fails to timely take (or cause to be taken), or to diligently and expeditiously proceed to complete (or cause completion) in a timely fashion, any such action described in Section 9.01 or 9.02 hereof, Landlord may, in its sole and absolute discretion, upon prior written notice to Tenant, make payments toward the performance or satisfaction of the same, but shall in no event be under any obligation to do so. All sums so advanced or paid by Landlord (including, without limitation, counsel and consultant fees and expenses, investigation and laboratory fees and expenses, and fines or other penalty payments) and all sums paid in connection with any judicial or administrative investigation or proceeding relating thereto, will immediately, upon demand, become due and payable from Tenant.

Section 9.04. Without Landlord's prior written consent, Tenant shall not (a) change, consent or apply for the change of the zoning or any land use regulation affecting the Property or any part thereof, or (b) combine the Property with any other parcel to create an enlarged zoning or tax lot.

ARTICLE 10
Discharge of Liens

In the event that the Property or any part thereof or Tenant's leasehold interest therein shall, at any time during the Term, become subject to any vendor's, mechanic's, laborer's, materialman's or other, encumbrance or charge other than any such lien based upon the furnishing of materials or labor to Landlord and contracted for by Landlord, Tenant shall cause the same, at its sole cost and expense, to be discharged or bonded promptly after notice thereof.

ARTICLE 11
Right of Landlord to Perform Tenant's Covenants

Landlord shall have the right at any time, after ten (10) days' notice to Tenant (or without notice in case of emergency or in case any fine, penalty or cost may otherwise be imposed or incurred), or upon such lesser period of notice as is otherwise herein provided for, to make any

payment or perform any act required of Tenant under this Lease, and in exercising such right, to incur necessary and incidental costs and expenses, including, without limitation, reasonable counsel fees and expenses. Nothing herein shall imply any obligation on the part of Landlord to make any payment or perform any act required of Tenant, and the exercise of the right so to do shall not constitute a release of any obligation or a waiver of any default. All payments made by Landlord and all costs and expenses incurred by Landlord in connection with any exercise of such right, shall be payable to Landlord by Tenant within ten (10) days after written demand.

ARTICLE 12
Entry on Property by Landlord

At any time, Landlord, through its agents or employees, at all reasonable times, upon prior notice to Tenant, and subject to the rights of Hotel Guests, shall have the right to enter the Property to inspect same.

ARTICLE 13
Assignment and Subletting

Section 13.01. Tenant shall not assign this Lease or its interest under this Lease, directly or indirectly, unless it first obtains the prior written consent of Landlord, which may be withheld in either's sole discretion, whether reasonable or unreasonable. In addition, Tenant shall not grant easements, licenses, rights-of-way or any other rights or privileges in the nature of easements with respect to the Property without the prior written consent of Landlord in each instance. Landlord shall have an unconditional right to assign this Lease. For the avoidance of doubt, this Section 13.01 does not apply to any direct or indirect transfers of any ownership interest in Tenant.

Section 13.02. During the Term, neither this Lease nor the Term hereby demised shall be mortgaged by Tenant, nor shall Tenant mortgage or pledge the interest of Tenant in and to any rentals payable thereunder. Any such mortgage or pledge and any easement, license, right-of-way or other right or privilege made or granted in violation of or without compliance with Section 13.01 of this Lease shall be null and void.

Section 13.03. Tenant may not otherwise sell, assign, transfer, mortgage, pledge or otherwise dispose of any interest in, including personal property (other than obsolete or worn out personalty that are contemporaneously replaced by unencumbered items of equal or better function and quality), of the Property without Landlord's prior written consent, which Landlord may grant or withhold in its sole and absolute discretion.

ARTICLE 14
Use of Property; Quiet Enjoyment

Section 14.01. Tenant shall use the Property solely as a multi-family apartment complex and other uses incidental thereto.

Section 14.02. Tenant, upon paying amounts payable under this Lease provided for and observing and keeping the covenants, agreements, terms and conditions of this Lease on its part to be observed and performed, shall, subject to the covenants, agreements, terms and conditions of

this Lease, lawfully and quietly hold, occupy and enjoy the Property during the Term, without hindrance or molestation by Landlord or by any other party claiming under Landlord.

ARTICLE 15
Indemnification of Landlord; Limitation of Liability

Section 15.01. In addition to Tenant's obligations to indemnify Landlord as set forth in other Sections of this Lease, Tenant will indemnify and save harmless Landlord, its beneficiaries, trustees, partners, members, shareholders, officers, directors and employees (each individually an "**Indemnified Party**" and collectively, the "**Indemnified Parties**") from and against any and all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including, without limitation, reasonable attorneys' fees and expenses, which may be imposed upon or incurred by or asserted against such persons (except to the extent the same are caused by the negligence or willful misconduct of Landlord, its agents, employees, licensees, invitees, contractors and/or subcontractors) by reason of any of the following occurring during the Term:

- (a) any work or thing done by (or at the direction of) anyone other than Landlord in, on or about the Property or any part thereof;
- (b) any use, non-use, possession, occupation, condition, operation, maintenance or management of the Property or any part thereof or any street, alley, sidewalk, curb, passageway or space adjacent thereto;
- (c) any negligence of Tenant or any agent, contractor, employee, licensee or invitee of Tenant;
- (d) any accident or injury to any person (including death) or damage to property occurring in, on or about the Property or any part thereof or any street, alley, sidewalk, curb, passageway, or space adjacent thereto; and
- (e) any failure on the part of Tenant to perform or comply with any of the agreements, terms or conditions contained in this Lease on its part to be performed or complied with.

Section 15.02. In the event that any action or proceeding shall be brought against an Indemnified Party by reason of any matter covered by this Section, Tenant, upon notice from the Indemnified Party, will at Tenant's sole cost and expense resist or defend the same. To the extent of the proceeds received by Landlord under any insurance policy furnished or supplied to Landlord by Tenant, Tenant's obligation to indemnify and save harmless an Indemnified Party against the hazard which is the subject of such insurance shall be deemed to be satisfied. Tenant hereby agrees that to the extent that Landlord is required to make payments on such indemnification as a direct result of (i) Tenant's fraud, willful misconduct or misappropriation, (ii) Tenant's commission of a criminal act, (iii) the misapplication by Tenant of any funds derived from the Property received by Tenant, or (iv) damage or destruction to the Property caused by acts of Tenant that are grossly negligent, Tenant will indemnify Landlord for any such liability that was caused by such actions.

Section 15.03. Tenant hereby waives its rights to claim that this Agreement creates a de facto guaranty relationship between the parties or entitles Tenant to guarantor protections.

Section 15.04.

(a) Tenant is fully familiar with the physical condition of the Property and takes the same hereunder “as is” and “where is.”

(b) TENANT ACKNOWLEDGES THAT LANDLORD (WHETHER ACTING AS LANDLORD HEREUNDER OR IN ANY OTHER CAPACITY) HAS NOT MADE AND WILL NOT MAKE, NOR SHALL LANDLORD BE DEEMED TO HAVE MADE, ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY (AND MADE NO WARRANTY AND REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT TO THE PERSONALTY), INCLUDING ANY WARRANTY OR REPRESENTATION AS TO ITS FITNESS FOR USE OR PURPOSE, DESIGN OR CONDITION FOR ANY PARTICULAR USE OR PURPOSE, AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, LATENT OR PATENT, AS TO LANDLORD’S TITLE THERETO, OR AS TO VALUE, COMPLIANCE WITH SPECIFICATIONS, LOCATION, USE, CONDITION, MERCHANTABILITY, QUALITY, DESCRIPTION, DURABILITY OR OPERATION, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY TENANT. In the event of any defect or deficiency in the Property of any nature, whether patent or latent, Landlord shall not have any responsibility or liability with respect thereto or for any incidental or consequential damages (including strict liability in tort). The provisions of this Section 15.04 have been negotiated, and the foregoing provisions are intended to be a complete exclusion and negation of any warranties by Landlord, express or implied, with respect to the Property, arising pursuant to the uniform commercial code or any other Law now or hereafter in effect or otherwise.

(c) Tenant acknowledges and agrees that Tenant has examined the title to the Property prior to the execution and delivery of this Lease and has found such title to be satisfactory for the purposes contemplated by this Lease.

(d) Landlord hereby assigns to Tenant, to the extent assignable and without recourse or warranty whatsoever, all warranties, guaranties and indemnities, express or implied, and similar rights which Landlord may have against any third party in respect of the Property, including, without limitation, any manufacturer, seller, engineer, contractor or builder, including, but not limited to, any rights and remedies existing under contract or pursuant to the uniform commercial code (collectively, the “**Guaranties**”) except those which relate to the structural components of the Property. Such assignment shall remain in effect until the expiration or earlier termination of this Lease. Landlord shall also retain the right to enforce any Guaranties assigned in the name of Tenant upon the occurrence of an Event of Default. Landlord hereby agrees to execute and deliver at Tenant’s expense such further documents, including powers of attorney, as Tenant may reasonably request in order that Tenant may have the full benefit of the assignment effected or intended to be effected by this Section 15.04(d). Upon the termination of this Lease, the Guaranties shall automatically revert to Landlord. The foregoing provision of reversion shall be self-operative and no further instrument of reassignment shall be required. In confirmation of such reassignment Tenant shall execute and deliver promptly any certificate or other instrument which Landlord may request. Any monies collected by Tenant under any of the Guaranties after the occurrence of and during the continuation of an Event of Default shall be held in trust by Tenant and promptly paid over to Landlord. To the extent any of the Guaranties are not assignable by

Landlord, Landlord shall, upon request by Tenant, enforce same for the benefit of Tenant, at Tenant's sole cost and expense.

(e) Landlord hereby acknowledges that, in connection with its acquisition of the Property, Franchisor required that the Master Tenant enter into the Franchise Agreement with Franchisor, and that the execution of such Franchise Agreement was a precondition to Landlord's acquisition of the Property. Accordingly, in connection with the foregoing, Landlord hereby acknowledges and agrees to be bound by such terms and conditions of the Franchise Agreement that apply to the owner of the Property and that have not been assumed by the Master Tenant under this Lease, including but not limited to Franchisor's right to consent to any sale of the Property by Landlord.

Section 15.05. Tenant shall indemnify Landlord against all legal costs and charges incurred in obtaining possession of the Property after default by Tenant or after Tenant's default in surrendering possession upon expiration or earlier termination of this Lease or enforcing any covenant or agreement of Tenant herein contained.

Section 15.06. Notwithstanding anything to the contrary provided in this Lease, there shall be absolutely no personal liability on the part of Landlord, its beneficiaries, trustees, members, partners, officers, directors, agents, employees, and/or disclosed or undisclosed principals with respect to any of the terms, covenants and conditions of this Lease, and Tenant shall look solely to the equity of Landlord in the Property for the satisfaction of each and every remedy of Tenant in the event of any breach by Landlord of any of the terms, covenants and conditions of this Lease, such exculpation of personal liability to be absolute and without any exception whatsoever.

Section 15.07. The obligations of Tenant under this Article 15 and under Section 24.02 shall survive the expiration or earlier termination of this Lease, by which is meant that a claim relating to any matter occurring, arising, accruing or otherwise happening during the term of this Lease as to which Tenant has obligations under this Article 15 or under Section 24.02, may be asserted against Tenant after (and notwithstanding) the expiration or earlier termination of this Lease.

ARTICLE 16 Default and Remedies

Section 16.01. During the Term, any one or more of the following acts or events shall constitute an "**Event of Default**":

(a) Tenant (i) shall default in making the payment of any installment of the Rent, or any component thereof, or any Operating Costs or Impositions as and when the same shall become due and payable hereunder, which default continues for a period of ten (10) days following written notice thereof from Landlord, or (ii) shall fail to pay any other amounts payable under this Lease as and when the same shall become due and payable or shall default in any other manner curable by the payment of money; or

(b) Tenant shall default in the performance of or compliance with any of the other covenants, agreements, terms or conditions of this Lease to be performed by or complied with by Tenant (other than any default curable by payment of money), and such default shall

continue for a period of thirty (30) days after receipt of written notice thereof from Landlord to Tenant, or, in the case of a default which cannot, with due diligence, be cured within thirty (30) days, Tenant shall fail to proceed promptly (except for unavoidable delays) after the giving of such notice and with all due diligence to cure such default and thereafter to prosecute the curing thereof with all due diligence (it being intended that as to a default not susceptible of being cured with due diligence within thirty (30) days, the time within which such default may be cured shall be extended for such period as may be reasonably necessary to permit the same to be cured with all due diligence; provided, however that in no event shall exceed one hundred eighty (180) days); or

(c) Tenant shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, composition, readjustment or similar relief under any present or future bankruptcy or other applicable Law, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver, or liquidator of Tenant or of all or any substantial part of its properties or of all or any part of the Property; or

(d) if within ninety (90) days after the filing of an involuntary petition in bankruptcy against Tenant or the commencement of any proceeding against Tenant seeking any reorganization, composition, readjustment or similar relief under any Law, such proceeding shall not have been dismissed, or if, within ninety (90) days after the appointment, without the consent or acquiescence of Tenant, of any trustee, receiver or liquidator of Tenant or of all or any substantial part of the properties of Tenant or of all or any part of the Property, such appointment shall not have been vacated or stayed on appeal or otherwise, or if, within ninety (90) days after the expiration of any such stay, such appointment shall not have been vacated, or if, within ninety (90) days after the taking of possession, without the consent or acquiescence of Tenant, of the property of Tenant by any Governmental Authority pursuant to statutory authority for the dissolution or liquidation of Tenant, such taking shall not have been vacated or stayed on appeal or otherwise; or

(e) if, without the consent of Landlord (or as otherwise permitted herein), Tenant's interest in this Lease or the Term hereby demised shall be mortgaged, encumbered or pledged; or

(f) if any representation, warranty or statement made or deemed to be made by Tenant hereunder or in connection herewith is or proves to have been incorrect or misleading in any material respect when made; or

(g) if it becomes unlawful for Tenant to perform any material obligation hereunder or under any other document executed in connection herewith; or

(h) Tenant ceases to do business or terminates its business as presently conducted for any reason whatsoever or institutes any proceeding for its dissolution or termination; or

(i) if Tenant fails to deliver possession of the Property at the end of the Term; or

(j) if any act or omission of Tenant results in the breach of any indenture, deed of trust, mortgage or other instrument (beyond any applicable notice and cure periods contained therein) to which Landlord or Tenant is a party or to which the Property is bound or may be affected;

then, and in any such event, and during the continuance thereof, Landlord may at its option, then or thereafter while any such Event of Default shall continue and notwithstanding the fact that Landlord may have any other remedy hereunder or at law or in equity, and without prejudice to any of the same, pursue one or more of the following remedies: (1) by notice to Tenant, designate a date, not less than ten (10) days after the giving of such notice, on which this Lease shall terminate; and thereupon, on such date the Term of this Lease and the estate hereby granted shall expire and terminate upon the date specified in such notice with the same force and effect as if the date specified in such notice were the date herein fixed for the expiration of the Term of this Lease, and all rights of Tenant hereunder shall expire and terminate, but Tenant shall remain liable as hereinafter provided and/or (2) pursue any other remedies available to Landlord at law or in equity.

Section 16.02. If this Lease is terminated as provided in Section 16.01, or as permitted by Law, Tenant shall peaceably quit and surrender the Property to Landlord, and Landlord may, without further notice, enter upon, re-enter, possess and repossess the same by summary proceedings, ejectment or other legal proceeding, and again have, repossess and enjoy the same as if this Lease had not been made, and in any such event neither Tenant nor any person claiming through or under Tenant by virtue of any Law or an order of any court shall be entitled to possession or to remain in possession of the Property but shall forthwith quit and surrender the Property. After any termination of this Lease, Landlord will be entitled to recover all unpaid rent that has accrued through the date of termination plus the costs of performing any of Tenant's obligations (other than the payment of rent) that should have been but were not satisfied as of the date of such termination.

Section 16.03. Upon the occurrence and during the continuance of an Event of Default, in addition to any other remedies available to Landlord under this Lease, at law or in equity, Landlord shall have the right to continue this Lease in full force and effect, whether or not Tenant shall have abandoned the Property. If Landlord elects to continue this Lease in full force and effect pursuant to this Section 16.03, then Landlord shall be entitled to enforce all of its rights and remedies under this Lease, including the right to recover Rent as it becomes due. Landlord's election not to terminate this Lease pursuant to this Section 16.03 or pursuant to any other provision of this Lease, at law or in equity, shall not preclude Landlord from subsequently electing to terminate this Lease or pursuing any of its other remedies.

Section 16.04. The exercise, or beginning of the exercise, by Landlord of any one or more of the rights or remedies provided for in this Lease or otherwise existing at law or in equity, or otherwise, shall not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies so provided for or so existing. The obligations of Tenant under this Article 16 shall survive the expiration or any earlier termination of this Lease.

ARTICLE 17
Additional Rights of Landlord

Section 17.01. No right or remedy conferred upon or reserved to Landlord shall be exclusive of any other right or remedy, and any right and remedy shall be cumulative and in addition to every other right or remedy given hereunder or now or hereafter existing at law or in equity. The failure of Landlord to insist at any time upon the strict performance of any covenant or agreement or to exercise any right, power or remedy contained in this Lease shall not be construed as a waiver or relinquishment thereof for the future. A receipt by Landlord of any installment of Rent (or any component thereof) or any other amount hereunder with knowledge of the breach of any covenant or agreement contained in this Lease shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by Landlord. Landlord shall be entitled, to the extent permitted by Law, to injunctive relief in case of the violation, or attempted or threatened violation, of any covenant, agreement, condition or provision of this Lease or to a decree compelling performance of any covenant, agreement, condition or provision of this Lease, or to any other remedy allowed Landlord by Law. In addition to the foregoing, notwithstanding anything to the contrary contained in this Lease, wherever this Lease requires Landlord's prior consent, no such consent shall be deemed to have been made by Landlord unless expressed in writing and signed by Landlord.

Section 17.02. If an Event of Default occurs and is continuing during the Term, Tenant hereby waives and surrenders for itself and all those claiming under it (a) any right and privilege which it or any of them may have under any Law to redeem the Property or to have a continuance of this Lease for the Term after termination of Tenant's right of occupancy by order or judgment of any court or by any legal process or writ, or under the terms of this Lease, or after the termination of the Term of this Lease as herein provided, and (b) the benefits of any Law which exempts property from liability for debt or for distress for rent.

Section 17.03. If Tenant shall be in default in the observance or performance of any of its obligations under this Lease and an action shall be brought for the enforcement thereof in which it shall be determined that Tenant was in default, Tenant shall pay to Landlord the expenses incurred in connection therewith, including reasonable attorneys' fees.

ARTICLE 18
Estoppel Certificates

Tenant will, from time to time upon not less than ten (10) days' prior written request by Landlord, deliver to Landlord a written statement certifying that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and setting forth such modifications) and the dates to which the Rent and other amounts due hereunder have been paid, and either stating that to the knowledge of Tenant no default exists in the performance of any covenant, agreement or condition contained in this Lease or specifying each default of which Tenant may have knowledge.

ARTICLE 19
No Merger

There shall be no merger of this Lease or of the leasehold estate hereby created with the fee estate in the Property or any part thereof by reason of the fact that the same person may acquire or hold, directly or indirectly, this Lease or the leasehold estate hereby created, or any interest in this Lease or in such leasehold estate, as well as the fee estate in the Property.

ARTICLE 20
Surrender and Holding Over

Section 20.01. Upon the expiration or earlier termination of this Lease, Tenant shall peaceably leave and surrender the Property (except as to any portion thereof with respect to which this Lease has previously terminated) to Landlord. Tenant shall remove from the Property on or prior to such expiration or earlier termination the trade fixtures and personal property which are owned by Tenant, and Tenant at its expense shall, on or prior to such expiration or earlier termination, repair any damage caused by such removal. Trade fixtures and personal property not so removed at the end of the Term or within thirty (30) days after the earlier termination of the Term for any reason whatsoever shall become the property of Landlord, and Landlord may thereafter cause such property to be removed from the Property. The cost of removing and disposing of such property and repairing any damage to any of the Property caused by such removal shall be borne by Tenant. Landlord shall not in any manner or to any extent be obligated to reimburse Tenant for any property which becomes the property of Landlord as a result of such expiration or earlier termination.

Section 20.02. Any holding over by Tenant of the Property after the expiration or earlier termination of the Term of this Lease, with the consent of Landlord, shall operate and be construed as a tenancy from month to month only, at the Rent reserved herein and otherwise upon the same terms and conditions as contained in this Lease. Notwithstanding the foregoing, any holding over without Landlord's consent shall entitle Landlord, in addition to collecting Rent at a rate of one hundred fifty percent (150%) thereof from and after the date of such holding over, to exercise all rights and remedies provided by law or in equity, including the remedies of Section 16.01.

ARTICLE 21
Disposition Fee

Upon the sale, transfer or other disposition of the Property during the Term, Tenant shall be entitled to and shall receive (subject to Tenant's right to waive in whole or in part) a payment (a "**Disposition Fee**") equal to 3.0% of the gross sales price of the Property (or buyer's assumed fair market value of the Property, if consideration to Landlord for the Property is not rendered in cash), plus, for the avoidance of doubt, any reserves held by Landlord not otherwise required for payment of Landlord expenses and not specifically included in the computation of the gross sales price of the Property (such aggregate amount, the "**Sales Proceeds**") in cash on the closing date of such sale, transfer or other disposition of the Property; provided, however, no Disposition Fee will be paid if the net sales price of the Property is less than \$32,201,767, the ("**Disposition Fee Hurdle**"), and provided further, that if the sum of the Disposition Fee and the Disposition Fee Hurdle is greater than the Sales Proceeds, then the Disposition Fee shall be reduced dollar for

dollar by the amount of such excess. Any third party brokerage commissions otherwise due and payable in connection with such sale, transfer or other disposition shall be in addition to the Disposition Fee. The Master Tenant may decide, in its sole discretion, to be paid an amount less than the total amounts to which it is entitled with respect to the Disposition Fee. The Disposition Fee constitutes consideration payable by Landlord to Tenant for the agreement of Tenant to provide such assistance to Landlord as Landlord may reasonably request in connection with a disposition of the Property by Landlord.

ARTICLE 22
Intentionally Deleted

ARTICLE 23
Property Manager

Tenant may appoint an affiliate or other third-party manager from time to time as the property manager or asset manager for the Property.

ARTICLE 24
Hazardous Substances

Section 24.01. Tenant agrees that it will not on, about, or under the Property, make, release, treat or dispose of any “hazardous substances” as that term is defined in the Comprehensive Environmental Response, Compensation and Liability Act, and the rules and regulations promulgated pursuant thereto, as from time to time amended, 42 U.S.C. § 9601 *et seq.* (the “Act”); but the foregoing shall not prevent the use of any hazardous substances in accordance with applicable Laws and regulations. Tenant represents and warrants that it will at all times comply with the Act and any other federal, state or local Laws, rules or regulations governing “Hazardous Materials.” “**Hazardous Materials**” as used herein shall mean all chemicals, petroleum, crude oil or any fraction thereof, hydrocarbons, polychlorinated biphenyls (PCBs), asbestos, asbestos-containing materials and/or products, urea formaldehyde, or any substances which are classified as “hazardous” or “toxic” under the Act; hazardous waste as defined under the Solid Waste Disposal Act, as amended 42 U.S.C. § 6901 *et seq.*; air pollutants regulated under the Clean Air Act, as amended, 42 U.S.C. § 7401, *et seq.*; pollutants as defined under the Clean Water Act, as amended, 33 U.S.C. § 125 1, *et seq.*, any pesticide as defined by Federal Insecticide, Fungicide, and Rodenticide Act, as amended, 7 U.S.C. § 136, *et seq.*, any hazardous chemical substance or mixture or imminently hazardous substance or mixture regulated by the Toxic Substances Control Act, as amended, 15 U.S.C. § 2601, *et seq.*, any substance listed in the United States Department of Transportation Table at 45 CFR 172.101; any chemicals included in regulations promulgated under the above listed statutes; any explosives, radioactive material, and any chemical or other substance regulated by federal, state or local statutes similar to the federal statutes listed above and regulations promulgated under such federal, state or local statutes.

Section 24.02. To the extent required by the Act and/or any federal, state or local Laws, rules or regulations governing Hazardous Materials, Tenant shall remove any hazardous substances (as defined in the Act) and Hazardous Materials (as defined above) whether now or hereafter existing on the Property and whether or not arising out of or in any manner connected with Tenant’s occupancy of the Property during the Term. In addition to, and without limiting

Article 15 of this Lease, Tenant shall and hereby does agree to defend, indemnify and hold the Indemnified Parties harmless from and against any and all causes of actions, suits, demands or judgments of any nature whatsoever, losses, damages, penalties, expenses, fees, claims, costs (including response and remedial costs), and liabilities, including, but not limited to, reasonable attorneys' fees and costs of litigation, arising out of or in any manner connected with (i) the violation of any applicable federal, state or local environmental Law with respect to the Property or Tenant's or any other person's or entity's prior ownership of the Property; (ii) the "release" or "threatened release" of or failure to remove, as required by this Article 24, "hazardous substances" (as defined in the Act) and Hazardous Materials (as defined above) at or from the Property or any portion or portions thereof, including any past or current release and any release or threatened release during the Term whether or not arising out of or in any manner connected with Tenant's occupancy of the Property during the Term. The provisions of this Section 24.02 shall survive the expiration or earlier termination of this Lease as provided in Section 15.07.

Section 24.03. Tenant agrees that it will not install any underground storage tanks at the Property without specific, prior written approval from Landlord. Tenant agrees that it will not store combustible or flammable materials on the Property in violation of the Act or any other federal, state or local laws, rules or regulations governing Hazardous Materials.

ARTICLE 25 Miscellaneous

Section 25.01. Each covenant and agreement contained in this Lease shall be construed to be a separate and independent covenant and agreement, and the breach of any such covenant or agreement by Landlord shall not discharge or relieve Tenant from Tenant's obligation to observe and perform each and every covenant and agreement of this Lease to be observed and performed by Tenant. If any term or provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid and unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected, and each term and provision of this Lease shall be valid and enforceable to the maximum extent permitted by Law.

Section 25.02. This Lease shall be construed and enforced in accordance with the internal laws of the State in which the Property is located without regard to principles of conflicts of laws.

Section 25.03. This Lease has been executed and delivered, for the convenience of Landlord and Tenant, in several counterparts, but it is intended that all counterparts shall constitute only one Lease. Facsimile signature pages shall be effective for purposes of this paragraph.

Section 25.04. This Lease may not be changed, modified or discharged except by a writing signed by the party against whom such change, modification or discharge is being brought.

Section 25.05. All covenants, conditions and obligations contained in this Lease shall be binding upon and inure to the benefit of the respective permitted successors and assigns of Landlord and Tenant to the same extent as if such permitted successor and assign were named as a party to this Lease.

Section 25.06. All notices, demands, requests, consents, approvals, offers, statements and other instruments or communications required or permitted to be given pursuant to the provisions of this Lease (collectively “**Notice**” or “**Notices**”) shall be in writing and shall be deemed to have been given for all purposes (i) three (3) days after having been sent by United States mail, by registered or certified mail, return receipt requested, postage prepaid, addressed to the other party at its address as stated below, or (ii) one (1) day after having been sent by Federal Express, United Parcel or other nationally recognized air courier service.

To the Addresses stated below:

If to Landlord: PG Sugarloaf Manager, LLC on behalf of PG Sugarloaf DST
c/o Peachtree Hotel Group II, LLC
3500 Lenox Road, Suite 625
Atlanta, GA 30326

If to Tenant: PG Sugarloaf Master Tenant, LLC
c/o Peachtree Hotel Group II, LLC
3500 Lenox Road, Suite 625
Atlanta, GA 30326

For the purposes of this Section 25.06, any party may substitute its address by giving fifteen (15) days’ notice to the other party in the manner provided above. Any Notice may be given on behalf of any party by its counsel.

Section 25.07. The leasehold estate created by this Lease runs with the land, and shall be binding upon any future owner of the Property.

Section 25.08. Landlord and Tenant hereby each waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Agreement, the relationship of Landlord and Tenant, Tenant’s use or occupancy of the Property, or any claim or injury or damage (to the extent such waiver is enforceable by law in such circumstance).

Section 25.09. Venue. Any controversy between the parties hereto arising out of or related to this Agreement shall be brought in the State or Federal courts of the Property jurisdiction.


Section 25.10. Time is of the essence of each and every provision of this Agreement.

[SIGNATURE PAGES FOLLOW]

LANDLORD:

PG Sugarloaf Manager, LLC, a Delaware limited liability company, on behalf of PG Sugarloaf DST, a Delaware statutory trust

By: Peachtree Hotel Group II, LLC,
a Georgia limited liability company,
its manager

By: 
Name: Jatin Desai
Title: Authorized Signatory

TENANT:

PG Sugarloaf Master Tenant, LLC,
a Delaware limited liability company

By: Peachtree Hotel Group II, LLC, a Georgia
limited liability company, its manager

By: _____

Name: Jatin Desai

Title: Authorized Signatory

EXHIBIT A

LEGAL DESCRIPTION

All that tract or parcel of land lying and being in Land Lot No. 114 of the 7th Land District of Gwinnett County, Georgia containing 4.4272 acres more or less and more particularly described as follows:

To find the Point of Beginning, commence at a point on the Southwesterly Right-of-Way Line of the Interstate 85 North Access Ramp (having a variable right-of-way); thence leaving said point and running with the property now or formerly owned by Huntcrest Commerce Center, LLC per deed recorded among the Land Records of Gwinnett County, Georgia in Deed Book 54333, Page 250, South 43° 21 '00" East, 110.59 feet; thence South 48°52'44" West 53.15 feet; thence South 47°51'30" West 56.85 feet to a rebar with cap "BDG" found; thence South 04°31'16" West 122.95 feet to a rebar with cap "BDG" found on the Land Lot Line common to the Eastern Line of Land Lot 115 and the Western Line of Land Lot 114; thence, running with the said Land Lot Line South 29°39'07" East, 11.46 feet; thence South 28°53'05" East 121.82 feet to a 1/2" rebar found; being the True Point of Beginning of the herein described tract or parcel of land; thence leaving the said Land Lot Line and the said Point of Beginning and continuing along the Huntcrest Commerce Center, LLC property North 59°50' 59" East, 573.44 feet to a rebar with cap "BDG" found on the westerly Right-of-Way Line of North Brown Road (having an apparent 120 feet wide right-of-way); thence leaving the aforesaid property of Huntcrest Commerce Center, LLC and running with the said line of North Brown Road 81.12 feet along the arc of a curve deflecting to the left, having a radius of 1,432.40 feet and a chord bearing and distance of South 09°00'36" West, 81.11 feet; thence, South 07°02'05" West, 550.00 feet; thence South 07°38'04" West 78.66 feet to a 1/2" rebar with cap "LSF000810" set; thence leaving the aforesaid line of North Brown Road and running with the property now or formerly owned by Gwinnett County (no recording information found) North 82°08' 43" West, 179.51 feet to a 1/2" rebar found on the aforesaid Land Lot Line; thence continuing along the Gwinnett County property and running with the aforesaid Land Lot Line North 30°10'16" West, 452.71 feet to the Point of Beginning, and containing 192,848 square feet or 4.4272 acres of land, more or less, and being the same property described on that certain ALTAINSPS Land Title Survey for Paul Vernon Mimms, PHG Acquisitions I, LLC, and Chicago Title Insurance Company prepared by William C. Wohlford, Jr. RLS #2577 on behalf of TerraMark Professional Land Surveying and dated November 14, 2016.

EXHIBIT B

INSURANCE COVERAGES

Tenant shall, at Tenant's expense after the Tax and Insurance Escrow Funds have been utilized for payment of insurance premiums as provided in Section 7.04(c) (subject to Section 3.01(e) of the Lease), maintain, or cause to be maintained, in force and effect on the Property at all times while this Lease continues in effect the following insurance or, if different, such insurance as may be required by any lender that has made a loan to Landlord secured by the Property:

(a) Insurance against loss or damage to the Property by fire, windstorm, tornado, hail and perils of terrorism insurance for Certified Acts of Terrorism (as such terms are defined in the Terrorism Risk Insurance Program Reauthorization Act of 2015), and against loss and damage by such other, further and additional risks as may be now or hereafter embraced by an "all-risk" form of insurance policy. The amount of such insurance shall be not less than one hundred percent (100%) of the full replacement (insurable) cost of the improvements, furniture, furnishings, fixtures, equipment and other items (whether personalty or fixtures) included in the Property and owned by Landlord from time to time, without reduction for depreciation. The determination of the replacement cost amount shall be Landlord's election, by reference to such indices, appraisals or information as Landlord determines in its reasonable discretion. Full replacement cost, as used herein, means, with respect to the Improvements, the cost of replacing the Improvements without regard to deduction for depreciation, exclusive of the cost of excavations, foundations and footings below the lowest basement floor, and means, with respect to such furniture, furnishings, fixtures, equipment and other items, the cost of replacing the same, in each case, with inflation guard coverage to reflect the effect of inflation, or annual valuation. Each policy or policies shall contain a replacement cost endorsement and either an agreed amount endorsement (to avoid the operation of any co-insurance provisions) or a waiver of any co-insurance provisions, all subject to Landlord's approval and any requirements of the Franchisor under the Franchise Agreement.

(b) Comprehensive Commercial General Liability Insurance for personal injury, bodily injury, death and property damage liability in amounts not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate (both inclusive of umbrella coverage) in an amount not less than \$15,000,000. During any construction on the Property, Tenant's general contractor for such construction shall also provide the insurance required in this subsection (b). Landlord hereby retains the right to periodically review the amount of said liability insurance being maintained by Tenant and, not more than annually (unless an event occurs or a state of facts exists which, with the giving of notice and/or the passage of time, would constitute an Event of Default (such event or state of facts, a "**Default**") shall exist hereunder, in which case such limitation shall not apply), to require an increase in the amount of said liability insurance should Landlord deem an increase to be reasonably prudent under then existing circumstances.

(c) General boiler and machinery insurance coverage is required if steam boilers or other pressure-fired vessels are in operation at the Property. Minimum liability amount per accident shall be not less than the sum of the full replacement (insurable) cost of the improvements, furniture, furnishings, fixtures, equipment and other items (whether personalty or fixtures) included in the Property under section (a) above plus the loss of rents under section (f) below.

(d) If the Property is identified by the Secretary of Housing and Urban Development as being situated in an area now or subsequently designated as having special flood hazards (including, without limitation, those areas designated as Zone A or Zone V), flood insurance in an amount equal to the lesser of: (i) the minimum amount required, under the terms of coverage, to compensate for any damage or loss on a replacement basis (or the unpaid balance of the indebtedness secured hereby if replacement cost coverage is not available for the type of building insurance); or (ii) the maximum insurance available under the appropriate National Flood Insurance Administration program.

(e) During the period of any construction on the Property or renovation or alteration of the Improvements, a so-called "Builder's All-Risk Completed Value" or "Course of Construction" insurance policy in non-reporting form for any Improvements under construction, renovation or alteration, and construction operations liability insurance, in amounts approved by Landlord and Worker's Compensation Insurance covering all persons engaged in such construction, renovation or alteration. In the event Tenant employs workers on the Property, Tenant must subscribe to workers' compensation and employer's liability insurance in an amount of no less than \$1,000,000 per accident and per disease per employee and \$1,000,000 aggregate coverage for disease in respect of any work or operating on or about the Property, or in connection with the Property and its operation.

(f) Loss of rents or loss of business income insurance in amounts sufficient to compensate Tenant for all Rents and Profits during a period of not less than twelve (12) months in which the Property may be damaged or destroyed. The amount of coverage shall be adjusted annually to reflect the Rents and Profits of income payable during the succeeding twelve (12) month period.

(g) Such other insurance on the Property or on any replacements or substitutions thereof or additions thereto as may from time to time be required by Landlord against other insurable hazards or casualties which at the time are commonly insured against in the case of property similarly situated including, without limitation, Sinkhole, Mine Subsidence, Earthquake and Environmental insurance, due regard being given to the height and type of buildings, their construction, location, use and occupancy.

(h) Motor Vehicle liability coverage for all owned and non-owned vehicles operated by the Tenant, including rented and leased vehicles.

All such insurance shall (i) be with insurers authorized to do business in the state within which the Property is located and (a) "A- VIII" or better by Best Key Rating Guide or (b) "A-" by S&P (any of such companies being referred to individually herein as a "Qualified Insurer"), (ii) contain the complete address of the Property (or a complete legal description), (iii) be for terms of at least one year, (iv) contain deductibles which do not exceed \$50,000 with respect to windstorm and hail coverage a deductible not to exceed five percent (5%) of the value of the improvements, unless higher deductibles are approved by Landlord, and (v) be subject to the reasonable approval of Landlord as to insurance companies, amounts, content, forms of policies, method by which premiums are paid and expiration dates.

Without limiting the required endorsements to the insurance policies, all such policies shall include a standard, non-contributory clause naming Landlord's lender (x) as an additional insured under all liability insurance policies (y) as the loss payee on all loss of rents or loss of business income insurance policies, and (z) as the mortgagee and loss payee on all property insurance policies. Tenant further agrees that all such insurance policies: (1) shall provide for at least thirty (30) days' prior written notice to Landlord prior to any cancellation or termination thereof and prior to any material modification thereof which affects the interest of Landlord; (2) with respect to the property and casualty coverages shall contain an endorsement or agreement by the insurer that any loss shall be payable to Landlord in accordance with the terms of such policy notwithstanding any act or negligence of Tenant which might otherwise result in forfeiture of such insurance; (3) with respect to the general liability coverage a severability of interests; (4) shall waive all rights of subrogation against Landlord; (5) in the event that the real estate or the improvements are "legal non-conforming" use under applicable building, zoning or land use laws or ordinances, shall include an ordinance or law coverage endorsement which will contain Coverage A: "Loss Due to Operation of Law" (with a minimum liability limit equal to replacement cost with agreed value endorsement), Coverage B: "Demolition Cost" and Coverage C: "Increased Cost of Construction" coverages; and (6) may be in the form of a blanket policy provided that, in the event that any such coverage is provided in the form of a blanket policy, Tenant hereby acknowledges and agrees that failure to pay any portion of the premium therefor which is not allocable to the Property or by any other action not relating to the Property which would otherwise permit the issuer thereof to cancel coverage thereof, would require the Property to be insured by a separate, single-property policy. The blanket policy must properly identify and fully protect the Property as if a separate policy were issued for 100% of replacement cost at the time of loss and otherwise meet all of Landlord's applicable insurance requirements.

EXHIBIT C

RENT

Lease Year	Base Rent	Additional Rent Breakpoint	Additional Rent Cap	Bonus Rent Breakpoint
Lease Year 1 (through December 31, 2024)	\$490,945	\$2,865,000	\$1,212,926	\$4,077,926
Lease Year 2	\$644,035	\$3,868,000	\$1,614,692	\$5,482,692
Lease Year 3	\$644,035	\$3,918,000	\$1,506,351	\$5,424,351
Lease Year 4	\$644,035	\$4,050,000	\$1,670,000	\$5,720,000
Lease Year 5	\$644,035	\$4,240,000	\$1,775,000	\$6,015,000
Lease Year 6	\$644,035	\$4,349,000	\$1,845,000	\$6,194,000
Lease Year 7	\$644,035	\$4,458,000	\$1,920,000	\$6,378,000
Lease Year 8	\$644,035	\$4,571,000	\$2,000,000	\$6,571,000
Lease Year 9	\$644,035	\$4,702,000	\$2,070,000	\$6,772,000
Lease Year 10	\$644,035	\$4,814,000	\$2,140,000	\$6,954,000

Renewal Term: Rent during each Lease Year of the Renewal Term shall be equal to Rent during Lease Year 10.

EXHIBIT D

Opinion of Special Tax Counsel

[Attached]



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April 2, 2024

PG Sugarloaf DST
c/o PG Sugarloaf Manager, LLC
3500 Lenox Road, Suite 625
Atlanta, GA 30326

Ladies and Gentlemen:

You have requested our opinion (the “Opinion”) as to whether, for federal income tax purposes, an investor’s acquisition of a beneficial interest in PG Sugarloaf DST (the “Trust”), a Delaware statutory trust described in Chapter 38 of Title 12 of the Delaware Code (the “Delaware Statutory Trust Act” or the “DSTA”), should be treated as an acquisition of a direct interest in the Real Estate (as defined below) for purposes of Section 1031 of the Internal Revenue Code of 1986, as amended (the “Code”).

Based on the relevant facts and applicable law and subject to the qualifications discussed below, we conclude that, for federal income tax purposes, the acquisition by an investor (an “Investor”) of a beneficial interest in the Trust (an “Interest”) should be treated as a direct acquisition of an ownership interest in the Real Estate by the Investor for purposes of Code Section 1031. In reaching this conclusion and in evaluating the issues related thereto, we have not taken into account the possibility that a tax return will not be audited or that an issue will not be raised on audit.

A tax opinion rendered at a “should” level of confidence such as this Opinion involves a greater degree of certainty than a “more likely than not” opinion, but it is not a “will” opinion nor any guarantee of tax consequences. There can be no assurance that the Internal Revenue Service (the “IRS”) would agree with our conclusions, would not successfully challenge our conclusions upon audit, or would not prevail in their challenge if litigated.

In addition, qualification of a transaction pursuant to Code Section 1031 for an Investor involves issues based on numerous specific facts which are not and cannot be known to us; therefore, we give no opinion as to the ability of any Investor to effectuate a tax-deferred exchange of like-kind property under Code Section 1031. This Opinion addresses only one aspect of qualifying under Code Section 1031, *i.e.*, whether the acquisition of an Interest can be treated as a direct acquisition of an ownership interest in the Real Estate for purposes of Code Section 1031. We are not opining, among other things, as to whether some portion of the Real Estate may be “personal property” as opposed to “real property” for purposes of Code Section 1031. Finally, this Opinion does not address any state, local, or non-United States income tax consequences, or any non-income tax consequences, of the transactions described herein.

In giving this Opinion, we have reviewed the following:

(i) the Amended and Restated Trust Agreement of the Trust (the “Trust Agreement”), among Sorensen Entity Services LLC, as Delaware trustee (the “Delaware Trustee”), PG Sugarloaf Manager, LLC, an affiliate of Peachtree Hotel Group II, LLC, a partnership for federal income tax purposes (the “Sponsor”), as administrative trustee (the “Administrative Trustee”, together with the Delaware Trustee, the “Trustees”), PG Sugarloaf Depositor, LLC, an entity disregarded as separate from the Sponsor for federal income tax purposes (the “Depositor”), and the Investors;

(ii) the Purchase and Sale Agreement and other documentation pursuant to which the Trust acquired the land located at 1765 North Brown Road, Lawrenceville, Georgia (the “Hotel Land”) and a hotel located thereon referred to as “Home2 Suites by Hilton Lawrenceville Atlanta Sugarloaf” (the “Hotel” and together with the Hotel Land, the “Real Estate”). The Real Estate will not secure any indebtedness;

(iii) the Master Lease (the “Master Lease”) between the Trust, as master landlord, and PG Sugarloaf Master Tenant, LLC, a partnership for federal income tax purposes and an affiliate of (but, for federal income tax purposes, a separate partnership from) the Sponsor, as master tenant (the “Master Tenant”);

(iv) the Asset Management Agreement (the “Asset Management Agreement”) pursuant to which the Trust has retained Peachtree Hotel Group II, LLC (in such capacity, the “Asset Manager”) to interface with Investors, broker-dealers, due diligence officers, and the Master Tenant, and monitor financial performance, in exchange for a fixed dollar amount of compensation annually;

(v) the Property Management Agreement (the “Property Management Agreement”) between the Master Tenant and Peachtree Hospitality Management, LLC, a partnership for federal income tax purposes and an affiliate of (but, for federal income tax purposes, a separate partnership from) the Sponsor, the Depositor and the Asset Manager (the “Property Manager” and, together with the Asset Manager, the “Managers”) to manage and operate the Real Estate;

(vi) the Franchise Agreement (the “Franchise Agreement”) between the Master Tenant and Hilton Franchise Holding LLC (the “Franchisor”);

(vii) the Private Placement Memorandum with respect to the Interests dated April 2, 2024 (the “Private Placement Memorandum”) (items (i) through (vii) are collectively referred to as the “Transaction Documents”);

(viii) applicable provisions of the Code, final, temporary, and proposed Treasury Regulations promulgated thereunder, judicial decisions, Revenue Rulings, and other interpretative releases of the IRS; and

(ix) such other materials and documents as we considered relevant.

Our Opinion is expressly based upon the following representations from the Sponsor: (i) there are no written or oral agreements other than the Transaction Documents or understandings inconsistent with or significant to the transactions contemplated herein, and any final Transaction Documents that were not final as of the date of our review will conform with the Transaction Document drafts we have reviewed in all material respects; (ii) all payments made to or by the Trust, the Trustees, the Managers, and their affiliates will be at fair market value; (iii) taking into account the payments required to be made by the Trust under the Master Lease, the Rent (as defined in the Master Lease) payable under the Master Lease constitutes fair market value rent for the Real Estate; (iv) the Trust has made a substantial equity investment in the Real Estate, reasonably expects the Hotel to have a substantial remaining economic useful life and residual value at the end of the Master Lease term (assuming an Automatic Extension (as defined below) of such term), and reasonably expects to realize a substantial economic profit from the Master Lease and subsequent further leasing, operation, and/or disposition of the Real Estate apart from the value of tax benefits, net of any Disposition Fee and net of any payment required to be made by the Trust under the Master Lease; (v) the Master Tenant is reasonably capitalized, is acting as a principal for its own account and may reasonably be expected to realize a commercially reasonable profit from its lease and operation of the Real Estate disregarding for this purpose the Disposition Fee; (vi) the Trust and Master Tenant intend that the Master Lease constitute a true lease and not a partnership, a joint venture, or a management, agency or nominee agreement; (vii) the Master Lease will be entered into and the Initial Master Lease Inducement Payment will be made by the Trust while the Depositor is the sole beneficiary of the Trust and before the first Investor is admitted to the Trust; (viii) the Master Lease Inducement Payment, the Master Lease PIP Payment, the Additional Master Lease Inducement Payment and the Master Lease Renewal PIP Payment (if any) (as such terms are defined below) represent fair market value payments to induce the Master Tenant to enter into and, if applicable, renew the Master Lease; (ix) no portion of the Master Lease Inducement Payment, the Master Lease PIP Payment, the Additional Master Lease Inducement Payment and/or the Master Lease Renewal PIP Payment (if any) will be spent on assets that would revert to the Trust upon the expiration or sooner termination of the Master Lease, including a termination in consequence of a default; (x) neither the Trust nor any Trustee, employee, agent or independent contractor of the Trust, including the Asset Manager, will provide any services to the Master Tenant or the Property Manager; (xi) none of the Sponsor, the Trust, the Master Tenant, the Property Manager or any affiliate of any thereof has loaned or will loan to any Investor any of the funds necessary to acquire his, her or its Interest in the Trust or has guaranteed or will guarantee any indebtedness incurred by any Investor to acquire his, her or its Interest in the Trust; (xii) none of the Master Tenant, the Franchisor, or any party related to either thereof holds an option to acquire the Real Estate; (xiii) none of the Trust, the Trustees or the Asset Manager has entered into or will enter into any agreement or understanding with any beneficiary of the Trust creating an agency or nominee relationship and none of the Trust, the Trustees or the Asset Manager has been or will be represented as an agent or nominee of any beneficiary of the Trust in dealings with third parties; (xiv) the Franchisor is not related to the Trust, the Trustees, the Sponsor or any Investor; (xv) the Trust has not opted-out and will not opt-out of its status as a separate legal entity pursuant to Section 3810(a)(2) of the Delaware Statutory Trust Act; (xvi) the Administrative Trustee will elect to be treated as a corporation for federal income tax purposes; (xvii) the capital improvements to the Real Estate funded by the Trust and not required by law will not change the fundamental

nature of the Real Estate as a hotel or materially change the size of the improvements included in the Real Estate; (xviii) the obligation of the Trust to fund capital improvements has not been entered into by the Trust to take advantage of variations in the market to improve the investment of the Investors but rather has been entered into by the Trust in order to protect and conserve the Real Estate for the Investors; and (xiv) any increase in the value of the Real Estate attributable to such capital improvements will be incidental to the purpose to protect and conserve the Real Estate for the Investors.

In addition, in rendering this Opinion, we have, with your permission, assumed that: (i) the Interests will be acquired by the Investors directly from the Trust and the Depositor's interest in the Trust will be reduced in proportion to the amount of such acquisitions; (ii) none of the Depositor, the Trust, the Trustees, any Investor or any party related to any of the foregoing has made or will make an election, or has taken or will take any other action, that would cause the Trust to be classified as an association taxable as a corporation or a partnership for federal income tax purposes; (iii) the Transaction Documents (without modification) are properly executed and delivered, and are enforceable in accordance with their terms; (iv) all parties to the Transaction Documents will comply with all provisions of the Transaction Documents, and will take no action inconsistent with the Transaction Documents or any terms of this Opinion; (v) all transactions described in the Private Placement Memorandum will occur as described in the Private Placement Memorandum; and (vi) neither the exchanged property nor the replacement property in any Code Section 1031 exchange involving the Trust is, or at any relevant time has been or will be, tax-exempt use property within the meaning of Code Section 470(e)(4)(A). We have further assumed the accuracy and completeness of all documents and records that we have reviewed, the genuineness of all signatures, the authenticity of the documents submitted to us as originals, and the conformity to authentic original documents of all documents submitted to us as pro forma or reproduced copies.

Capitalized terms which are not herein defined have the meanings ascribed to them in the Transaction Documents.

For the avoidance of doubt, the term "Investor" as used herein does not include the Sponsor or any affiliate thereof.

DELAWARE STATUTORY TRUST ACT

The Delaware Statutory Trust Act provides rules for trusts formed thereunder ("Delaware Statutory Trusts"). A Delaware Statutory Trust is an unincorporated association which is created by a trust agreement or other governing instrument under which property is or will be held, managed, administered, controlled, invested, reinvested and/or operated, or business or professional activities for profit are carried on or will be carried on, by a trustee or trustees or as otherwise provided in the governing instrument for the benefit of such person or persons as are or may become beneficial owners or as otherwise provided in the governing instrument. DSTA Section 3801(g).

A Delaware Statutory Trust is required to file a certificate of trust in the office of the Secretary of State of the State of Delaware. DSTA Section 3810(a)(1). Unless otherwise provided in its certificate of trust and in its governing instrument, a Delaware Statutory Trust is a separate legal entity. DSTA Section 3810(a)(2). Except in the case of a Delaware Statutory Trust that is a registered investment company under the Investment Company Act of 1940, as amended, a Delaware Statutory Trust shall at all times have at least one trustee which, in the case of a natural person, shall be a person who is a Delaware resident or which, in all other cases, has its principal place of business in Delaware. DSTA Section 3807(a), (b). A Delaware Statutory Trust may sue and be sued, and the property of a Delaware Statutory Trust is subject to attachment and execution as if it were a corporation. DSTA Section 3804(a). Except to the extent otherwise provided in the governing instrument of a Delaware Statutory Trust, the beneficial owners shall be entitled to the same limitation of personal liability extended to stockholders of Delaware corporations. DSTA Section 3803(a).

Except to the extent otherwise provided in the governing instrument of a Delaware Statutory Trust, a beneficial owner shall have an undivided beneficial interest in the property of the Delaware Statutory Trust and shall share in the profits and losses of the Delaware Statutory Trust in the proportion (expressed as a percentage) of the entire undivided beneficial interest in the Delaware Statutory Trust owned by such beneficial owner. DSTA Section 3805(a). No creditor of the beneficial owner shall have any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the property of the Delaware Statutory Trust. DSTA Section 3805(b). No creditor of the trustee shall have any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the property of the Delaware Statutory Trust with respect to any claim against, or obligation of, such trustee in its individual capacity and not related to the Delaware Statutory Trust. DSTA Section 3805(g). Except to the extent otherwise provided in the governing instrument of a Delaware Statutory Trust, the death, incapacity, dissolution, termination, or bankruptcy of a beneficial owner or a trustee shall not result in the termination or dissolution of a Delaware Statutory Trust. DSTA Section 3808(b). Except to the extent otherwise provided in the governing instrument of a Delaware Statutory Trust, a Delaware Statutory Trust may acquire, by purchase, redemption, or otherwise, any beneficial interest in the Delaware Statutory Trust held by a beneficial owner of the Delaware Statutory Trust. DSTA Section 3818.

To the extent that, at law or in equity, a trustee or beneficial owner or other person has duties (including fiduciary duties) to a statutory trust or to another trustee or beneficial owner or to another person that is a party to or is otherwise bound by a governing instrument, the trustee's or beneficial owner's or other person's duties may be expanded or restricted or eliminated by provisions in the governing instrument; provided, that the governing instrument may not eliminate the implied contractual covenant of good faith and fair dealing. DSTA Section 3806(c).

Pursuant to an agreement of merger or consolidation, a Delaware Statutory Trust may merge or consolidate with or into one or more Delaware Statutory Trusts or other business entities formed or organized or existing under the laws of the State of Delaware or any other State or the United States or any foreign country or other foreign jurisdiction, with such Delaware Statutory Trust or other business entity as the agreement shall provide being the surviving or resulting Delaware

Statutory Trust or other business entity. DSTA Section 3815(a). If the governing instrument of a Delaware Statutory Trust specifies the manner of authorizing a conversion of the Delaware Statutory Trust to another business entity, the conversion shall be authorized as specified in the governing instrument. DSTA Section 3821(a), (b).

RELEVANT PROVISIONS IN THE TRANSACTION DOCUMENTS

A. Trust Agreement

Article I provides in part that all interests in the Trust shall be of a single class.

Section 2.03 provides that the purposes of the Trust are to engage in the following activities: (i) to acquire, or to have the Administrative Trustee acquire on behalf of the Trust, and own the Real Estate and any related personal property; (ii) to enter into or assume and comply with the terms of the Transaction Documents; (iii) to conserve, protect, manage and dispose of the Real Estate; and (iv) to take such other actions as the Trustees deem necessary or advisable to carry out the foregoing. Section 2.03 also provides that the Trust shall hold its property (the “Trust Property”) for investment purposes and only engage in activities which are customary services in connection with the maintenance and repair of the Real Estate. Section 2.03 also provides that (a) neither the Administrative Trustee, the Investors, nor their agents shall provide services (1) that are not “customary services” within the meaning of Revenue Ruling 75-374, 1975-2 C.B. 261, (2) the payment for which would not qualify as “rents from real property” within the meaning of Code Section 512(b)(3)(A)(i) and the Regulations thereunder, or (3) the payment for which would not qualify as “rents from real property” within the meaning of Code Sections 856(c)(2)(C) and 856(c)(3)(A) and the Regulations thereunder; and (b) the Trust shall conduct no activities other than as specifically provided in Section 2.03.

Section 2.04 states that the Trustees will hold the Trust Property upon the terms and conditions in the Trust Agreement for the benefit of the Investors, subject to the obligations of the Trust under the Master Lease and other relevant agreements. Section 2.04 further states that it is the intention of the parties to the Trust Agreement that the Trust constitute a “statutory trust” within the meaning of the Delaware Statutory Trust Act, and that the Trust shall not constitute an agency, partnership, corporation, association or business trust for federal income tax purposes. Instead, each Investor shall be treated for federal income tax purposes as the owner of a direct ownership interest in the Trust Property and each Investor agrees to report its Interest in the Trust in a manner consistent with the foregoing and otherwise not to take any action that would be inconsistent with the foregoing.

Section 3.01 provides that any proposed assignment, pledge, encumbrance or transfer by any Investor of part or all of their Interest is subject to the prior consent of the Administrative Trustee and satisfaction of certain preconditions set forth in the Trust Agreement.

Article IV requires the Administrative Trustee to distribute all available cash to the Investors in accordance with their Percentages on a monthly basis, after paying or reimbursing the Trustees for any fees or expenses paid or incurred by the Trustees on behalf of the Trust and retaining any

additional amounts as are necessary to pay anticipated ordinary current and future Trust expenses. Amounts of cash retained shall only be invested in short-term obligations of (or guaranteed by) the United States, or any agency or instrumentality thereof and in certificates of deposit or interest-bearing bank accounts of any bank or trust company having a minimum stated capital and surplus. All such obligations must mature prior to the next distribution date, and be held to maturity.

Section 5.01(a) states that the Trust Agreement shall not be interpreted to impose a partnership or joint venture relationship on the Investors either at law or in equity, and no Investor shall have any liability for the debts or obligations incurred by any other Investor, with respect to the Trust Property, or otherwise, and no Investor shall have any authority, other than as specifically provided in the Trust Agreement, to act on behalf of any other Investor or to impose any obligation with respect to the Trust Property.

Section 5.01(c) provides that at such time as there is more than one (1) owner of the Trust, the Trust shall not constitute a business entity for federal income tax purposes, but shall instead constitute an investment trust pursuant to Treasury Regulation Section 301.7701-4(c); and a Grantor Trust under Subpart E of Part 1, Subchapter J of the Code (Code Sections 671 and following).

Section 5.01(d) provides that legal title to the Trust Property, including the Real Estate, shall be held by the Administrative Trustee, on behalf of the Trust. Neither the bankruptcy, death or other incapacity of any Investor nor the transfer, by operation of law or otherwise, of any right, title or interest of the Investors in and to the Trust Property shall terminate the Trust Agreement. In addition, Section 5.01(d) provides that, except as expressly set forth in the Trust Agreement, the Investors shall not be liable for any liabilities or obligations of the Trust or the Trustees or for the performance of the Trust Agreement.

Section 5.02 provides that the Investors do not have the right to demand or receive an in-kind distribution of Trust Property from the Trust.

Section 5.03 provides that, except solely with respect to the selection of replacement Trustees in certain circumstances, the Investors shall have no right to make decisions for, or to operate or manage, the Trust.

Section 6.04 provides that the Administrative Trustee shall manage, control, dispose of or otherwise deal with the Trust Property consistent with its duties to conserve and protect the Trust Property, subject to any restrictions provided in the Trust Agreement.

Section 7.01(d) provides that duties of the Administrative Trustee include holding bare legal title to the Real Estate on behalf of the Trust, for the benefit of the Trust, in a manner consistent with arrangements described in Treasury Regulation Section 301.7701-4(a). Section 7.01(d) further provides that the Administrative Trustee shall hold only bare legal title to the Real Estate for purposes of compliance with state law, shall not hold any ownership interest in the Real Estate for income tax purposes or for any other legal or equitable purpose other than for purposes of compliance with state law and expressly disclaims any ownership or other interest (legal, equitable

or otherwise) in the Real Estate other than such interest in bare legal title to such property as is strictly necessary to comply with state law, it being understood and agreed that all interests in the Real Estate not specifically ascribed to the Administrative Trustee are reserved to and held by the Trust. Section 7.01(d) further provides that the Administrative Trustee will have all necessary powers they are required to have under Georgia state law as holder of bare legal title of the Real Estate, including the power and the authority to execute documents with respect to the acquisition, financing, operation and conveyance of the Real Estate.

Section 7.02 authorizes and directs the Administrative Trustee to take, or cause the Trust to take, any and all necessary actions to conserve and protect the Trust Property, including, but not limited to: (a) acquiring, owning, conserving, protecting, operating and selling the Trust Property; (b) executing, including on behalf of the Trust, entering into and/or assuming and complying with the terms of the Master Lease and any other Transaction Documents; (c) collecting rents and making distributions to the Investors; (d) entering into any agreement for purposes of completing tax-free exchanges of real property for Investors with each such Investor's "qualified intermediary" as defined in Section 1031 of the Code and the Treasury Regulations thereunder; (e) notifying the relevant parties of any default by them under the Transaction Documents; (f) solely to the extent necessitated by the bankruptcy or insolvency of a tenant, renegotiating the Master Lease or entering into a new lease with respect to the Real Estate or negotiating or financing any debt secured by the Real Estate; and (g) taking any action which, in the reasoned opinion of tax counsel to the Trust, should not have an adverse effect on the treatment of the Trust as an "investment trust" within the meaning of Treasury Regulation Section 301.7701-4(c).

Section 7.03 prohibits the Administrative Trustee from taking any of the following actions, if the exercise of such action or actions would constitute a power under the Trust Agreement to "vary the investment of the certificate holders" as defined by Treasury Regulation Section 301.7701-4(c)(1): (a) reinvest any monies of the Trust, except in accordance with Section 4.02 of the Trust Agreement; (b) enter into mortgage financing, renegotiate the Master Lease or enter into new leases except in the case of Master Tenant's bankruptcy or insolvency; (c) make other than minor non-structural modifications to the Real Estate, other than as required by law; (d) accept any capital from the Investors or new investors except as provided for in the Private Placement Memorandum; or (e) take any other action that, in the reasoned opinion of tax counsel to the Trust, should be expected to cause the Trust to be treated as a "business entity" for federal income tax purposes.

Section 9.01 provides that the Trust shall dissolve and wind up in accordance with Section 3808 of the Delaware Statutory Trust Act and each Investor's share of the Trust Property shall be distributed to the Investors, at the earlier of: (a) December 31, 2073; or (b) the sale or other disposition of the Real Estate.

Section 9.02 provides that, notwithstanding Section 9.01, if: (1) (a) (i) the Trust Property or any portion thereof is subject to a casualty, condemnation or similar event that is not adequately compensated for through insurance or otherwise sufficient to permit restoration of the Trust Property to the same condition as previously existed; or (ii) the Administrative Trustee determines that the Investors are at risk of losing all or a substantial portion of their investment in the Interests, and (b) the Administrative Trustee is prohibited from taking actions to cure or mitigate the event(s)

described in clauses (i) or (ii) by reason of the restrictions set forth in Section 7.03 of the Trust Agreement, then the Administrative Trustee shall terminate the Trust pursuant to Section 9.03.

Section 9.03 provides that (a) if the Trust is to be terminated pursuant to Section 9.02, then the Administrative Trustee will terminate the Trust by converting it into (or otherwise effecting the transfer of the Trust Property to) a Delaware limited liability company (the “LLC”), which LLC shall acquire, by operation of law, contract, or otherwise, the Trust Property subject to the then-outstanding obligations of the Trust under the Master Lease, and which LLC shall assume, by operation of law, contract, or otherwise, the Trust’s obligations under the Master Lease, converting or exchanging the Interests of the Investors in the Trust for equivalent membership interests in the LLC, and causing itself to be designated as the manager of the LLC (a “Transfer Distribution”), or (b) if the Trust is to be terminated pursuant to Section 9.02, then the Administrative Trustee may in its sole discretion terminate the Trust in accordance with Section 9.02 by either (i) causing a Transfer Distribution, or (ii) terminate the Trust by distributing tenant-in-common interests in the Trust Property to the Investors in proportion to their ownership of the Trust, which interests (and the Investors) would be subject to an agency and/or co-ownership arrangement and other agreements that are in form and substance satisfactory to the Administrative Trustee as determined in its discretion and materially consistent with the terms and conditions set forth in Rev. Proc. 2002-22 or such other Internal Revenue Service guidance as may apply to the treatment of tenancy-in-common arrangements as direct interests in the Real Estate for purposes of Code Section 1031.

B. Master Lease

Section 1.02 provides that, as an inducement for the Master Tenant to enter into the Master Lease, the Trust (1) transferred ownership of all personal property associated with the Real Estate and assigned related contracts to the Master Tenant (the “Initial Master Lease Inducement Payment”), and (2) shall pay to the Master Tenant a Master Lease Inducement Payment of \$574,938, a Master Lease PIP Payment of \$2,600,000, an amount of up to \$300,000 over the course of the Original Term of the Master Lease (the “Additional Master Lease Inducement Payment”) and, if the Automatic Extension of the term of the Master Lease comes into effect, a Master Lease Renewal PIP Payment in the anticipated amount of \$2,800,000 (subject to final determination by the Franchisor under the terms of the Franchise Agreement).

Section 2.01 provides that the Original Term (as defined therein) of the Master Lease continues for approximately nine (9) years and nine (9) months from the date of its inception, provided however that (a) if the Trust has not sold the Real Estate on or before the final day of the initial term of the Master Lease (the “Automatic Extension Date”), then the term of the Master Lease shall be automatically extended for six (6) years (the “Automatic Extension”), (b) the Master Lease shall automatically terminate upon the sale of the Real Estate, and (c) pursuant to Section 16.01, the Trust may terminate the Master Lease in the event of an uncured default by the Master Tenant.

Section 3.01(b) and Exhibit C provide that the amount of annual rent payable during the Original Term (the “Rent”) is equal to: (i) a base amount (the “Base Rent”) equal to a fixed amount for each year of the Master Lease; (ii) an additional amount (the “Additional Rent”) equal to 100% of the Master Tenant’s gross revenue from the Trust Property that exceeds a specifically stated floor

up to a specifically stated ceiling; and (iii) an additional amount (the “Bonus Rent”) equal to 70% of the Master Tenant’s gross revenue from the Trust Property above the maximum amount of gross revenue that constitutes Additional Rent for the year. The annual rent during the Automatic Extension period, if any, equals the Rent for the last year of the Original Term.

Section 3.01(e) provides that the Master Tenant will pay, on behalf of the Trust, the “Uncontrollable Expenses” (*i.e.*, costs relating to real estate taxes, Insurance Costs, and the Cost of Utilities (as those terms are defined in the Master Lease)) for each year of the Master Lease. Nevertheless, Section 3.01(e) provides that the Master Tenant is only financially responsible for the Uncontrollable Expenses for each year up to a specified amount (the “Projected Uncontrollable Expenses”). To the extent the Uncontrollable Expenses for a year exceed the Projected Uncontrollable Expenses, the excess reduces the amount of Additional Rent and/or Bonus Rent that the Master Tenant is required to pay under the Master Lease, and to the extent the Projected Uncontrollable Expenses are greater than the actual Uncontrollable Expenses, the difference will be paid by the Master Tenant to the Trust as additional Rent.

Section 3.08 provides that the Trust and the Master Tenant agree that the Master Lease is a “true lease” and not a financing arrangement, partnership, joint venture, management or other arrangement, and that the parties will reflect the transactions embodied in the Master Lease in a manner consistent with “true lease” treatment rather than “financing,” “partnership” or “management” treatment.

Sections 4.02 and 4.03 provide that the Master Tenant is required to maintain insurance with respect to the Trust Property, including but not limited to casualty and business interruption insurance in respect of the Trust Property.

Section 7.01 provides that the Master Tenant is responsible for all “Operating Costs” (as such term is defined in the Master Lease), and is also responsible to take good care, including paying all costs and expenses required therefor, of the premises, alleyways and passageways and the sidewalks, curbs and vaults adjoining the premises, and keep the same (or cause the same to be kept) in good order and condition, ordinary wear and tear and obsolescence excepted, and make necessary nonstructural repairs thereto, interior and exterior.

Section 7.02 provides that the Trust is responsible for all “Capital Expenses,” which generally means the costs and expenses incurred in connection with major repairs, replacements, and improvements relating to the structural elements of the Trust Property which are not Operating Costs, and includes the costs of the Property Improvement Plan (“PIP”) required by the Franchisor under the Franchise Agreement.

Sections 7.03(a)(i) and 7.03(c) provide that the Master Tenant may withdraw amounts from a reserve funded by the Trust (the “Trust Reserves”) in order to pay the Master Lease PIP Payment, the Master Lease Renewal PIP Payment (if any) and for certain operating costs, capital expenses, repairs and replacements, restorations and condemnation restorations. If funds held in the Trust Reserves are used by the Master Tenant to pay expenses for which the Master Tenant is responsible under the Master Lease, such amounts are treated as a loan from the Trust to the Master Tenant. If

Trust Reserves are unavailable and funds of the Master Tenant are used to pay expenses for which the Trust is responsible under the Master Lease, such amounts are treated as a loan from the Master Tenant to the Trust.

Section 8.01 provides that the Master Tenant may make alterations to (but not additions to, removals of or substitutions for) the Real Estate with the Trust's prior written consent, provided that certain other conditions are met.

Section 13.01 provides that the Master Tenant may not assign its interest in the Master Lease without the consent of the Trust.

Section 15.04(e) provides that the Trust acknowledges that, in connection with its acquisition of the Real Estate, the Franchisor required the Master Tenant to enter into the Franchise Agreement, and that the execution of such Franchise Agreement was a precondition to the Trust's acquisition of the Real Estate. Section 15.04(e) further provides, accordingly, that the Trust agrees to be bound by the Franchise Agreement with regard to the Franchisor's right to consent to any sale of the Real Estate by the Trust.

Section 16.01 provides that if any "Event of Default" occurs, the Trust can give notice of such default and terminate the Master Lease (or take possession of the Trust Property without terminating the Master Lease) after giving notice. Section 16.01 generally defines "Event of Default" to include, among other things: (a) (i) the failure by the Master Tenant to pay Rent, Operating Costs, or Impositions as and when the same shall become due and payable, which failure is not cured within ten (10) days after notice or (ii) the failure to pay any other amounts payable under the Master Lease as and when the same shall become due and payable or the default in any other manner curable by the payment of money; (b) the failure to comply with the other terms of the Master Lease (other than any default curable by payment of money), which such failure is not cured within thirty (30) days after notice (or longer if the Master Tenant diligently undertakes efforts to cure such Default); (c) the filing by the Master Tenant of a voluntary bankruptcy petition or the adjudication of the Master Tenant as a bankrupt or insolvent (including any petition or answer seeking any reorganization, composition, readjustment or similar relief); (d) the filing of an involuntary petition in bankruptcy against the Master Tenant or the commencement of any proceeding against the Master Tenant seeking any reorganization, composition, readjustment or similar relief under any law if not dismissed within ninety (90) days;; (e) a prohibited mortgaging, pledge or encumbrance of the Master Tenant's interest in the Master Lease; (f) any representation or warranty of the Master Tenant is incorrect or misleading in any material respect; (g) if the performance by the Master Tenant of any material obligation becomes unlawful; (h) the termination or liquidation of the Master Tenant; (i) the failure by the Master Tenant to deliver possession of the Real Estate at the end of the term of the Master Lease; or (j) an action or omission of the Master Tenant resulting in a breach of any indenture, deed of trust, mortgage or other instrument (beyond any applicable notice and cure periods) to which the Trust or the Master Tenant is a party or to which the Real Estate is bound or may be affected.

Article 21 provides that upon the sale, transfer, or other disposition of the Real Estate, the Master Tenant is entitled to a disposition fee (the "Disposition Fee") equal to 3.0% of the gross sales price

of the Real Estate, plus, for the avoidance of doubt, any reserves held by the Trust not otherwise required for payment of the Trust expenses and not specifically included in the computation of the gross sales price of the Real Estate (such aggregate amount, the “Sales Proceeds”) in cash on the closing date of such sale, transfer or other disposition of the Real Estate; provided, however, no Disposition Fee will be paid if the net sales price of the Real Estate is less than \$32,201,767 (the “Disposition Fee Hurdle”), and provided further, that if the sum of the Disposition Fee and the Disposition Fee Hurdle is greater than the Sales Proceeds, then the Disposition Fee shall be reduced dollar for dollar by the amount of such excess. Article 21 further provides that the Disposition Fee is compensation for the agreement of the Master Tenant to assist the Trust in disposing of the Real Estate as the Trust may reasonably request.

The Master Lease will be entered into prior to the admission of the Investors to the Trust.

C. Property Management Agreement

The Master Tenant has entered into the Property Management Agreement with the Property Manager. Section 2 provides that the initial term of the Property Management Agreement is 10 years, but the term will automatically renew for successive one year terms unless either party notifies the other party of its election not to renew at least 45 days prior to the end of the initial term or the then-current renewal term.

Section 3 provides that the Master Tenant appoints the Property Manager as the Master Tenant’s sole and exclusive agent to operate, occupy, direct, manage and supervise the Hotel and that nothing contained in the Property Management Agreement shall be construed as creating, between the parties or with any third party, a partnership, joint venture or any relationship other than agency.

Section 4 provides that the Property Manager’s duties include, but are not limited to: (a) recruit, employ, relocate, pay, supervise and discharge all employees and personnel necessary for the operation of the Hotel; (b) establish all prices, rates and charges for guest rooms, meeting rooms, commercial space (including all stores, office space and lobby space), food, beverage, and other salable or rentable items comprising the Hotel and its business; (c) negotiate and enter into, on behalf of the Master Tenant, service contracts required in the ordinary course of business in operating the Hotel including, without limitation, contracts for electricity, gas, telephone, cable and satellite television, cleaning, vermin extermination, elevator and boiler maintenance, and other services which the Property Manager deems advisable; (d) negotiate and enter into, concession agreements, leases, licenses and similar contracts for use by concessionaires, tenants, licensees and other intended users of the facilities at the Hotel; (e) obtain and keep in full force and effect, any and all new, renewal and additional licenses and permits necessary to enable the Property Manager to operate the Hotel in accordance with applicable laws including, without limitation, those licenses and permits necessary for the sale of alcoholic beverages to be consumed on premises or sold in unopened containers at (1) the Hotel, (2) any restaurant and lounge located within the Hotel, and (3) any other usual and customary locations where alcoholic beverages are sold within the Hotel; (f) accord rooms to persons to whom such privileges are customarily accorded in the industry; (g) establish and revise administrative policies and procedures; (h) procure, or arrange

for the procurement of, as agent for the Master Tenant, all replacement operating equipment and operating supplies necessary to maintain and operate the Hotel properly in the ordinary course of business; (i) make or install, or cause to be made or installed, all normal capital repairs, decorations, renewals, revisions, alterations, rebuilds, replacements, additions, and improvements in and to the Hotel building and all furniture, furnishings, equipment, fixtures, apparatus and other personal property used in the operation of the Hotel, in the ordinary course of business; (j) arrange and contract for all advertising and promotion of the Hotel which the Property Manager in its reasonable discretion deems necessary or appropriate for the operation of the Hotel; (k) open and maintain the agency account as required by the Property Management Agreement; (l) prepare and deliver to the Master Tenant the annual business plans and financial statements, and such other information as required by the Property Management Agreement; (m) plan, execute and supervise repairs and maintenance at the Hotel; provided, however all related capital expenditures in the aggregate in excess of \$25,000 shall be implemented by the Master Tenant; (n) procure and maintain insurance in accordance with the Property Management Agreement; and (o) operate the Hotel in compliance with the Franchise Agreement.

Section 10.1 provides that the Master Tenant will pay a monthly base fee equal to 4% of Gross Revenues (the “Property Management Fee”). Gross Revenues is defined to include all revenues and receipts of every kind derived from the operation of the Hotel and all departments and parts thereof including, without limitation, income (from both cash and credit transactions after reasonable deductions for bad debts and discounts for prompt or cash payments and refunds) from the rental of guest rooms, telephone charges, stores, offices, exhibit and sales space of every kind; license, lease and concession fees and rentals; income from vending machines; net income from parking; health club membership fees; food and beverage sales; wholesale and retail sales of merchandise; and service charges (to the extent not distributed to employees as gratuities). The Master Tenant will also reimburse the Property Manager for all costs and expenses incurred by the Hotel through the actions of Property Manager pursuant to the Property Management Agreement.

Section 12 provides that the Property Management Agreement may terminate (1) by mutual written agreement of Property Manager and Master Tenant, (2) by either party if the other party defaults in performance of any of its obligations under the Property Management Agreement following the applicable cure period, (3) by either party in the event of a complete disposition of the Real Estate to an unaffiliated third party in an arm’s length transaction, (4) by the Master Tenant upon the termination of the Master Lease, and (5) by either party upon 45 days’ prior written notice to the other party.

D. Franchise Agreement

Pursuant to the Franchise Agreement, among other things, the Franchisor grants to the Master Tenant a limited, non-exclusive license to use its proprietary marks and other intellectual property including its reservation system at the Hotel in consideration of the Master Tenant’s agreement to operate the Hotel in compliance with standards set by the Franchisor and to pay periodic franchise fees and other amounts to the Franchisor. The Master Tenant agrees to obtain specified types and minimum amounts of insurance, and to indemnify the Franchisor and its affiliates against claims arising from the operation of the Hotel. Subject to the specified exceptions, the Franchise

Agreement also requires the consent of the Franchisor for the sale of the Hotel. The Franchise Agreement has a term of 15 years. The Franchise Agreement further provides that the Master Tenant is required to make certain renovations to the Hotel in accordance with a property improvement plan (or “PIP”) during the Original Term of the Master Lease and during any Automatic Extension period of the Master Lease.

TAX ANALYSIS

It is our opinion that, for federal income tax purposes, the acquisition by the Investors of the Interests should be treated as the direct acquisition by the Investors of the Real Estate for purposes of Code Section 1031.

The principal authority governing the treatment of interests in Delaware Statutory Trusts for purposes of Code Section 1031 is Revenue Ruling 2004-86, 2004-2 C.B. 191. As more fully described below, our conclusion as to the treatment of the Interests under Code Section 1031 is based largely on the similarity between the facts described in Revenue Ruling 2004-86 and the facts in respect of the Trust, and the Treasury Regulations and case law that form the basis for the revenue ruling.

Treatment of the Interests as Real Property for Purposes of Code Section 1031.

Code Section 1031 provides that no gain or loss is recognized on the exchange of real property held for productive use in a trade or business or for investment if such property is exchanged solely for real property of like kind which is to be held either for the productive use in a trade or business or for investment.

On July 20, 2004, the IRS issued Revenue Ruling 2004-86, 2004-2 C.B. 191, which held that, assuming the other requirements of Code Section 1031 are satisfied, a taxpayer may exchange real property for a beneficial interest in a Delaware Statutory Trust such as the trust described in the ruling (the “DST”) in a tax-free exchange under Code Section 1031. The holding of Revenue Ruling 2004-86 is based on certain factual assumptions regarding the provisions of the trust agreement of the DST, although not all the facts described in the ruling are crucial to its holding. The facts as set forth in Revenue Ruling 2004-86 are as follows:

On January 1, 2005, A, an individual, borrows money from BK, a bank, and signs a 10-year note bearing adequate stated interest, within the meaning of § 483. On January 1, 2005, A uses the proceeds of the loan to purchase Blackacre, rental real property. The note is secured by Blackacre and is nonrecourse to A.

Immediately following A’s purchase of Blackacre, A enters into a net lease with Z for a term of 10 years. Under the terms of the lease, Z is to pay all taxes, assessments, fees, or other charges imposed on Blackacre by federal, state, or local authorities. In addition, Z is to pay all insurance, maintenance, ordinary repairs, and utilities relating to Blackacre. Z may sublease Blackacre. Z’s rent is a fixed amount that may be adjusted by a formula described in the lease agreement that is based upon a fixed

rate or an objective index, such as an escalator clause based upon the Consumer Price Index, but adjustments to the rate or index are not within the control of any of the parties to the lease. Z's rent is not contingent on Z's ability to lease the property or on Z's gross sales or net profits derived from the property.

Also on January 1, 2005, A forms DST, a Delaware statutory trust described in the Delaware Statutory Trust Act, Del. Code Ann. Title 12, §§ 3801 - 3824, to hold property for investment. A contributes Blackacre to DST. Upon contribution, DST assumes A's rights and obligations under the note with BK and the lease with Z. In accordance with the terms of the note, neither DST nor any of its beneficial owners are personally liable to BK on the note, which continues to be secured by Blackacre.

The trust agreement provides that interests in DST are freely transferable. However, DST interests are not publicly traded on an established securities market. DST will terminate on the earlier of 10 years from the date of its creation or the disposition of Blackacre, but will not terminate on the bankruptcy, death, or incapacity of any owner or on the transfer of any right, title, or interest of the owners. The trust agreement further provides that interests in DST will be of a single class, representing undivided beneficial interests in the assets of DST.

Under the trust agreement, the trustee is authorized to establish a reasonable reserve for expenses associated with holding Blackacre that may be payable out of trust funds. The trustee is required to distribute all available cash less reserves quarterly to each beneficial owner in proportion to their respective interests in DST. The trustee is required to invest cash received from Blackacre between each quarterly distribution and all cash held in reserve in short-term obligations of (or guaranteed by) the United States, or any agency or instrumentality thereof, and in certificates of deposit of any bank or trust company having a minimum stated surplus and capital. The trustee is permitted to invest only in obligations maturing prior to the next distribution date and is required to hold such obligations until maturity. In addition to the right to a quarterly distribution of cash, each beneficial owner has the right to an in-kind distribution of its proportionate share of trust property.

The trust agreement provides that the trustee's activities are limited to the collection and distribution of income. The trustee may not exchange Blackacre for other property, purchase assets other than the short-term investments described above, or accept additional contributions of assets (including money) to DST. The trustee may not renegotiate the terms of the debt used to acquire Blackacre and may not renegotiate the lease with Z or enter into leases with tenants other than Z, except in the case of Z's bankruptcy or insolvency. In addition, the trustee may make only minor non-structural modifications to Blackacre, unless otherwise required by law. The trust agreement further provides that the trustee may engage in ministerial activities to the extent required to maintain and operate DST under local law.

On January 3, 2005, B and C exchange Whiteacre and Greenacre, respectively, for all of A's interests in DST through a qualified intermediary, within the meaning of § 1.1031(k)-1(g). A does not engage in a § 1031 exchange. Whiteacre and Greenacre were held for investment and are of like kind to Blackacre, within the meaning of § 1031.

Neither DST nor its trustee enters into a written agreement with A, B, or C, creating an agency relationship. In dealings with third parties, neither DST nor its trustee is represented as an agent of A, B, or C.

BK is not related to A, B, C, DST's trustee or Z within the meaning of § 267(b) or § 707(b). Z is not related to B, C, or DST's trustee within the meaning of § 267(b) or § 707(b).

The IRS's conclusions in Revenue Ruling 2004-86 were as follows:

- (1) The Delaware statutory trust described above is an investment trust, under § 301.7701-4(c), that will be classified as a trust for federal tax purposes.
- (2) A taxpayer may exchange real property for an interest in the Delaware statutory trust described above without recognition of gain or loss under § 1031, if the other requirements of § 1031 are satisfied.

The IRS noted that, under the facts of Revenue Ruling 2004-86, if the DST's trustee had the power to do one or more of the following acts, it would be classified as a partnership or other business entity for federal income tax purposes:

- (i) dispose of Blackacre and acquire new property; (ii) renegotiate the lease with Z or enter into leases with tenants other than Z; (iii) renegotiate or refinance the obligation used to purchase Blackacre; (iv) invest cash received to profit from market fluctuations; or (v) make more than minor non-structural modifications to Blackacre not required by law.

In addition, the DST would not have qualified as an "investment" trust had it been able to (a) accept additional contributions of new cash or assets from existing or new owners, or (b) invest reserves and cash in investments other than short term government obligations, certificates of deposit or interest bearing accounts that are held to maturity and that mature prior to the distribution of cash to the DST's owners.

Various facts in Revenue Ruling 2004-86 in our view are not determinative of the outcome, including (a) that Blackacre was subject to the note and lease prior to being contributed to the DST, (b) that each owner had a right to an in-kind distribution of the DST's property, and (c) that the persons who acquired interests in the DST acquired their interests indirectly from the original owner of the DST, rather than the DST itself.

In determining whether an Investor's acquisition of an Interest "should" be treated as the direct acquisition of an interest in the Real Estate for purposes of Code Section 1031, we analyze below in light of relevant authorities: (1) the Trust's classification as an entity separate from the Investors (and not an agency arrangement) for federal income tax purposes; (2) the Trust's classification as an "investment trust" (and not as a business entity) for federal income tax purposes; (3) the payments required to be made by the Trust under the Master Lease; (4) whether the Master Lease constitutes a true lease for federal income tax purposes; (5) the Trust's classification as a "grantor trust" for federal income tax purposes; (6) the treatment of the Investors as holding direct interests in the Real Estate for federal income tax purposes; and (7) the Property Management Fee.

1. Classification of the Trust as an Entity Separate from the Investors for Federal Income Tax Purposes.

Under Treasury Regulation Section 301.7701-1(a)(1), whether an organization is an entity separate from its owners for federal tax purposes is a matter of federal tax law and does not depend on whether the organization is recognized as an entity under local law. Revenue Ruling 2004-86 states that, generally, when participants in a venture form a state law entity and avail themselves of the benefits of that entity for a valid business purpose, such as investment or profit, and not for tax avoidance, the entity will be recognized for federal income tax purposes.

The IRS concluded that the DST in Revenue Ruling 2004-86 was an entity for federal income tax purposes. We believe that the Trust is substantially similar to the DST. First, and most importantly, both the DST and the Trust are Delaware Statutory Trusts, subject to the provisions of the Delaware Statutory Trust Act. The Sponsor has represented that the Trust has not opted-out and will not opt-out of its status as a separate legal entity pursuant to Section 3810(a)(2) of the Delaware Statutory Trust Act. Second, Section 2.03 of the Trust Agreement provides that one of the purposes of the Trust is to hold the Real Estate for investment purposes. This provision of the Trust Agreement is consistent with the purpose of the DST in Revenue Ruling 2004-86 (*i.e.*, "to hold property for investment"). Third, Sections 5.01(a) and 5.01(d) of the Trust Agreement provide that the Investors are not liable for any liabilities or obligations of other Investors, the Trust or the Trustees or for the performance of the Trust Agreement. Fourth, consistent with the DST's trust agreement, the Trust Agreement does not purport to create an agency relationship. In addition, the Sponsor has represented that none of the Trust, the Trustees or the Asset Manager has entered into or will enter into any agreement or understanding with any beneficiary of the Trust creating an agency or nominee relationship and none the Trust, the Trustees or the Asset Manager has been or will be represented as an agent or nominee of any beneficiary of the Trust in dealings with third parties. Accordingly, the Trust should be respected as an entity separate from the Investors for federal income tax purposes.

2. Classification of the Trust as an "Investment" Trust Rather than as a Business Entity for Federal Income Tax Purposes.

In general, an organization constitutes a trust for tax purposes if it is an arrangement whereby trustees take title to property for the purpose of protecting or conserving it for the beneficiaries. Generally speaking, an arrangement will be treated as a trust for tax purposes if the purpose of the

arrangement is to vest in trustees responsibility for the protection and conservation of property for beneficiaries who cannot share in the discharge of that responsibility and, therefore, are not associates in a joint enterprise for the conduct of business for profit. Treasury Regulation Sections 301.7701-1(a)(1), (b), 4(a).

There are other arrangements which are known as trusts because the legal title to property is conveyed to trustees for the benefit of beneficiaries, but which are not classified as trusts for tax purposes because they are not simply arrangements to protect or conserve the property for the beneficiaries. These trusts, which are often known as business or commercial trusts, generally are created by the beneficiaries simply as a device to carry on a profit-making business which normally would have been carried on through business organizations that are classified as corporations or partnerships for tax purposes. The fact that the corpus of such a trust is not supplied by the beneficiaries is not sufficient reason in itself for classifying the arrangement as an ordinary trust rather than as a corporation or a partnership for tax purposes. The technical casting of an organization in trust form, by conveying title to property to trustees for the benefit of persons designated as beneficiaries, will not change the real character of the organization if the organization is more properly classified as a corporation or a partnership for tax purposes. Treasury Regulation Section 301.7701-4(b).

An investment trust will not be classified as a trust if there is a power under the trust agreement to vary the investment of the certificate holders. An investment trust with a single class of ownership interests, representing undivided beneficial interests in the assets of the trust, will be classified as a trust for tax purposes if there is no power under the trust agreement to vary the investment of the certificate holders. An investment trust with multiple classes of ownership interests ordinarily will be classified as a corporation or a partnership for tax purposes. An investment trust with multiple classes of ownership interests will be classified as a trust for tax purposes, however, if the trust is formed to facilitate direct investment in the assets of the trust and the existence of multiple classes of ownership interests is incidental to that purpose and if there is no power under the trust agreement to vary the investment of the certificate holders. Treasury Regulation Section 301.7701-4(c).

A. Investment Trusts in General.

The DST in Revenue Ruling 2004-86 was held to be an “investment” trust and not a business entity. The courts and the IRS have considered the distinctions between an “investment” trust and a business entity on several other occasions.

In *Commissioner v. Chase National Bank*, 122 F. 2d 540 (2d Cir. 1941), a depositor transferred “units” consisting of the common stock of a number of corporations to a trust, and then sold trust certificates to investors. The trustee was vested with all of the rights of ownership of the shares except that the depositor controlled the voting rights of the shares and the trust instrument governed and restricted the disposal of the shares. Under the terms of the trust instrument, property deposited into the trust was held until some disposition of it was made consistent with the terms of the trust instrument. Further, distributions of currently available funds were required. No purchases were to be made by the trustee by way of reinvestment of funds or otherwise. The IRS argued that the

trust was taxable as a corporation for federal income tax purposes. The court rejected the IRS's argument, holding that because the trust agreement required the trust property "to be held for investment and not to be used as capital in the transaction of business for profit like a corporation organized for such a purpose," the trust was prevented from becoming more than a "strict investment" trust. *Id.* at 543.

In *Commissioner v. North American Bond Trust*, 122 F. 2d 545 (2d Cir. 1941), *cert. denied*, 314 U.S. 701 (1942), a companion case to *Chase National Bank*, the court reached a different conclusion regarding the treatment of a trust for federal income tax purposes. In contrast to the terms of the trust instrument in *Chase National Bank*, the terms of the trust instrument in *North American Bond Trust* accorded the depositor the power "to take advantage of market variations to improve the investments of even the first investors." *Id.* at 546. This power arose in two ways. First, in making up new units, the depositor was not confined to the same bonds he had selected for the previous units. Second, the bonds of all units constituted a single pool in which each certificate holder shared according to his proportion of all the certificates issued. As a result, the money from new investors could be used to purchase new bond issues which would in turn reduce the existing certificate holders' interests in the old bond issues. Based on these facts, the court held that the depositor "had power, though a limited power, to vary the existing investments of all certificate holders at will..." (*Id.*), and accordingly that the trust was an association taxable as a corporation.

Revenue Ruling 75-192, 1975-1 C.B. 384, concerned a trust agreement that required the trustee to invest cash on hand between quarterly distribution dates in short term government obligations or in certificates of deposit issued by banks with minimum stated surplus and capital that mature prior to the following distribution date. The IRS concluded that, because the trust agreement restricted the trustee to a fixed return similar to that earned on a bank account, there was no opportunity to profit from market fluctuations.

In Revenue Ruling 79-77, 1979-1 C.B. 448, the IRS ruled that a trust formed to hold real property was an ordinary trust under Treasury Regulation Section 301.7701-4(a) and a "grantor trust" under Subpart E of Subchapter J, Chapter 1 of the Code (*i.e.*, Code Section 671 *et seq.*), and not a business entity within the meaning of Treasury Regulation Section 301.7701-4(b) (*i.e.*, a partnership or an association taxable as a corporation), where the trustee's duties were limited to: (i) holding title to real estate; (ii) at the direction of the beneficiaries, signing a 20-year "triple net" lease (with renewal options) for the real estate; (iii) enforcing the lease; (iv) signing such other agreements as are approved by the beneficiaries; (v) approving minor alterations to the real estate; and (vi) distributing net income of the trust to the beneficiaries on a quarterly basis.¹

¹ See also Private Letter Ruling 9352008 (September 29, 1993), in which the IRS ruled that an ownership interest in real estate should be respected as such for tax purposes and not recharacterized as a partnership interest where the real estate was subject to a net lease: "mere co-ownership of an interest in real property without providing more than the customary services of maintenance and repair and collecting of rents will not render a co-ownership a partnership . . .

In other situations, however, the IRS has determined that an arrangement formed to hold real estate was properly classified as a business entity. For example, in Revenue Ruling 78-371, 1978-2 C.B. 344, the heirs to certain real estate established a trust and transferred to the trust real estate subject to a net lease. The trust agreement expressly authorized the trustees to acquire additional real estate, to sell assets of the trust, to invest such sales proceeds in certain types of financial products, to borrow money, to mortgage and lease the trust property, and to build or remove improvements from the trust property without the knowledge or consent of the owners of the trust. The IRS concluded that the trustee's power to engage in extensive real estate operations and to invest the sales proceeds in financial products indicated that the trust was not formed merely to protect and conserve the trust property and ruled that the trust was taxable as a corporation.

Revenue Ruling 78-371 may be contrasted with Revenue Ruling 75-374, 1975-2 C.B. 261. In this ruling, the IRS addressed the level of joint business activity that would cause co-owners of real estate to be viewed as partners for tax purposes. The co-owners of an apartment project hired an unrelated management company to manage the apartment project; the management company negotiated and executed the leases for the apartment units, collected rents and other payments from tenants, and paid taxes, assessments and insurance premiums relating to the project. The management company performed (i) all services customarily performed in connection with the maintenance and repair of the apartment project (such as providing heat, air conditioning, hot and cold water, unattended parking, normal repairs, trash removal and cleaning of service areas), and (ii) certain additional services such as attended parking, gas, electricity and other utilities. Customary tenant services were furnished by the management company to the tenants at no additional charge above the basic rental payments. The management company paid the costs incurred in providing the additional services and retained the charges paid by the tenants. The ruling concluded that the co-owners were not partners for tax purposes because the furnishing of customary services in connection with maintenance and repair did not render the co-ownership a partnership. The IRS also found that the management company was not an agent of the co-owners because the co-owners did not share any of the profits realized from the rendition of the non-customary additional services by the management company.

We believe that the arrangements provided for under the Trust Agreement and the Master Lease are similar to the arrangements described in *Chase National Bank* and Revenue Rulings 2004-86, 79-77, 75-192 and 75-374, and are distinguishable from the arrangements discussed in *North American Bond Trust* and Revenue Ruling 78-371. The Trust satisfies the "one class of interests" requirement because Article I of the Trust Agreement expressly states that the Interests in the Trust shall be of a single class. Section 2.03 of the Trust Agreement provides that one of the purposes of the Trust is to hold the Real Estate for investment purposes and that neither the Trustees, the Investors, nor their agents shall provide non-customary services with respect to the Real Estate.

[The real estate] is already subject to a net lease, under which the lessee is responsible to pay all insurance premiums, general real estate taxes and special assessments, most of the utility expenses and a significant portion of the repair costs . . . Therefore, co-ownership of [the real estate] . . . is not, in and of itself, a partnership."

The Sponsor has represented that neither the Trust nor any Trustee, employee, agent or independent contractor of the Trust, including the Asset Manager, will provide any services to the Master Tenant or the Property Manager. Section 2.04 of the Trust Agreement states that (i) the Trustees are holding the Trust Property for the benefit of the Investors, subject to the obligations of the Trust; (ii) it is the intention of the parties to the Trust Agreement that the Trust constitute a “statutory trust” within the meaning of the DSTA, and that Trust not constitute an agency, partnership, corporation, association or business trust for federal income tax purposes; and (iii) the Investors shall be treated for federal income tax purposes as owning a direct interest in the Real Estate and other Trust Property and shall be obligated to report their Interest consistently with such characterization. Article IV of the Trust Agreement (1) directs the Administrative Trustee to distribute all available cash to the Investors in accordance with their Percentages on a monthly basis, after paying or reimbursing the Trustees for any fees or expenses paid or incurred by the Trustees on behalf of the Trust and retaining any additional amounts as are necessary to pay anticipated ordinary current and future Trust expenses, and (2) requires undistributed cash to be invested only in short-term obligations of (or guaranteed by) the United States, or any agency or instrumentality thereof and in certificates of deposit or interest-bearing bank accounts of any bank or trust company having a minimum stated capital and surplus. Section 5.01(c) of the Trust Agreement provides that from and after such time as there is more than one Investor in the Trust, the Trust shall not constitute a business entity, but shall instead constitute an investment trust within the meaning of Treasury Regulation Section 301.7701-4(c). Section 7.03 of the Trust Agreement prohibits the Trustees from taking certain specified actions, if the effect would be that such action or actions would constitute a power under the Trust Agreement to “vary the investment of the certificate holders” under Regulation Section 301.7701-4(c)(1) and Revenue Ruling 2004-86. The Master Lease is a net lease and, pursuant to the Trust Agreement, the Master Lease may not be renegotiated unless the Master Tenant become bankrupt or insolvent.

B. Certain Differences between the Facts in Respect of the Trust and the Facts of Revenue Ruling 2004-86.

We have considered differences between the facts in respect of the Trust and the facts of Revenue Ruling 2004-86, including the differences noted below.

I. Conversion of Trust to LLC.

The ability of the Trustees to convert the Trust to an LLC in specified circumstances should not constitute a power to vary the investment of the Investors. In such event, of course, the Investors will no longer be investors in a trust but instead will be investors in a newly formed limited liability company. Be that as it may, the corpus of the Trust would not have changed during the continuance of the Trust as a trust for state law purposes. Thus, the IRS ruled in Revenue Ruling 81-238, 1981-2 C. B. 248, that a trust retains its tax status as such notwithstanding arrangements whereby the beneficiaries may reinvest distributions in a newly formed trust, noting that “[t]he plan does not involve reinvestment in the original trust.” Private letter rulings (which under Code Section 6110(k)(3) may not be used or cited as precedent) have made it clear that such arrangements amount to a reinvestment of trust distributions into the original trust only if the subsequent trust in substance is simply a continuation of, and therefore the same trust as, the original trust. As a

limited liability company and not a trust, any LLC into which the Trust is converted cannot be the same entity as the original Trust. Private Letter Ruling 199943042 (July 23, 1999); Private Letter Ruling 200007006 (Nov. 15, 1999).

II. Administrative Trustee as Bare Legal Title Holder

Section 7.01(d) of the Trust Agreement provides that the Administrative Trustee (rather than the Trust) will hold bare legal title to the Real Estate. This structure is in place for the sole and exclusive purpose of satisfying certain state law requirements that are resolved if bare legal title to property beneficially owned by a trust is held by a trustee of the trust. The Trust Agreement makes clear that the Administrative Trustee will hold such bare legal title for the benefit of the Trust, and that the Administrative Trustee disclaims any tax, legal, or equitable interest in the Real Estate other than such interest in bare legal title to the Real Estate as is necessary to satisfy state law. In our view, this arrangement has no meaningful impact on the beneficial ownership of the Real Estate for legal or tax purposes, and the Real Estate should be treated as beneficially owned by the Trust (and thus, in turn, by the Investors for tax purposes) and not by the Administrative Trustee. Furthermore, such “trustee-as-titleholder” arrangements are expressly contemplated in the Treasury Regulations underlying the classification of fixed investment trusts². Accordingly, this arrangement has no impact on our opinion that an Interest should be treated as a direct interest in the Real Estate for purposes of Code Section 1031.

III. Relationship between the Administrative Trustee, the Asset Manager, the Master Tenant, and the Property Manager.

The Administrative Trustee, the Master Tenant, the Asset Manager, and the Property Manager are affiliates. At least arguably, therefore, the activities of the Master Tenant and/or the Property Manager with respect to the operation and management of the Real Estate should be attributed to the Administrative Trustee and/or the Asset Manager for tax purposes, in which event the Trust would be treated as a business trust rather than an investment trust.

We do not believe the relationship between the Administrative Trustee on the one hand and the Master Tenant and/or the Property Manager on the other hand should lead to a conclusion that the Trust is engaged in the operation of the Real Estate. The Administrative Trustee is a separate entity from the Master Tenant and the Property Manager under applicable state non-tax law and for federal income tax purposes. Moreover, the Administrative Trustee is expressly required by the Trust Agreement to deal with the Real Estate consistent with its duties to conserve and protect the Trust corpus for the benefit of the Investors; the Administrative Trustee is subject to an implied contractual covenant of good faith and fair dealing under the Delaware Statutory Trust Act; and the contractual duties of the Administrative Trustee under the Trust Agreement are essentially ministerial in nature. Accordingly, in our judgment on balance the relationship between the

² See, Treasury Regulation Section 301.7701-4(c)(2), Example (2) (trust classified as a trust where the “trustee holds bare legal title to the ... pool for the benefit of the certificate holders”).

Administrative Trustee and the Master Tenant and/or the Property Manager should not defeat the status of the Trust as an investment trust.

Similarly, we do not believe the relationship between the Asset Manager on the one hand and the Master Tenant and/or the Property Manager on the other hand should lead to a conclusion that the Trust is engaged in the operation of the Real Estate. The Asset Manager is a separate entity from the Property Manager and the Master Tenant under applicable state non-tax law and for federal income tax purposes. Moreover, the contractual duties of the Asset Manager under the Asset Management Agreement do not go beyond the contractual duties of the Administrative Trustee. Accordingly, in our judgment on balance the relationship between the Asset Manager and the Master Tenant and/or the Property Manager should not defeat the status of the Trust as an investment trust.

IV. The Obligation of the Trust to Fund Capital Expenditures.

The Trust has the obligation under the Master Lease to fund certain capital improvements with respect to the Real Estate. More specifically, the Trust is responsible for the costs and expenses incurred in connection with major repairs, replacements, and improvements relating to the structural elements of the Trust Property which are not Operating Costs, and includes the costs of the PIP required by the Franchisor under the Franchise Agreement. The DST in Revenue Ruling 2004-86 had no such obligation.

The IRS asserted in Revenue Ruling 2004-86 that a state law trust is properly classified as a business entity for Federal income tax purposes if the trustees have a power under the trust agreement to make more than minor non-structural modifications to the leased property not required by law. The exact scope of the asserted rule is unclear. To be sure, modifications required by law should not transmute a trust into a business entity because they are imposed on the trust rather than being volitional on the part of the trustees. As to modifications not required by law, we believe that modifications made or funded by a trust to property owned by the trust and leased to a tenant, regardless of whether such modifications are minor or more than minor and whether structural or non-structural, should transmute the trust into a business entity only if the modifications change the fundamental nature of the property (e.g., conversion of a multi-family property into a hotel, conversion of a self-storage facility into an office building, or conversion of a five story commercial or residential property into a 30 story property of the same type), presumably in order to improve the profitability and in turn the value of the trust property. Volitional modifications in our view should not result in a variation in the investment of the trustors, on the other hand, where the modifications are intended to protect and conserve the trust property (e.g., replacing a leaky roof or a structurally unsound load bearing wall) and where any increase in the value of the trust property is incidental to the accomplishment of that purpose rather than the motivation for the modification.

In Revenue Ruling 2004-86 the IRS relied on *North American Bond Trust, supra*, for the proposition that a power to vary the investment of certificate holders exists where there is a managerial power under the trust agreement that enables a trust to take advantage of variations in the market to improve the investment of the investors. In addition to modifications, the IRS gave

four examples of such a proscribed power: a power to dispose of the trust property and acquire new property, a power to renegotiate a lease or enter into new leases, a power to renegotiate or refinance trust indebtedness, and a power to invest cash except in tightly constrained circumstances. All of these powers vary the investment of the trust beneficiaries by changing the trust corpus (substituting new property) or evidence an intent to take advantage of market conditions to improve the investment of the trust beneficiaries (entering into new leases with higher market rents, taking advantage of reductions in market interest rates, investing cash for a return). As a result, existence of any such power is sufficient to turn the venture into a business for tax purposes. By way of contrast, the IRS held in Revenue Ruling 79-77 that a lessor trust may consent to alterations to the leased property not required by law if the trustee reasonably believes that the alterations protect and conserve the trust estate. Similarly, the IRS held in Revenue Ruling 90-63 that a power in the trustees to consent to a change in the credit support for tax exempt bonds held by the trust did not constitute a power to vary the investment of the beneficiaries because the trustees reasonably believed that the change was advisable to maintain the value of the trust assets by preserving the credit rating on the bonds, with any increase in the value of the trust assets being incidental to that purpose and therefore not the result of trading in the securities and thereby profiting from market fluctuations. 1979-1 C.B. 448, 1990-2 CB. 270.

In the situation at hand, the Sponsor has represented that the capital improvements to the Real Estate funded by the Trust and not required by law will not change the fundamental nature of the Real Estate as a hotel or materially change the size of the improvements included in the Real Estate, that the obligation of the Trust to fund capital improvements has not been entered into by the Trust to take advantage of variations in the market to improve the investment of the Investors but rather has been entered into by the Trust in order to protect and conserve the Real Estate for the Investors, and that any increase in the value of the Real Estate attributable to such capital improvements will be incidental to that purpose. Accordingly, the obligation of the Trust to fund capital improvements should not result in the Trust's being classified as a business entity for Federal income tax purposes.

V. Relationship Between Trust and Master Tenant

In addition to the foregoing differences between the facts in respect to the Trust and the facts of Revenue Ruling 2004-86, the facts in respect of the Trust also differ from the facts in a private letter ruling that preceded the issuance of Revenue Ruling 2004-86 by almost 40 years. More specifically, the IRS took the position that an arrangement involving a trust which leased multiple real property interests to a tenant was not a valid fixed investment trust by reason of the conflation of the activities of tenant with those of the trust. In that situation, leases for various retail stores, warehouses, plants or distribution centers recited an intent that the property be used by the tenant for its purposes and at the same time in a manner that would insure its being developed to the maximum benefit of the lessor (the trust) insofar as not inconsistent with the tenant's interests. The leases each provided in part as follows: “It is the intention of the parties that said property shall be managed by [tenant] in a manner that will permit [tenant] to enjoy all of the rights, privileges, profits and advantages accruing to [tenant] as tenant under the provisions of this [lease] and at the same time in a manner that will insure that the said property will be used, applied and developed to the maximum benefit of [trust]... and to the beneficiaries... . At the final expiration

of any lease, the trustees agree to accept the premises with such alteration, remodeling, construction, new building or improvement, as may have been made” (emphasis added). The private letter ruling indicates that although the trust instrument generally provided for limited trustee powers consistent with fixed investment trust status, “[s]pecific provisions of the leases are repeatedly referred to and restated in the main body of the trust instrument itself.”

The IRS viewed this arrangement as resulting in the tenant (as the originating and dominating party to the overall arrangement) playing a role in the overall operation of the trust. The IRS specifically observed that “[t]he provisions of the leases were sufficiently integrated with the trust agreement and other relevant documents so that the powers of the lessee under the leases may be considered as powers of the trustee under the trust agreement to vary the investment of the certificate holders.” The IRS determined that the arrangements, which allowed for possible improvements or entire replacements of buildings for the maximum benefit of both the lessee and the lessor, may be considered as involving the taking of advantage of market variations to improve the investment of the trust beneficiaries. Accordingly, the IRS classified the trust as a corporation for tax purposes. Private Letter Ruling 6501275170A (January 27, 1965).

In the case of the Trust, each party to the arrangements (Trust, Master Tenant, Administrative Trustee, the Asset Manager and the Property Manager) has its own separate interest and rights. Unlike the facts of the private ruling, in which the leases themselves provided that a joint purpose thereof was to improve the investment of the trust beneficiaries, and in which the trust agreement parroted key provisions of the leases to that effect, the arrangements in the present case, including the Trust Agreement and the Master Lease, make no similar provision whatsoever. And, while not explicitly stated, and leaving aside the restrictions on investment trust activities permitted under Revenue Ruling 2004-86, it seems readily apparent that had the powers of the tenant in Private Letter Ruling 6501275170A been limited to the mere ability to lease and release its various leased properties, it is unlikely that the outcome of that ruling would have been unfavorable to the taxpayer since the obvious premise for the arrangement proposed in the private ruling – to materially modify the leased properties for the benefit of the trust beneficiaries – would have been nullified. For these and other reasons, we believe the situation with respect to the Trust should not be controlled by the principles described in Private Letter Ruling 6501275170A even if private rulings qualified as legal precedent, which they do not.

VI. Conclusion.

The differences described in the preceding paragraphs, and any other differences between the Trust and the DST (including the Rent structure under the Master Lease), should not in our view defeat the classification of the Trust as an investment trust under Treasury Regulation Section 301.7701-4(c)(1) because they do not cause the Trust to have more than a single class of ownership interests and do not create a power to vary the investment of the Investors during the term of the Trust.

3. Payments by the Trust Under the Master Lease.

The Initial Master Lease Inducement Payment will be made by the Trust before the Investors are admitted to the Trust. The Sponsor has represented that the Master Lease will be entered into and the Initial Master Lease Inducement Payment will be made by the Trust while the Depositor is the sole beneficiary of the Trust and before the first Investor is admitted to the Trust. Accordingly, the Initial Master Lease Inducement Payment from the Trust to the Master Tenant should not compromise the status of the Trust as an investment trust from and after the admission of the Investors to the Trust.

The Master Lease Inducement Payment, Master Lease PIP Payment, the Master Lease Additional Inducement Payment and the Master Lease Renewal PIP Payment (if any) will be made after the Investors are admitted to the Trust. The Sponsor has represented that such payments represent fair market value payments to induce the Master Tenant to enter into and renew (if applicable) the Master Lease and that none of the payments will be spent on assets that would revert to the Trust upon the expiration or sooner termination of the Master Lease, including a termination in consequence of default. Accordingly, such payments are in the nature of a rent rebate or adjustment, and the investment of the Trust in the Hotel that reverts to the Trust upon expiration or sooner termination of the Master Lease will not be varied by such payments.

Accordingly, in our judgment, the Trustees should not be seen as having a power under the Trust Agreement to vary the investment of the Investors but rather should be seen as having powers that are consistent with the status of the Trust as simply an arrangement to protect and conserve the Trust Property for the benefit of the Investors who cannot share in such responsibility. *See*, Revenue Ruling 78-149, 1978-1 C.B. 448 (“it is the ability to substitute new investments, the power to reinvest, that requires an investment trust to be classified as [a partnership or corporation]” for tax purposes).

We also note that the right of the Franchisor to consent to a sale of the Hotel by the Trust does not create any equity in the Real Estate on the part of the Franchisor.

4. Characterization of the Master Lease for Federal Income Tax Purposes.

If the Master Lease is not a true lease for federal income tax purposes, then an Interest would not be eligible for a Code Section 1031 exchange because the Investors would not be the tax owners of the Real Estate. If the Master Lease constitutes a partnership agreement for tax purposes, then an Interest in the Trust would also not be eligible for a Code Section 1031 exchange because partnership interests cannot be exchanged for real property on a tax-free basis. If the Master Lease constitutes a contract under which the Master Tenant manages the Real Estate on behalf of the Trust, then the Trust would not be simply conserving and protecting the Trust estate but rather would be engaged in a business such that the Trust would not constitute a fixed investment trust and the Investors would again not be the tax owners of the Real Estate.

For the reasons discussed below, in our view the Master Lease should be respected as a true lease and not recharacterized as a partnership agreement or a management contract for federal income tax purposes.

A. The Master Lease Should be Respected as a True Lease.

In 1939, the Supreme Court in *Helvering v. F&R Lazarus & Co.* established that tax ownership in a lease transaction is not determined by the location of title or by the nomenclature adopted by the parties to the transaction: “In the field of taxation, administrators of the laws and the courts are concerned with substance and realities, and formal written documents are not rigidly binding.” Thus, as in other areas of the tax law, substance takes priority over form. In the context of a lease, the fundamental issue is whether, taking into account all the facts and circumstances, the lessor has sufficient benefits and burdens of ownership to be respected as the owner of the leased property for tax purposes, or whether the lessor is in substance a conditional seller, a lender, a holder of an option, some other type of participant in the transaction, or perhaps an accommodation party rather than a real participant in the transaction. *Helvering v. F&R Lazarus & Co.*, 308 U.S. 252, 255 (1939) (lessee is tax owner).

In 1978, the Supreme Court revisited the true lease issue in *Frank Lyon Company v. Commissioner*: “we hold that where, as here, there is a genuine multiple-party transaction with economic substance which is compelled or encouraged by business or regulatory realities, is imbued with tax-independent considerations, and is not shaped solely by tax-avoidance features that have meaningless labels attached, the Government should honor the allocation of rights and duties effectuated by the parties. Expressed another way, so long as the lessor retains significant and genuine attributes of the traditional lessor status, the form of the transaction adopted by the parties governs for tax purposes.” *Frank Lyon Company v. Commissioner*, 435 U.S. 561, 583-84 (1978) (lessor is tax owner).

Both before and after the Supreme Court decisions, the IRS and the courts have considered the true lease issue. It is fair to conclude from the various cases and rulings that the principal aspect of a true lease for tax purposes is the availability to the lessor of a substantial anticipated residual value at the end of the lease term in underlying property in which the lessor has made a substantial equity investment, the enjoyment of which is subject to market forces and conditions, and the opportunity of the lessor, by realizing such residual value, to achieve a substantial economic profit from the lease transaction apart from the value of tax benefits. *See generally*, Michael G. Robinson and William A. Macan IV, “Tax Considerations,” Chapter 3 of Ian Shrank and Arnold G. Gough, Jr. (eds), *Equipment Leasing - Leveraged Leasing* (5th ed. 2014); *see also*, Rev. Proc. 2001-28, 2001-1 C.B. 1156 (IRS advance ruling guidelines for leveraged lease transactions).

The Master Lease is styled as a lease. The Master Lease grants the right to possession and use of the Real Estate to the Master Tenant for a term of years. The Trust has lessor remedies such as repossession of the Real Estate in the case of an uncured event of default. The Sponsor has represented that the Trust has made a substantial equity investment in the Real Estate, reasonably expects the Hotel to have a substantial remaining economic useful life and residual value at the end of the Master Lease term (assuming an Automatic Extension of such term), and reasonably

expects to realize a substantial economic profit from the Master Lease and subsequent further leasing, operation, and/or disposition of the Real Estate apart from the value of tax benefits, net of any Disposition Fee and net of any payment required to be made by the Trust under Section 7.03 of the Master Lease, and none of the Master Tenant, the Franchisor, or any party related to any thereof holds an option to acquire the Real Estate. The Real Estate is not encumbered with debt.

Accordingly, in our view the Master Lease should be respected as a true lease for federal income tax purposes, with the result that the Master Tenant should not be treated as the owner of the Real Estate for tax purposes.

B. The Master Lease Should Not be Recharacterized as a Partnership Agreement.

The term “partnership” is defined in Code Sections 7701(a)(2) and 761(a) to include a syndicate, group, pool, joint venture, or other unincorporated organization through or by means of which any business, financial operation, or venture is carried on, and which is not properly classified for tax purposes as a corporation, trust, or estate. After promulgation of the so-called “check-the-box” Regulations, the substance of any business arrangement involving two or more participants must be examined to determine whether it rises to the level of an organization that is recognized as an entity separate from the participants for tax purposes. *See also*, Treasury Regulation Section 301.7701-2(c)(1) (the term “partnership” means a business entity that is not a corporation and that has at least two members).

An organization need not be an entity under applicable non-tax law to constitute a business entity in a tax sense. Thus, an economic relationship governed by a contract that does not create a juridical entity under local law, such as the relationship created by the Master Lease, may constitute an organization that rises to the level of an entity for purposes of the check-the-box Regulations. A contractual arrangement will create a separate entity for federal income tax purposes and will constitute a business entity potentially classifiable as a partnership for tax purposes “if the participants carry on a trade, business, financial operation, or venture and divide the profits therefrom.” Treasury Regulation Sections 301.7701-1(a)(1), (2), -2(a).

In the case of the Master Lease, the Additional and Bonus Rent are measured by percentages of the gross revenues of the Master Tenant above specified thresholds. Sharing in gross income above a threshold may in some cases amount to a sharing in net income. In addition, the Master Tenant may be entitled to a Disposition Fee equal in whole or part to a percentage of the gross revenues of the Trust from a sale of the Real Estate, and Rent under the Master Lease varies with the level of Uncontrollable Expenses. These features raise the question of whether the Trust and the Master Tenant are partners in a partnership for Federal income tax purposes.

Insofar as the Trust’s participation in the results of operation of the Real Estate is concerned, the Sponsor has represented that taking into account the payments required to be made by the Trust under Section 7.03 of the Master Lease, the Rent payable under the Master Lease constitutes fair market value rent for the Real Estate. Insofar as the Master Tenant’s participation in the proceeds of a disposition of the Real Estate is concerned, the Master Lease provides that the Disposition Fee is compensation for the agreement of the Master Tenant to assist the Trust in disposing of the Real

Estate as the Trust may reasonably request. Accordingly, the Disposition Fee is a fee for services to be rendered, or for the Master Tenant's agreement to stand ready to provide disposition services if reasonably requested to do so by the Trust, rather than simply a share of the residual value of the Real Estate. Moreover, the Disposition Fee is a percentage of the gross sales price of the Real Estate rather than a percentage of the sales price net of outstanding indebtedness and selling expenses, and rather than a percentage of the Trust's taxable gain on a sale of the Real Estate; the Disposition Fee is limited to 3.0% of the Sales Proceeds in cash on the closing date of such sale, transfer or other disposition of the Real Estate; provided, however, no Disposition Fee will be paid if the net sales price of the Real Estate is less than the Disposition Fee Hurdle, and provided further, that if the sum of the Disposition Fee and the Disposition Fee Hurdle is greater than the Sales Proceeds, then the Disposition Fee shall be reduced dollar for dollar by the amount of such excess. Uncontrollable Expenses are not of sufficient magnitude, alone or in combination with other factors, to transmute the Master Lease from a true lease into a partnership agreement in disguise in a tax sense.

The Master Lease is styled as a lease of property, the Master Lease grants to the Master Tenant the right to possession and use of the Real Estate for a term of years, which is the classic indicia of a lease, and the Trust has lessor remedies such as repossession of the Real Estate in the case of an uncured event of default thereunder by the Master Tenant. The Sponsor has represented that the Master Tenant is reasonably capitalized, is acting as a principal for its own account and may reasonably be expected to realize a commercially reasonable profit from its lease and operation of the Real Estate disregarding for this purpose the Disposition Fee. The Master Tenant has not contributed and will not contribute capital to a joint venture with the Trust (Rent not in our view being fairly characterized as contributed capital), the Master Tenant does and will not share in any losses of the Trust, Rent is payable to the Trust even if the Master Tenant is operating at a loss, the Trust does and will not share in the management of the Real Estate during the term of the Master Lease, and the Master Tenant is not and will not be held out to taxing authorities or third parties as a partner with the Trust. In addition, the Sponsor has represented that the Trust and Master Tenant intend that the Master Lease constitute a true lease and not a partnership or joint venture agreement. Moreover, the Master Lease expressly provides that the parties thereto agree that the Master Lease is a true lease and not a partnership or joint venture.

We also note that under Code Section 7701(e)(2), dealing with the inverse situation of potential re-characterization of a partnership agreement as a disguised lease, a partnership agreement is treated as a lease for tax purposes if the arrangement is properly treated as a lease agreement, taking into account all relevant factors including whether the potential lessee is in physical possession of the underlying property, whether the potential lessee controls the underlying property, and whether payments by the potential lessee to the potential lessor do not substantially exceed the fair rental value of the underlying property for the term of the arrangement. In the case of the Master Lease, the Master Tenant has the right to possession of the Real Estate, the Master Tenant controls the Real Estate, and the Rent does not substantially exceed fair market rent.

On balance, we believe that the Trust and the Master Tenant have separate profit motives rather than a joint proprietary interest in profits, that the Trust derives its profits in its capacity as the lessor of the Real Estate whereas the Master Tenant derives its profits in its capacity as lessee and

operator of the Real Estate, and that the Master Tenant is not engaged in carrying on a trade or business in partnership with the Trust with a view to dividing the profits therefrom within the meaning of the check-the-box Regulations. Accordingly, in our judgment the Master Lease should not be re-characterized as a partnership agreement for federal income tax purposes, and the Trust and the Master Tenant should not be characterized as partners (or as co-owners of the Real Estate) for federal income tax purposes. *See generally*, William S. McKee, William F. Nelson, Robert L. Whitmire, Gary R. Huffman and James P. Whitmire, *Federal Taxation of Partnerships and Partners* (4th ed. 2007 and 2023 Cum. Supp. No. 4), at para. 3.02, 3.04, 3.05; *see also*, *Commissioner v. Tower*, 327 U.S. 280 (1946); *Commissioner v. Culbertson* 337 U.S. 733 (1949); *Luna v. Commissioner*, 42 T.C. 1067 (1964); *Bussing v. Commissioner*, 88 T.C. 449 (1987), *supplemental opinion*, 89 T.C. 1050 (1987).

C. The Master Lease Should Not be Recharacterized as a Management Contract.

If the Master Tenant were recharacterized for tax purposes as a manager of the Real Estate hired by the Trust, then the Trust could be treated as being engaged in an active real estate business and not as a mere passive investor in real estate subject to a long-term net lease. In that event, the Trust would be classified as a corporation or partnership rather than a trust for tax purposes, and the Interests would not be treated as real property potentially eligible for like-kind exchange treatment under Code Section 1031.

The Trust has granted to the Master Tenant the right to possession and use of the Real Estate for a term of years. The Sponsor has represented that the Rent payable under the Master Lease constitutes fair market value rent. Having ceded the right to possession and use of the Real Estate to the Master Tenant, the Trust and its Trustees do not control or have the right to control the day-to-day operations of the Real Estate. Rather, the operations of the Real Estate, including the maintenance thereof, and the collection of charges from Hotel guests, will be handled by the Property Manager under the Property Management Agreement. The Master Tenant and not the Trust is the party to the Property Management Agreement, and so it is the Master Tenant and not the Trust that has hired an agent or independent contractor to utilize the Real Estate on its behalf to run a hotel. In addition, and consistent with the foregoing, the Sponsor has represented that the Trust and Master Tenant intend that the Master Lease constitutes a true lease and not a management, agency, or nominee agreement. And the parties thereto have expressly agreed therein that the Master Lease is a true lease and not a management agreement. In addition, the Sponsor has represented that the Master Tenant is reasonably capitalized, is acting as a principal for its own account and may reasonably be expected to realize a commercially reasonable profit from its lease and operation of the Real Estate disregarding for this purpose the Disposition Fee.

Accordingly, in our view, on balance the Master Lease should be respected as a true lease and not recharacterized as a management, agency, or nominee agreement, and the Master Tenant should not be disregarded, for federal income tax purposes. *See*, *Meagher v. Commissioner*, 36 T.C.M. 1091 (1977) (management contract respected as such and not recharacterized as lease); *McNabb v. Commissioner*, 47 AFTR 2d 81-513 (W.D. Wash. 1980) (agreement constituted lease rather than management contract); *Amerco v. Commissioner*, 82 T.C. 654 (1984) (leases respected as such and not recharacterized as agency agreements).

5. Classification of the Trust as a “Grantor Trust” for Federal Income Tax Purposes.

Under Code Section 671 *et seq.*, where a grantor is treated as the owner of any portion of a trust (commonly referred to as a “grantor trust”), the grantor takes into account for federal income tax purposes the income and deductions which are attributable to that portion of the trust. A grantor trust includes an organization that is properly classified as a trust for federal income tax purposes if the income of the organization may be distributed or held or accumulated for future distribution to the grantor in the discretion of the grantor or a nonadverse party or without the approval or consent of an adverse party. For this purpose, an adverse party is any person having a substantial beneficial interest in the trust which would be adversely affected by the exercise or nonexercise of a power which he possesses respecting the trust. A nonadverse party is any person who is not an adverse party.

A grantor includes any person to the extent such person either creates a trust, or directly or indirectly makes a gratuitous transfer of property to a trust. A grantor also includes any person who acquires any interest in a trust from a grantor of the trust if the interest acquired is an interest in an investment trust. Treasury Regulation Section 1.671-2(e)(1), (3).

Like the DST in Revenue Ruling 2004-86, the Trust satisfies the Code requirements for qualification as a grantor trust. Section 2.04 of the Trust Agreement provides that the Investors shall be treated for federal income tax purposes as owning a direct interest in the Real Estate and other Trust Property and shall be obligated to report their Interests consistently with such characterization. Article IV of the Trust Agreement (1) directs the Administrative Trustee to distribute all available cash to the Investors in accordance with their Percentages on a monthly basis, after paying or reimbursing the Trustees for any fees or expenses paid or incurred by the Trustees on behalf of the Trust and retaining any additional amounts as are necessary to pay anticipated ordinary current and future Trust expenses, and (2) requires undistributed cash to be invested only in short-term obligations of (or guaranteed by) the United States, or any agency or instrumentality thereof and in certificates of deposit or interest-bearing bank accounts of any bank or trust company having a minimum stated capital and surplus. Section 5.01(c) of the Trust Agreement provides that from and after such time as there is more than one Investor in the Trust, the Trust shall not constitute a business entity, but shall instead constitute a “grantor trust” within the meaning of Subpart E of Part 1, Subchapter J of the Code (Code Sections 671 *et seq.*).

The Trust is a grantor trust because its income is distributed or held for distribution to the Investors without the consent or approval of an adverse party.

6. Treatment of the Investors as Directly Holding Interests in the Real Estate for Federal Income Tax Purposes.

Section 671 of the Code provides that where a grantor is treated as the owner of any portion of a trust, there shall then be included in computing the taxable income of the grantor those items of income and deductions of the trust which are attributable to that portion of the trust to the extent that such items would be taken into account in computing taxable income of an individual. Under Code Section 671 a grantor includes in computing his taxable income those items of income and

deductions which are attributable to or included in any portion of a trust of which he is treated as the owner. An item of income or deduction included in computing the taxable income of a grantor under Code Section 671 is treated for federal income tax purposes as if it had been received or paid directly by the grantor. Treasury Regulation Section 1.671-2(a), (c).

In Revenue Ruling 2004-86, the IRS held that a person who is treated as the grantor of a grantor trust is considered to own its proportionate share of the assets of the trust for federal income tax purposes. Revenue Ruling 2004-86 went on to hold that an owner of a grantor trust that holds real property is considered to be the owner of a fractional interest in the real property and that, accordingly, real property can be exchanged for an interest in such a grantor trust without the recognition of gain or loss so long as the other requirements of Code Section 1031 are satisfied.

As indicated above, upon the issuance of the Interests to the Investors, the Trust will satisfy the tax law requirements for qualification as an investment trust and a grantor trust, and thus the owners of the Trust should be treated for federal income tax purposes as owning direct interests in the property held by the Trust. Accordingly, the Investors should be treated as owning direct interests in the Real Estate for purposes of Code Section 1031.

7. The Property Management Fee.

If the Property Management Fee payable under the Property Management Agreement alone or together with other factors were to be recharacterized for federal income tax purposes as creating a partnership between the Property Manager and the Trust in respect of the ownership of the Real Estate from the outset, then an acquisition of the Interests in the Trust would not qualify as replacement property for purposes of the like-kind exchange provisions of Code Section 1031. If the Property Management Fee were recharacterized for federal income tax purposes as conveying to the Property Manager an ownership interest in the Real Estate as a tenant-in-common with the Trust, then the real property deemed owned by the Investors as grantors of the Trust for purposes of Code Section 1031 would be proportionately reduced.

The Management Fee is equal to 4% of Gross Revenues. The definition of “Gross Revenues” includes all revenues and receipts of every kind derived from the operation of the Hotel and all departments and parts thereof including, without limitation, income (from both cash and credit transactions after reasonable deductions for bad debts and discounts for prompt or cash payments and refunds) from the rental of guest rooms, telephone charges, stores, offices, exhibit and sales space of every kind; license, lease and concession fees and rentals; income from vending machines; net income from parking; health club membership fees; food and beverage sales; wholesale and retail sales of merchandise; and service charges (to the extent not distributed to employees as gratuities). The Master Tenant will also reimburse the Property Manager for all costs and expenses incurred by the Hotel through the actions of Property Manager pursuant to the Property Management Agreement.

In our view the Property Manager should not be viewed as engaged in carrying on a trade or business in partnership with the Master Tenant with a view to dividing the profits therefrom within the meaning of the check-the-box Regulations discussed above. The Property Management

Agreement is styled as a management agreement. The Master Tenant hired the Property Manager to manage and operate the Real Estate. The Property Management Agreement provides that the Master Tenant has hired the Property Manager as an agent. The Property Management Agreement is terminable upon various events. The Property Manager has a separate rather than a joint interest in profiting from the operation of the Real Estate. Moreover, the Management Fee is measured by gross revenue from operation of the Real Estate, the Property Manager has not contributed capital to a joint venture with the Master Tenant, does not share in any losses of the Master Tenant, and is not held out to taxing authorities or third parties as a partner of the Master Tenant. Accordingly, in our judgment the Property Manager is not properly characterized for federal income tax purposes as standing in a partner-to-partner relationship with the Master Tenant. Moreover, even if the Property Manager were properly characterized for federal income tax purposes as standing in a partner-to-partner relationship with the Master Tenant, such a partnership relationship would not transmute the Trust into a partnership and cause an acquisition of the Interests in the Trust to fail to qualify as replacement property for purposes of the like-kind exchange provisions of Code Section 1031. Although its affiliate the Master Tenant may be entitled to a Disposition Fee, the Property Manager does not share in the proceeds of a sale of the Real Estate.

Nor in our view should the Property Management Fee be characterized as granting to the Property Manager an undivided interest in the Real Estate as a tenant-in-common with the Trust. The Trust alone, through the Administrative Trustee, holds title to the Real Estate. No document denominated as a tenancy-in-common or similar agreement exists between the Trust (or any Trustee) and the Property Manager, and the Property Manager has no interest in or measured by the residual value of the Real Estate.

Accordingly, the Property Management Fee payable under the Property Management Agreement alone or together with other factors should not result in the creation of a partnership or a tenancy-in-common between the Trust and the Property Manager for federal income tax purposes.

CONCLUSION

Based on the facts and the authorities discussed above, we conclude that the acquisition of the Interests by the Investors should be treated as the direct acquisition of interests in the Real Estate for purposes of Code Section 1031.

This Opinion is given in reliance upon the accuracy and completeness of the documents, facts, assumptions and representations described herein. Any misstatement, or any change of a material fact referred to or omission of any material fact may require an adverse modification of all or a part of our Opinion.

This Opinion is based on existing federal law, including judicial decisions, applicable Treasury Regulations, and current published administrative positions of the IRS, all of which are subject to change either prospectively or retroactively. We assume no responsibility to inform the addressee or any Investor of any future change in the law. Although this Opinion represents our considered legal judgment, it has no binding effect and, therefore, there can be no assurance that the IRS will not be able to successfully challenge the conclusions reached herein. This Opinion is delivered subject to this understanding and agreement. Finally, this Opinion is intended solely for the use of the Investors and may not be shown to or relied upon by any other party without our express written approval.

Very truly yours,



SEYFARTH SHAW LLP

SRM:RKM

EXHIBIT E
Track Record

FN	Hotel / Investment	Location	Property Type	Structure	Type	Status	Investment Date	Date Realized	# Keys (e)	Equity Invested	Equity Co-Invested	Total Basis (\$)	Realized IRR	Realized Equity Multiple	Hold Period (Days)
Stonehill Strategic Hotel Credit Opportunity Fund I															
	TownePlace Suites	Houston, TX	Hotel	Mortgage Loan	Bridge	Realized	Aug-14	Jun-17	94	\$ 1,380,000	\$ -	\$ 5,100,000			1,021
	Holiday Inn	Sulphur, LA	Hotel	Mortgage Loan	Bridge	Realized	Oct-14	Oct-15	97	\$ 1,977,500	\$ -	\$ 5,650,000			384
	Hilton Garden Inn	Pascagoula, MS	Hotel	Mortgage Loan	Bridge	Realized	Nov-14	Dec-18	119	\$ 2,000,000	\$ -	\$ 11,000,000			1,484
	Courtyard	Fairfield, CA	Hotel	Mortgage Loan	Bridge	Realized	Feb-15	Jun-16	137	\$ 3,800,000	\$ -	\$ 10,650,000			482
	Independent	Virginia Beach, VA	Hotel	Mortgage Loan	Bridge	Realized	Feb-15	Nov-15	54	\$ 1,890,000	\$ -	\$ 4,200,000			254
	Holiday Inn Express	Albany, NY	Hotel	Mortgage Loan	Bridge	Realized	Apr-15	Mar-18	135	\$ 825,000	\$ -	\$ 4,575,000			1,072
	Staybridge Suites	Plainfield, IN	Hotel	Mezzanine	Mezzanine	Realized	Apr-15	Jan-20	88	\$ 1,000,000	\$ -	\$ 1,000,000			1,752
	element	Lone Tree, CO	Hotel	Mezzanine	Mezzanine	Realized	Jun-15	Aug-17	123	\$ 3,750,000	\$ -	\$ 3,750,000			798
	Holiday Inn Express	Tavares, FL	Hotel	Mortgage Loan	Bridge	Realized	Jul-15	Oct-16	73	\$ 1,505,000	\$ -	\$ 4,300,000			450
	Curio Collection by Hilton	Houston, TX	Hotel	Mortgage Loan	Bridge	Realized	Jul-15	Apr-19	100	\$ 5,800,000	\$ -	\$ 14,400,000			1,357
	Holiday Inn Express	Jacksonville, FL	Hotel	Mortgage Loan	Bridge	Realized	Aug-15	Sep-17	88	\$ 1,345,000	\$ -	\$ 6,345,000			786
	DoubleTree by Hilton	Atlanta, GA	Hotel	Preferred Equity	Preferred Equity	Realized	Aug-15	Apr-19	315	\$ 5,400,000	\$ 5,400,000	\$ 10,800,000			1,356
	Homewood Suites by Hilton	San Antonio, TX	Hotel	Mezzanine	Mezzanine	Realized	Aug-15	Apr-17	106	\$ 1,880,000	\$ -	\$ 1,880,000			618
	Hampton by Hilton	Milwaukee, WI	Hotel	Mortgage Loan	Bridge	Realized	Nov-15	Nov-17	107	\$ 1,920,000	\$ -	\$ 7,200,000			739
(g)	Hampton by Hilton	Milwaukee, WI	Hotel	Mortgage Loan	Bridge	Realized	Jan-16	Jan-20	138	\$ 6,069,000	\$ -	\$ 17,340,000			1,461
	Hampton by Hilton	Plymouth Meeting, PA	Hotel	Mortgage Loan	Bridge	Realized	Jan-16	May-19	136	\$ 3,870,000	\$ -	\$ 17,000,000			1,206
	Hampton by Hilton	Kilgore, TX	Hotel	Mortgage Loan	Bridge	Realized	Jan-16	Sep-16	63	\$ 1,242,500	\$ -	\$ 3,550,000			247
(g)	Holiday Inn	Mobile, AL	Hotel	Mortgage Loan	Bridge	Realized	Mar-16	Mar-20	97	\$ 2,450,000	\$ -	\$ 8,200,000			1,456
	Curio Collection by Hilton	Birmingham, AL	Hotel	Mortgage Loan	Bridge	Realized	Apr-16	Oct-17	120	\$ 1,950,000	\$ -	\$ 13,000,000			571
Sub-Total (Weighted-Average)		19 Investments							2,190	\$ 50,054,000	\$ 5,400,000	\$ 149,940,000	10.9%	1.31x	1,021

Stonehill Strategic Hotel Credit Opportunity Fund II

(g)	La Quinta Inns & Suites	Savannah, GA	Hotel	Mortgage Loan	Bridge	Current	May-19		154	\$ 954,000	\$ -	\$ 4,770,000			
	Holiday Inn Express	Washington, DC	Hotel	Mortgage Loan	Bridge	Current	May-19		247	\$ 23,235,589	\$ -	\$ 59,200,000			
	DoubleTree by Hilton	Saint Paul, MN	Hotel	Mortgage Loan	Bridge	Current	Apr-19		195	\$ 12,000,000	\$ -	\$ 19,500,000			
	AC Hotels	Bridgewater, NJ	Hotel	Preferred Equity	Preferred Equity	Current	Mar-19		150	\$ 5,800,000	\$ -	\$ 5,800,000			
	TownePlace Suites	Branchburg, NJ	Hotel	Preferred Equity	Preferred Equity	Current	Mar-19		111	\$ 2,430,000	\$ -	\$ 2,430,000			
	element	Detroit, MI	Hotel	Mortgage Loan	Bridge	Current	Dec-18		110	\$ 2,677,502	\$ -	\$ 16,000,000			
	element	Houston, TX	Hotel	Mortgage Loan	Bridge	Current	Aug-18		123	\$ 3,220,000	\$ -	\$ 14,620,000			
	Fairfield Inn	Baltimore, MD	Hotel	Mortgage Loan	Bridge	Current	Jan-18		155	\$ 2,300,000	\$ -	\$ 18,000,000			
(g)	SpringHill Suites	Houston, TX	Hotel	Mortgage Loan	Bridge	Current	Aug-17		190	\$ 4,500,000	\$ -	\$ 20,400,000			
	aloft Hotel/element	Round Rock, TX	Hotel	Preferred Equity	Preferred Equity	Realized	Aug-17	Jul-22	243	\$ 1,489,792	\$ 8,108,824	\$ 9,598,616	10.7%	1.64x	1,785
(g)	aloft Hotel	Miami, FL	Hotel	Mortgage Loan	Bridge	Realized	Jun-19	May-22	119	\$ 3,762,500	\$ -	\$ 18,500,000	7.0%	1.17x	1,067
(g)	Holiday Inn Express	New Albany, IN	Hotel	Mortgage Loan	Bridge	Realized	Oct-17	Jun-22	76	\$ 1,950,000	\$ -	\$ 6,500,000	-3.0%	0.95x	1,681
(g)	Hotel Indigo	Sarasota, FL	Hotel	Preferred Equity	Preferred Equity	Realized	Sep-16	Dec-21	95	\$ 2,605,032	\$ -	\$ 2,605,032	16.8%	2.02x	1,932
(g)	Staybridge Suites	Houston, TX	Hotel	Mortgage Loan	Bridge	Realized	Oct-18	Jun-23	114	\$ 2,400,000	\$ -	\$ 8,000,000	-22.2%	0.81x	1,693
(g)	Kimpton	Baltimore, MD	Hotel	Mortgage Loan	Bridge	Realized	Dec-18	Mar-22	202	\$ 16,500,000	\$ -	\$ 16,500,000	1.9%	1.03x	1,176
	SpringHill Suites	Panama City Beach, FL	Hotel	Preferred Equity	Preferred Equity	Realized	Sep-17	Aug-21	200	\$ 2,654,229	\$ 7,962,686	\$ 10,616,915	26.1%	2.57x	1,442
	Fairfield Inn	South San Francisco, CA	Hotel	Mortgage Loan	Bridge	Realized	Aug-19	Feb-22	128	\$ 12,000,000	\$ 3,000,000	\$ 30,000,000	18.6%	1.37x	917
	Courtyard	Jonesboro, AR	Hotel	Mortgage Loan	Bridge	Realized	Jun-19	Jun-22	98	\$ 3,090,000	\$ -	\$ 10,300,000	14.5%	1.44x	1,099
	Home2 Suites by Hilton	Barslow, CA	Hotel	Mortgage Loan	Construction	Realized	Jun-19	Mar-22	106	\$ 4,457,869	\$ -	\$ 12,475,000	26.3%	1.43x	981
	Holiday Inn Express	Opelika, AL	Hotel	Mortgage Loan	Bridge	Realized	May-19	Apr-21	87	\$ 1,969,500	\$ -	\$ 6,565,000	20.6%	1.31x	705
	Holiday Inn Express	Auburn, AL	Hotel	Mortgage Loan	Bridge	Realized	May-19	Oct-20	82	\$ 1,930,500	\$ -	\$ 6,435,000	21.4%	1.26x	513
	Residence Inn	Hamilton, NJ	Hotel	Preferred Equity	Preferred Equity	Realized	Mar-19	Sep-22	120	\$ 2,155,000	\$ -	\$ 2,155,000	13.1%	1.49x	1,261
	Homewood Suites by Hilton	Poughkeepsie, NY	Hotel	Preferred Equity	Preferred Equity	Realized	Mar-19	Jan-23	113	\$ 2,765,000	\$ -	\$ 2,765,000	13.1%	1.56x	1,411
	Hilton Garden Inn	Lawrenceville, NJ	Hotel	Preferred Equity	Preferred Equity	Realized	Mar-19	Jun-23	107	\$ 1,850,000	\$ -	\$ 1,850,000	13.3%	1.64x	1,560
	Home2 Suites by Hilton	Fort Mill, SC	Hotel	Mortgage Loan	Bridge	Realized	Mar-19	Jan-23	110	\$ 5,251,909	\$ -	\$ 13,466,909	21.5%	1.81x	1,394
	element	Detroit, MI	Hotel	Mezzanine	Construction	Realized	Dec-18	Jul-19	110	\$ 4,500,000	\$ -	\$ 4,500,000	14.5%	1.07x	187
	Independent	Amarillo, TX	Hotel	Mortgage Loan	Bridge	Realized	Dec-18	Mar-22	236	\$ 4,635,000	\$ -	\$ 15,450,000	25.0%	1.36x	1,171
	TRYP by Wyndham	Savannah, GA	Hotel	Mortgage Loan	Bridge	Realized	Dec-18	Sep-21	101	\$ 3,500,000	\$ -	\$ 14,500,000	17.2%	1.55x	1,021
	aloft Hotel	Lake Buena Vista, FL	Hotel	Mezzanine	Construction	Realized	Nov-18	Dec-21	142	\$ 4,000,000	\$ -	\$ 4,000,000	18.0%	1.42x	1,098
	Hilton Garden Inn	Wesley Chapel, FL	Hotel	Mortgage Loan	Bridge	Realized	Sep-18	Aug-23	124	\$ 4,900,000	\$ -	\$ 19,600,000	15.6%	1.71x	1,792
	Hotel Indigo	Chattanooga, TN	Hotel	Mortgage Loan	Bridge	Realized	Sep-18	Dec-20	117	\$ 4,200,000	\$ -	\$ 14,000,000	15.8%	1.24x	805
	Curio Collection by Hilton	Chattanooga, TN	Hotel	Mezzanine	Mezzanine	Realized	Oct-18	Oct-19	199	\$ 4,000,000	\$ -	\$ 4,000,000	13.8%	1.13x	365
	Holiday Inn	Chandler, AZ	Hotel	Preferred Equity	Preferred Equity	Realized	Jul-18	Oct-18	106	\$ 2,000,000	\$ -	\$ 2,000,000	15.7%	1.04x	103
	Home2 Suites by Hilton	Durham, NC	Hotel	Mortgage Loan	Bridge	Realized	Jul-18	Apr-22	103	\$ 3,720,000	\$ -	\$ 13,770,000	17.7%	1.63x	1,362
	Wingate by Wyndham	St Clairsville, OH	Hotel	Mortgage Loan	Bridge	Realized	Jul-18	May-22	116	\$ 2,175,000	\$ -	\$ 7,260,000	16.2%	1.51x	1,393
	Best Western Plus	Pittston, PA	Hotel	Mortgage Loan	Bridge	Realized	May-18	Oct-18	99	\$ 2,600,000	\$ -	\$ 2,600,000	12.9%	1.03x	133
	element	Palmdale, CA	Hotel	Mortgage Loan	Bridge	Realized	May-18	Jun-22	123	\$ 5,000,000	\$ -	\$ 20,000,000	15.7%	1.60x	1,469
	Hilton Garden Inn	Davis, CA	Hotel	Mortgage Loan	Bridge	Realized	Mar-18	Jun-19	119	\$ 5,803,000	\$ -	\$ 25,253,000	16.8%	1.21x	473
	Four Points by Sheraton	Brunswick, GA	Hotel	Mortgage Loan	Bridge	Realized	Jan-18	Mar-20	113	\$ 1,856,250	\$ -	\$ 7,425,000	23.2%	1.46x	775
	Comfort Suites	Columbus, GA	Hotel	Mortgage Loan	Bridge	Realized	Jan-18	May-18	57	\$ 2,500,000	\$ -	\$ 2,500,000	15.2%	1.04x	102
	Courtyard	Gretna, LA	Hotel	Mortgage Loan	Bridge	Realized	Jan-18	Oct-21	123	\$ 3,180,000	\$ -	\$ 10,600,000	14.8%	1.23x	1,384
	La Quinta Inns & Suites	Lakeway, TX	Hotel	Mortgage Loan	Bridge	Realized	Aug-17	Nov-22	104	\$ 2,953,200	\$ -	\$ 9,844,000	21.2%	1.95x	1,905
	Homewood Suites by Hilton	Gretna, LA	Hotel	Mortgage Loan	Bridge	Realized	Dec-17	Mar-22	97	\$ 1,550,000	\$ -	\$ 10,100,000	14.8%	1.60x	1,555
	Holiday Inn Express	N/A	Hotel	Mortgage Loan	CMBS	Realized	Dec-17	Jan-20	N/A	\$ 1,860,000	\$ -	\$ 6,200,000	16.9%	1.41x	775
	Courtyard	Newburgh, NY	Hotel	Mortgage Loan	Construction	Realized	Oct-17	Aug-23	78	\$ 2,040,000	\$ -	\$ 7,860,000	17.2%	1.97x	2,142
	Home2 Suites by Hilton	Salsbury, NC	Hotel	Mortgage Loan	Construction	Realized	Nov-17	Nov-19	93	\$ 3,582,000	\$ -	\$ 11,940,000	21.5%	1.15x	708
	Marriott	Mobile, AL	Hotel	Mortgage Loan	Bridge	Realized	Nov-17	Nov-19	251	\$ 3,600,000	\$ -	\$ 12,000,000	18.5%	1.21x	708

FN	Hotel / Investment	Location	Property Type	Structure	Type	Status	Investment Date	Date Realized	# Keys (e)	Equity Invested	Equity Co-Invested	Total Basis (\$)	Realized IRR	Realized Equity Multiple	Hold Period (Days)
	Courtyard	Buffalo, NY	Hotel	Mortgage Loan	Bridge	Realized	Oct-17	Apr-23	108	\$ 1,890,000	\$ -	\$ 7,560,000	15.9%	2.03x	2,010
	Courtyard	Vestal, NY	Hotel	Mortgage Loan	Bridge	Realized	Oct-17	Sep-22	78	\$ 1,590,000	\$ -	\$ 6,360,000	22.9%	2.09x	1,807
	Home2 Suites by Hilton	Charlotte, NC	Hotel	Mortgage Loan	Construction	Realized	Aug-17	Feb-21	180	\$ 8,460,728	\$ -	\$ 30,770,000	18.3%	1.31x	1,270
	Fairfield Inn	Birmingham, AL	Hotel	Mortgage Loan	Bridge	Realized	Aug-17	Apr-22	120	\$ 2,780,000	\$ -	\$ 13,900,000	12.4%	1.40x	1,720
	Holiday Inn	Tacoma, WA	Hotel	Mortgage Loan	Bridge	Realized	Jul-17	Nov-19	124	\$ 3,781,547	\$ -	\$ 14,770,491	24.0%	1.47x	865
	SpringHill Suites	Montgomery, AL	Hotel	Mortgage Loan	Construction	Realized	Jun-17	Mar-22	105	\$ 1,937,061	\$ -	\$ 11,144,061	18.8%	1.85x	1,734
	Hampton by Hilton	Tampa, FL	Hotel	Mortgage Loan	Bridge	Realized	Jun-17	Jan-20	84	\$ 1,261,000	\$ -	\$ 8,830,000	18.8%	1.45x	947
	TownePlace Suites	Irvine, TX	Hotel	Mezzanine	Mezzanine	Realized	Feb-17	Sep-17	119	\$ 4,826,000	\$ -	\$ 4,826,000	12.9%	1.05x	192
	Hampton by Hilton	Waldorf, MD	Hotel	Mortgage Loan	Bridge	Realized	Dec-16	Nov-18	100	\$ 2,075,000	\$ -	\$ 8,300,000	30.1%	1.65x	701
	Four Points by Sheraton	Huntersville, NC	Hotel	Mortgage Loan	Bridge	Realized	Oct-16	Jul-19	101	\$ 2,362,500	\$ -	\$ 6,750,000	14.9%	1.20x	985
	TownePlace Suites	Houston, TX	Hotel	Mortgage Loan	Bridge	Realized	Sep-16	Oct-18	120	\$ 3,832,500	\$ -	\$ 10,657,500	22.1%	1.53x	762
	DoubleTree by Hilton	Rancho Cordova, CA	Hotel	Mortgage Loan	Bridge	Realized	Sep-16	May-18	158	\$ 3,100,000	\$ -	\$ 3,100,000	19.1%	1.28x	609
	Westin	Tampa, FL	Hotel	Mortgage Loan	Bridge	Realized	Sep-16	May-23	252	\$ 14,182,182	\$ -	\$ 51,182,182	19.2%	2.23x	2,451
	Staybridge Suites	Indianapolis, IN	Hotel	Mezzanine	Mezzanine	Realized	Aug-16	Jan-20	113	\$ 1,400,000	\$ -	\$ 10,400,000	15.3%	1.50x	1,279
	Homewood Suites by Hilton	Troy, MI	Hotel	Note Purchase	Note Purchase	Realized	Jul-16	Oct-16	150	\$ 2,750,000	\$ 250,000	\$ 3,000,000	159.3%	1.25x	87
	Courtyard/Fairfield Inn	Lithia Springs, GA	Hotel	Mezzanine	Construction	Realized	Jul-16	Jan-19	162	\$ 4,080,000	\$ -	\$ 4,080,000	20.5%	1.50x	891
	Hampton by Hilton/La Quinta Inns & Suites	Aberdeen, MD	Hotel	Mortgage Loan	Bridge	Realized	Mar-18	Mar-22	177	\$ 3,500,000	\$ -	\$ 15,500,000	17.1%	1.65x	1,475
	Sub-Total (Weighted-Average)	64 Investments							8,297	\$ 261,911,390	\$ 19,321,510	\$ 752,124,706	15.9%	1.45x	1,157

Stonehill Strategic Hotel Credit Opportunity Fund III (d)

	AC Hotels	Brentwood, TN	Hotel	Mezzanine	Mezzanine	Realized	Oct-19	Oct-23	147	\$ 2,062,500	\$ 6,187,500	\$ 8,250,000			1,468
	Fairfield Inn	Orange Beach, AL	Hotel	Mortgage Loan	Construction	Realized	Feb-20	Aug-22	116	\$ 1,250,000	\$ 3,750,000	\$ 10,000,000			906
	EVEN Hotels	Atlanta, GA	Hotel	Mortgage Loan	Bridge	Realized	Nov-19	Nov-23	133	\$ 1,375,000	\$ 4,125,000	\$ 15,500,000			1,472
	Hampton by Hilton	Buellton, CA	Hotel	Mortgage Loan	Bridge	Realized	Oct-19	Sep-22	99	\$ 1,812,500	\$ 5,437,500	\$ 14,500,000			1,086
	Hampton by Hilton	Oakdale, MN	Hotel	Mortgage Loan	Bridge	Realized	Oct-19	Jun-23	100	\$ 1,250,000	\$ 3,750,000	\$ 10,000,000			1,324
	Homewood Suites by Hilton	Eatontown, NJ	Hotel	Mezzanine	Mezzanine	Realized	Nov-19	Sep-23	131	\$ 25	\$ 2,499,975	\$ 2,500,000			1,389
	Hilton Garden Inn	Arlington, VA	Hotel	Mortgage Loan	Bridge	Realized	Jul-20	Dec-21	248	\$ 1,425,000	\$ 4,275,000	\$ 19,000,000			504
	AC Hotels	San Diego, CA	Hotel	Preferred Equity	Preferred Equity	Realized	Sep-19	Mar-23	147	\$ 4,850,000	\$ -	\$ 4,850,000			1,263
	Residence Inn	Decatur, GA	Hotel	Mortgage Loan	Construction	Realized	Nov-18	Jun-22	120	\$ 7,455,000	\$ -	\$ 21,300,000			1,322
	Independent	N/A	Hotel	CMBS	CMBS	Realized	Apr-20	Jun-20	N/A	\$ 4,250,000	\$ -	\$ 4,250,000			40
	<i>Participations in Other Vehicles</i>														
	Staybridge Suites (f)	Cathedral City, CA	Hotel	Note Purchase	Note Purchase	Realized	Jun-20	Apr-21	197	\$ 3,800,000	\$ 10,000,000	\$ 19,750,000			307
	Sub-Total (Weighted-Average)	11 Investments							1,438	\$ 29,530,025	\$ 40,024,975	\$ 129,900,000	10.1%	1.27x	943

Peachtree Hotel Value & Income Fund I

	aloft Hotel	Tempe, AZ	Hotel	Equity	Acquisition	Current	Jul-17		136	\$ 7,755,615	\$ -	\$ 25,200,615			
	element	Lone Tree, CO	Hotel	Equity	Acquisition	Current	Aug-17		123	\$ 16,495,168	\$ 2,150,000	\$ 26,645,168			
	Hampton by Hilton	Green Bay, WI	Hotel	Equity	Acquisition	Current	Aug-17		135	\$ 6,418,667	\$ -	\$ 21,468,667			
	Hilton Garden Inn	Kansas City, KS	Hotel	Equity	Acquisition	Current	May-18		147	\$ 7,241,598	\$ -	\$ 17,991,598			
	TownePlace Suites	Gainesville, FL	Hotel	Equity	Acquisition	Current	Jun-17		96	\$ 4,056,056	\$ -	\$ 14,198,335			
	SpringHill Suites	Atlanta, GA	Hotel	Equity	Acquisition	Current	Oct-18		150	\$ 9,598,189	\$ -	\$ 32,393,199			
	aloft Hotel	Jacksonville, FL	Hotel	Equity	Acquisition	Realized	Jun-16	Jan-18	136	\$ 3,693,000	\$ -	\$ 12,310,000	70.7%	2.22x	605
	Crowne Plaza	Wauwatosa, WI	Hotel	Equity	Acquisition	Realized	May-18	May-19	198	\$ 12,443,491	\$ -	\$ 29,069,491	31.7%	1.30x	370
	element	Miami, FL	Hotel	Equity	Acquisition	Realized	Sep-17	Jan-22	209	\$ 8,772,555	\$ -	\$ 26,679,769	5.5%	1.20x	1,572
	Hampton by Hilton	Columbia, MO	Hotel	Equity	Acquisition	Realized	Mar-18	Dec-23	120	\$ 5,605,454	\$ -	\$ 15,594,193	8.4%	1.51x	2,074
	Hampton by Hilton	Sarasota, FL	Hotel	Equity	Acquisition	Realized	Jun-16	May-18	108	\$ 4,099,154	\$ -	\$ 13,599,154	46.2%	1.91x	678
	Homewood Suites by Hilton	Covington, LA	Hotel	Equity	Acquisition	Realized	Mar-18	Oct-20	86	\$ 3,200,956	\$ -	\$ 3,200,956	-14.6%	0.65x	941
	SpringHill Suites	Birmingham, AL	Hotel	Equity	Acquisition	Realized	Sep-16	Feb-22	120	\$ 4,138,008	\$ -	\$ 11,971,008	-5.5%	0.78x	1,968
	Staybridge Suites	Madison, WI	Hotel	Equity	Acquisition	Realized	May-18	Nov-22	90	\$ 3,855,241	\$ -	\$ 10,615,241	5.5%	1.24x	1,624
	Staybridge Suites	Middleton, WI	Hotel	Equity	Acquisition	Realized	May-18	Jun-23	91	\$ 3,402,755	\$ -	\$ 10,650,255	-30.3%	0.21x	1,856
	Sub-Total (Weighted-Average)	15 Investments							1,945	\$ 100,775,907	\$ 2,150,000	\$ 271,587,649	6.1%	1.26x	1,194

Peachtree Hotel Value & Income Fund II

	Courtyard	Savannah, GA	Hotel	Equity	Acquisition	Current	Aug-19		156	\$ 17,854,237	\$ -	\$ 43,254,237			
	Tapestry Collection by Hilton	Knoxville, TN	Hotel	Equity	Acquisition	Current	Jul-18		129	\$ 9,195,726	\$ -	\$ 30,528,169			
	Hampton by Hilton	Baltimore, MD	Hotel	Equity	Acquisition	Current	Jun-19		126	\$ 8,645,764	\$ -	\$ 24,645,764			
	Home2 Suites by Hilton	El Paso, TX	Hotel	Equity	Acquisition	Current	Aug-19		111	\$ 8,606,345	\$ -	\$ 19,946,345			
	Home2 Suites by Hilton	Dallas, TX	Hotel	Equity	Acquisition	Current	Dec-19		132	\$ 11,130,985	\$ -	\$ 26,505,985			
	Home2 Suites by Hilton	Liberty Township, OH	Hotel	Equity	Acquisition	Current	Feb-19		92	\$ 4,612,267	\$ -	\$ 10,561,816			
	Homewood Suites by Hilton	Atlanta, GA	Hotel	Equity	Acquisition	Current	Jun-18		92	\$ 9,632,515	\$ -	\$ 21,532,515			
	Homewood Suites by Hilton	Daytona Beach, FL	Hotel	Equity	Acquisition	Current	Dec-18		94	\$ 5,704,125	\$ -	\$ 15,645,967			
	Residence Inn	Charlotte, NC	Hotel	Equity	Acquisition	Current	Sep-19		152	\$ 13,445,989	\$ -	\$ 33,422,874			
	TownePlace Suites	Southaven, MS	Hotel	Equity	Acquisition	Current	Dec-18		112	\$ 6,930,095	\$ -	\$ 17,930,095			
	Fairfield Inn	Charlottesville, VA	Hotel	Equity	Acquisition	Realized	Aug-18	Jan-19	117	\$ 6,163,889	\$ -	\$ 20,823,114	284.5%	1.83x	163
	Hampton by Hilton	Rantation, FL	Hotel	Equity	Acquisition	Realized	Feb-19	Sep-23	128	\$ 10,126,103	\$ -	\$ 23,026,103	1.8%	1.08x	1,695

FN	Hotel / Investment	Location	Property Type	Structure	Type	Status	Investment Date	Date Realized	# Keys (e)	Equity Invested	Equity Co-Invested	Total Basis (\$)	Realized IRR	Realized Equity Multiple	Hold Period (Days)	
	Hampton by Hilton	Jekyll Island, GA	Hotel	Equity	Acquisition	Realized	Jul-18	Jun-23	138	\$ 10,020,889	\$ -	\$ 28,420,889	14.8%	1.88x	1,803	
	SpringHill Suites	Navarre, FL	Hotel	Equity	Acquisition	Realized	Nov-18	Jun-21	161	\$ 18,694,705	\$ -	\$ 46,069,705	27.1%	1.71x	947	
	TownePlace Suites	Chandler, AZ	Hotel	Equity	Acquisition	Realized	Oct-18	Jun-23	109	\$ 6,351,702	\$ -	\$ 16,458,658	10.7%	1.53x	1,724	
	<i>Participations in Other Vehicles</i>															
	Hilton Garden Inn/Home2 Suites by Hilton (f)	Orlando, FL	Hotel	Equity	Acquisition	Current	Nov-19		224	\$ 12,300,244	\$ 15,654,856	\$ 53,760,100				
	Sub-Total (Weighted-Average)	16 Investments							2,073	\$ 169,415,581	\$ 15,654,856	\$ 432,532,337	18.2%	1.61x	1,264	
	Peachtree Hotel Value & Income Fund III															
	Hampton by Hilton	Indianapolis, IN	Hotel	Equity	Acquisition	Current	Dec-19		180	\$ 4,282,950	\$ 11,579,828	\$ 33,026,424				
	Hilton Garden Inn/Home2 Suites by Hilton	Orlando, FL	Hotel	Equity	Acquisition	Current	Nov-19		224	\$ 15,654,856	\$ 12,300,244	\$ 53,760,100				
	Hampton by Hilton	Tempe, AZ	Hotel	Equity	Acquisition	Realized	Dec-19	Nov-23	117	\$ 10,043,313	\$ -	\$ 19,393,526	10.7%	1.49x	1,421	
	Sub-Total (Weighted-Average)	3 Investments							521	\$ 29,981,119	\$ 23,880,072	\$ 106,180,051	10.7%	1.49x	1,421	
	Peachtree Hotel Opportunity Zone Tax Advantage Fund I															
	AC Hotels	Sacramento, CA	Hotel	Equity	Co-Development	Current	Feb-20		100	\$ 19,292,898	\$ 11,200,000	\$ 58,992,898				
	Curio Collection by Hilton	Paso Robles, CA	Hotel	Equity	Ground-Up	Current	Sep-22		151	\$ 7,542,051	\$ 21,874,619	\$ 79,014,313				
	Fairfield Inn	St Louis, MO	Hotel	Preferred Equity	Co-Development	Current	Aug-18		136	\$ 4,509,314	\$ 1,127,328	\$ 25,951,642				
	Hampton by Hilton/Home2 Suites by Hilton	Orlando, FL	Hotel	Equity	Ground-Up	Current	Jul-20		150	\$ 4,817,059	\$ 7,225,588	\$ 29,356,617				
	Hampton by Hilton	Kahului - Maui, HI	Hotel	Equity	Ground-Up	Current	Dec-22		136	\$ 7,751,485	\$ 34,418,813	\$ 77,170,298				
	Hilton Garden Inn	Florence, KY	Hotel	Equity	Ground-Up	Current	Oct-20		123	\$ 10,595,050	\$ -	\$ 22,595,050				
	Hilton Garden Inn	Pensacola, FL	Hotel	Equity	Ground-Up	Current	Dec-20		102	\$ 14,282,692	\$ -	\$ 27,816,284				
	Hilton Garden Inn/Home2 Suites by Hilton	Houston, TX	Hotel	Equity	Ground-Up	Current	Mar-20		300	\$ 12,187,955	\$ 6,562,746	\$ 63,250,701				
	Residence Inn	Rainfield, IN	Hotel	Equity	Co-Development	Current	Dec-19		96	\$ 25,530,512	\$ 357,222	\$ 25,887,733				
	SpringHill Suites	Baltimore, MD	Hotel	Equity	Co-Development	Current	Jun-19		157	\$ 15,842,465	\$ 3,250,000	\$ 31,092,465				
	Tempo by Hilton	Indianapolis, IN	Hotel	Equity	Ground-Up	Current	Dec-19		168	\$ 23,107,148	\$ -	\$ 57,767,871				
	Homewood Suites by Hilton	Louisville, KY	Hotel	Equity	Co-Development	Current	Jul-19		134	\$ 11,428,538	\$ -	\$ 29,428,538				
	Ground Lease - St Louis, MO	St Louis, MO	Hotel	Equity	Ground Lease	Current	Dec-20		N/A	\$ 1,421,062	\$ -	\$ 1,421,062				
	AC Hotels	Phoenix, AZ	Hotel	Preferred Equity	Preferred Equity	Realized	Apr-19	Aug-21	199	\$ 13,992,671	\$ 2,469,296	\$ 16,461,967	30.4%	1.78x	857	
	Sub-Total (Weighted-Average)	14 Investments							1,952	\$ 172,300,900	\$ 88,485,612	\$ 546,207,440	30.4%	1.78x	857	
	Peachtree Hotel Opportunity Zone Tax Advantage Fund II															
	AC Hotels	Detroit, MI	Hotel	Equity	Co-Development	Current	May-23		154	\$ 18,088,295	\$ 4,522,074	\$ 54,678,050				
	Residence Inn	San Antonio, TX	Hotel	Equity	Co-Development	Current	Oct-23		171	\$ 18,512,623	\$ 18,512,623	\$ 61,708,743				
	<i>Participations in Other Vehicles</i>															
	AC Hotels (f)	Sacramento, CA	Hotel	Equity	Co-Development	Current	Feb-20		100	\$ 9,200,000	\$ 21,292,898	\$ 58,992,898				
	Curio Collection by Hilton (f)	Paso Robles, CA	Hotel	Equity	Ground-Up	Current	Sep-22		151	\$ 4,669,934	\$ 24,746,736	\$ 79,014,313				
	Hampton by Hilton (f)	Kahului - Maui, HI	Hotel	Equity	Ground-Up	Current	Dec-22		136	\$ 12,512,542	\$ 29,657,756	\$ 77,170,298				
	Sub-Total (Weighted-Average)	5 Investments							712	\$ 62,983,394	\$ 98,732,086	\$ 331,564,302	NA	NA	NA	
	SSC Hotel Development															
(g)	TownePlace Suites	Lone Tree, CO	Hotel	JV Equity	Preferred Equity	Current	Jan-16		121	\$ 4,000,000	\$ 2,236,026	\$ 17,816,443				
	Hampton by Hilton	Panama City Beach, FL	Hotel	JV Equity	Preferred Equity	Realized	Feb-16	May-19	182	\$ 7,867,502	\$ 2,629,762	\$ 10,497,264	29.7%	2.20x	1,190	
	AC Hotels	Tampa, FL	Hotel	JV Equity	Preferred Equity	Realized	Dec-15	Sep-18	175	\$ 1,519,258	\$ 5,233,000	\$ 6,752,258	39.3%	1.96x	1,011	
	Residence Inn/SpringHill Suites	Orlando, FL	Hotel	JV Equity	Preferred Equity	Realized	Dec-15	Jun-18	254	\$ 2,205,095	\$ 7,595,326	\$ 9,800,421	39.3%	1.96x	897	
	Sub-Total (Weighted-Average)	4 Investments							732	\$ 15,591,855	\$ 17,694,114	\$ 44,866,386	32.3%	2.12x	1,111	
	Peachtree SSC Mortgage REIT															
	<i>Participations in Other Vehicles</i>															
	Margaritaville (f)	Fort Myers, FL	Hotel	Mortgage Loan	Construction	Current	Aug-21		254	\$ 6,800,000	\$ 27,200,000	\$ 104,000,000				
	Hampton by Hilton (f)	Jamaica, NY	Hotel	Mortgage Loan	Bridge	Current	Sep-22		216	\$ 3,547,000	\$ 14,188,000	\$ 43,735,000				
	Canopy (f)	Columbus, OH	Hotel	Mortgage Loan	Bridge	Current	Jul-22		167	\$ 3,000,000	\$ 3,306,000	\$ 26,301,000				
	Candlewood Suites (f)	North Syracuse, NY	Hotel	Mortgage Loan	Bridge	Current	Jun-22		115	\$ 289,332	\$ 441,249	\$ 3,980,581				
	Suburban Extended Stay (f)	Westminster, CO	Hotel	Mortgage Loan	Bridge	Current	Jun-22		128	\$ 1,362,969	\$ 2,078,608	\$ 8,441,577				
	Sonesta ES Suites (f)	Memphis, TN	Hotel	Mortgage Loan	Bridge	Current	Jun-22		105	\$ 807,673	\$ 1,231,749	\$ 5,539,422				
	Sonesta ES Suites (f)	Lombard, IL	Hotel	Mortgage Loan	Bridge	Current	Jun-22		144	\$ 836,839	\$ 1,276,228	\$ 7,613,067				
	Sonesta ES Suites (f)	Middleburg Heights, OH	Hotel	Mortgage Loan	Bridge	Current	Jun-22		158	\$ 1,233,425	\$ 1,881,046	\$ 9,614,471				
	Sonesta ES Suites (f)	Dublin, OH	Hotel	Mortgage Loan	Bridge	Current	Jun-22		106	\$ 475,483	\$ 725,139	\$ 5,800,622				
	Sonesta Simply Suites (f)	Knoxville, TN	Hotel	Mortgage Loan	Bridge	Current	Jun-22		98	\$ 760,791	\$ 1,160,250	\$ 5,421,041				
	Sonesta Simply Suites (f)	Southfield, MI	Hotel	Mortgage Loan	Bridge	Current	Jun-22		121	\$ 860,748	\$ 1,312,691	\$ 6,373,439				
	Sonesta ES Suites (f)	Montgomery, AL	Hotel	Mortgage Loan	Bridge	Current	Jun-22		94	\$ 914,198	\$ 1,394,206	\$ 6,308,404				

FN	Hotel / Investment	Location	Property Type	Structure	Type	Status	Investment Date	Date Realized	# Keys (e)	Equity Invested	Equity Co-Invested	Total Basis (\$)	Realized IRR	Realized Equity Multiple	Hold Period (Days)
	TRYP by Wyndham (f)	Fort Lauderdale, FL	Hotel	Mortgage Loan	Bridge	Current	Sep-22		150	\$ 3,375,488	\$ 1,446,638	\$ 22,432,126			
	Courtyard (f)	Myrtle Beach, SC	Hotel	Mortgage Loan	Bridge	Current	Oct-22		135	\$ 1,610,000	\$ 690,000	\$ 12,570,000			
	Courtyard (f)	Charlotte, NC	Hotel	Mortgage Loan	Bridge	Current	Oct-22		148	\$ 2,170,000	\$ 930,000	\$ 17,280,000			
	Hilton Garden Inn (f)	Roanoke Rapids, NC	Hotel	Mortgage Loan	Bridge	Current	Oct-22		147	\$ 1,760,500	\$ 754,500	\$ 13,650,000			
	aloft Hotel (f)	North Charleston, SC	Hotel	Mortgage Loan	Bridge	Current	Oct-22		136	\$ 1,112,500	\$ 1,112,500	\$ 16,100,000			
	DoubleTree by Hilton (f)	Bend, OR	Hotel	Mortgage Loan	Bridge	Current	Dec-22		117	\$ 3,738,000	\$ 1,602,000	\$ 25,330,000			
	Independent (f)	San Luis Obispo, CA	Hotel	Mortgage Loan	Bridge	Current	Feb-23		65	\$ 2,380,000	\$ 1,020,000	\$ 17,000,000			
	Hampton by Hilton (f)	East Elmhurst, NY	Hotel	Mortgage Loan	Bridge	Current	Aug-23		220	\$ 6,550,000	\$ 6,550,000	\$ 43,600,000			
	Days Inn (f)	Palm Coast, FL	Hotel	Mortgage Loan	Bridge	Current	Jun-23		119	\$ 1,875,104	\$ 803,616	\$ 10,200,000			
	AC Hotels (f)	Brentwood, TN	Hotel	Mezzanine	Mezzanine	Realized	Oct-19	Oct-23	147	\$ 6,187,500	\$ 2,062,500	\$ 8,250,000	16.1%	1.49x	1,468
	Fairfield Inn (f)	Orange Beach, AL	Hotel	Mortgage Loan	Construction	Realized	Feb-20	Aug-22	116	\$ 3,750,000	\$ 1,250,000	\$ 10,000,000	8.6%	1.22x	906
	EVEN Hotels (f)	Atlanta, GA	Hotel	Mortgage Loan	Bridge	Realized	Nov-19	Nov-23	133	\$ 4,125,000	\$ 1,375,000	\$ 15,500,000	20.5%	1.80x	1,472
	Hampton by Hilton (f)	Buellton, CA	Hotel	Mortgage Loan	Bridge	Realized	Oct-19	Sep-22	99	\$ 5,437,500	\$ 1,812,500	\$ 14,500,000	10.0%	1.29x	1,086
	Hampton by Hilton (f)	Oakdale, MN	Hotel	Mortgage Loan	Bridge	Realized	Oct-19	Jun-23	100	\$ 3,750,000	\$ 1,250,000	\$ 10,000,000	9.3%	1.33x	1,324
	Homewood Suites by Hilton (f)	Eatontown, NJ	Hotel	Mezzanine	Mezzanine	Realized	Nov-19	Sep-23	131	\$ 2,499,975	\$ 25	\$ 2,500,000	12.9%	1.46x	1,389
	Margaritaville (f)	South Padre Island, TX	Hotel	Mortgage Loan	Bridge	Realized	Feb-21	Dec-23	200	\$ 2,013,000	\$ 8,052,000	\$ 30,500,000	20.7%	1.56x	1,050
	Sonesta ES Suites (f)	Westport, MO	Hotel	Mortgage Loan	Bridge	Realized	Jun-22	Aug-23	106	\$ 862,590	\$ 1,315,501	\$ 6,178,091	17.4%	1.20x	436
	Sonesta ES Suites (f)	Birmingham, AL	Hotel	Mortgage Loan	Bridge	Realized	Jun-22	Aug-23	128	\$ 973,659	\$ 1,484,887	\$ 7,458,546	17.4%	1.20x	436
	Sonesta ES Suites (f)	Minneapolis, MN	Hotel	Mortgage Loan	Bridge	Realized	Jun-22	Sep-23	120	\$ 1,122,292	\$ 1,711,560	\$ 7,083,852	17.6%	1.20x	449
	Sub-Total (Weighted-Average)	31 Investments							4,223	\$ 76,181,567	\$ 91,418,392	\$ 523,261,239	14.2%	1.42x	1,182

Peachtree Distressed Opportunity Fund

	aloft Hotel	Franklin, TN	Hotel	Equity	Acquisition	Current	Jul-21		143	\$ 9,400,246	\$ -	\$ 22,480,246			
	Cambria Hotels	Rockville, MD	Hotel	Equity	Acquisition	Current	Aug-21		140	\$ 7,579,562	\$ -	\$ 19,219,300			
	Cambria Hotels	Austin, TX	Hotel	Mortgage Loan	Construction	Current	Oct-21		212	\$ 7,574,838	\$ 14,067,762	\$ 61,836,000			
	Holiday Inn Express	Pittsburgh, PA	Hotel	Equity	Acquisition	Current	Aug-20		135	\$ 10,004,883	\$ -	\$ 18,897,029			
	Embassy Suites by Hilton	Kennesaw, GA	Hotel	Equity	Acquisition	Current	Dec-21		192	\$ 18,038,771	\$ -	\$ 48,513,234			
	Hampton by Hilton	Paso Robles, CA	Hotel	Equity	Acquisition	Current	Nov-21		81	\$ 5,220,892	\$ 1,305,223	\$ 18,355,384			
	Tapestry Collection by Hilton	Paso Robles, CA	Hotel	Equity	Acquisition	Current	Nov-21		60	\$ 6,128,774	\$ 1,532,193	\$ 21,334,322			
	AC Hotels	Miami, FL	Hotel	Equity	Acquisition	Current	Nov-21		233	\$ 7,825,340	\$ 14,532,773	\$ 68,927,113			
	aloft Hotel	Aventura, FL	Hotel	Equity	Acquisition	Current	Nov-21		207	\$ 6,874,660	\$ 12,767,227	\$ 54,072,887			
	Hilton Garden Inn	Cranberry Township, PA	Hotel	Equity	Acquisition	Current	Dec-21		136	\$ 7,342,815	\$ -	\$ 18,149,545			
	Hilton Garden Inn	Granbury, TX	Hotel	Equity	Acquisition	Current	Dec-21		106	\$ 5,780,193	\$ -	\$ 18,707,290			
	Hilton Garden Inn	West Lafayette, IN	Hotel	Equity	Acquisition	Current	Mar-22		104	\$ 13,407,557	\$ -	\$ 23,957,844			
	SpringHill Suites	Annapolis, MD	Hotel	Equity	Acquisition	Current	Dec-21		120	\$ 10,280,194	\$ -	\$ 22,005,194			
	Holiday Inn	Johnson City, TN	Hotel	Note Purchase	Note Purchase	Current	Sep-21		205	\$ 331,620	\$ 615,865	\$ 4,333,420			
	SpringHill Suites	Charlotte, NC	Hotel	Note Purchase	Note Purchase	Current	Sep-21		95	\$ 674,920	\$ 1,253,422	\$ 8,143,308			
	Holiday Inn	Bristol, VA	Hotel	Note Purchase	Note Purchase	Current	Sep-21		226	\$ 183,968	\$ 341,654	\$ 2,403,991			
	Holiday Inn	Bristol, VA	Hotel	Note Purchase	Note Purchase	Current	Sep-21		226	\$ 274,153	\$ 509,142	\$ 3,582,481			
	Sleep Inn	Baltimore, MD	Hotel	Note Purchase	Note Purchase	Current	Sep-21		62	\$ 148,091	\$ 8,120	\$ 907,583			
	Sleep Inn	Baltimore, MD	Hotel	Note Purchase	Note Purchase	Current	Sep-21		62	\$ 1,026,315	\$ 56,291	\$ 5,110,554			
	Fairfield Inn	Alexandria, VA	Hotel	Note Purchase	Note Purchase	Current	Sep-21		116	\$ 3,434,599	\$ 188,393	\$ 14,712,000			
	Independent	Washington, DC	Hotel	Note Purchase	Note Purchase	Current	Oct-21		12	\$ 676,892	\$ -	\$ 2,583,357			
	Margaritaville	Fort Myers, FL	Hotel	Mortgage Loan	Construction	Current	Aug-21		254	\$ 17,200,000	\$ 16,800,000	\$ 104,000,000			
	SpringHill Suites	Tampa, FL	Hotel	Mortgage Loan	Construction	Current	Aug-21		167	\$ 2,953,125	\$ 5,484,375	\$ 28,125,000			
	Curio Collection by Hilton	Chattanooga, TN	Hotel	Note Purchase	Note Purchase	Current	Jun-21		199	\$ 348,034	\$ 646,594	\$ 4,755,507			
	Curio Collection by Hilton	Chattanooga, TN	Hotel	Note Purchase	Note Purchase	Current	Jun-21		199	\$ 1,222,789	\$ 2,272,705	\$ 16,571,882			
	Cambria Hotels	Uniontown, OH	Hotel	Note Purchase	Note Purchase	Current	Jun-21		108	\$ 488,524	\$ 907,258	\$ 6,509,529			
	Home2 Suites by Hilton	Youngstown, OH	Hotel	Note Purchase	Note Purchase	Current	Jun-21		87	\$ 353,504	\$ 656,508	\$ 3,848,977			
	Cambria Hotels	Phoenix, AZ	Hotel	Note Purchase	Note Purchase	Current	May-21		127	\$ 14,618,326	\$ -	\$ 23,636,746			
	Hilton	Sacramento, CA	Hotel	Mortgage Loan	Bridge	Current	May-21		335	\$ 2,940,000	\$ 5,460,000	\$ 24,000,000			
	Hilton	Florence, KY	Hotel	Mortgage Loan	Bridge	Current	May-21		314	\$ 3,185,000	\$ 5,915,000	\$ 26,000,000			
	DoubleTree by Hilton	San Antonio, TX	Hotel	Mortgage Loan	Bridge	Current	May-21		177	\$ 1,500,625	\$ 2,786,875	\$ 12,250,000			
	Renaissance	Dallas, TX	Hotel	Preferred Equity	Preferred Equity	Current	Apr-21		177	\$ 14,000,000	\$ -	\$ 14,000,000			
	Candlewood Suites	Winnemucca, NV	Hotel	Note Purchase	Note Purchase	Current	Mar-21		83	\$ 805,731	\$ 1,496,357	\$ 6,894,418			
	Holiday Inn Express	New Orleans, LA	Hotel	Note Purchase	Note Purchase	Current	Mar-21		151	\$ 2,355,498	\$ 4,374,495	\$ 20,613,415			
	Working Capital Loan - Bellevue, WA	Bellevue, WA	Mixed-Use	Note Purchase	Note Purchase	Current	Jan-21		N/A	\$ 400,437	\$ 743,668	\$ 1,250,000			
	Independent	San Francisco, CA	Hotel	Note Purchase	Note Purchase	Current	Jan-21		93	\$ 2,468,563	\$ 4,584,474	\$ 21,460,000			
	Independent	San Diego, CA	Hotel	Note Purchase	Note Purchase	Current	Jan-21		96	\$ 2,190,091	\$ 4,067,311	\$ 19,039,154			
	BW Premier Collection	Syracuse, NY	Hotel	Note Purchase	Note Purchase	Current	Dec-20		83	\$ 1,506,869	\$ -	\$ 5,796,654			
	Hampton by Hilton	Cartersville, GA	Hotel	Note Purchase	Note Purchase	Current	Dec-20		86	\$ 510,674	\$ 948,395	\$ 4,187,494			
	Hampton by Hilton	New Albany, IN	Hotel	Note Purchase	Note Purchase	Current	Sep-20		128	\$ 731,982	\$ 2,104,058	\$ 10,435,000			
	Holiday Inn Express	Louisville, KY	Hotel	Note Purchase	Note Purchase	Current	Sep-20		150	\$ 634,710	\$ 1,824,455	\$ 9,953,150			
	Hampton by Hilton	Frisco, TX	Hotel	Mortgage Loan	Bridge	Current	Oct-21		105	\$ 2,192,750	\$ 4,072,250	\$ 17,900,000			
	Hampton by Hilton/Hilton Garden Inn	Nanuet, NY	Hotel	Note Purchase	Note Purchase	Current	Jun-21		400	\$ 2,178,903	\$ 4,026,939	\$ 29,310,375			
	Fairfield Inn	Omaha, NE	Hotel	Note Purchase	Note Purchase	Current	Jan-22		90	\$ 600,220	\$ 1,114,693	\$ 7,550,621			
	Quality Inn	Mount Pleasant, IA	Hotel	Note Purchase	Note Purchase	Current	Jan-22		64	\$ 142,384	\$ 264,427	\$ 1,730,095			
	Comfort Suites	Omaha, NE	Hotel	Note Purchase	Note Purchase	Current	Jan-22		63	\$ 238,098	\$ 442,182	\$ 3,030,878			
	Independent	Sioux Falls, SD	Hotel	Note Purchase	Note Purchase	Current	Jan-22		90	\$ 639,584	\$ 1,187,799	\$ 8,998,610			
	Independent	Sioux Falls, SD	Hotel	Note Purchase	Note Purchase	Current	Jan-22		90	\$ 145,859	\$ 270,881	\$ 1,902,881			
	Courtyard	Middleton, WI	Hotel	Mortgage Loan	Bridge	Current	Dec-21		136	\$ 1,745,625	\$ 3,241,875	\$ 14,250,000			

FN	Hotel / Investment	Location	Property Type	Structure	Type	Status	Investment Date	Date Realized	# Keys (e)	Equity Invested	Equity Co-Invested	Total Basis (\$)	Realized IRR	Realized Equity Multiple	Hold Period (Days)
	Hilton Garden Inn	Middleton, WI	Hotel	Mortgage Loan	Bridge	Current	Dec-21		133	\$ 2,051,875	\$ 3,810,625	\$ 16,750,000			
	Hilton Garden Inn	Rockford, IL	Hotel	Mortgage Loan	Bridge	Current	Dec-21		135	\$ 2,740,938	\$ 5,090,313	\$ 22,375,000			
	Residence Inn	Middleton, WI	Hotel	Mortgage Loan	Bridge	Current	Dec-21		122	\$ 1,883,438	\$ 3,497,813	\$ 15,375,000			
	SpringHill Suites	Cheraw, SC	Hotel	Mortgage Loan	Construction	Current	Dec-21		102	\$ 1,898,750	\$ 3,526,250	\$ 10,850,000			
	SpringHill Suites	Mipitas, CA	Hotel	Mortgage Loan	Bridge	Current	Apr-22		124	\$ 1,883,438	\$ 3,497,813	\$ 21,525,000			
	Curio Collection by Hilton	Alpharetta, GA	Hotel	Mortgage Loan	Bridge	Current	Dec-21		119	\$ 4,906,125	\$ 9,111,375	\$ 40,050,000			
(g)	Hyatt Centric	Portland, OR	Hotel	Preferred Equity	Preferred Equity	Current	Nov-21		220	\$ 17,269,979	\$ 6,364,286	\$ 73,134,265			
(g)	Hyatt House	San Jose, CA	Hotel	Preferred Equity	Preferred Equity	Current	Nov-21		165	\$ 13,746,206	\$ 5,065,714	\$ 58,211,920			
(g)	Hyatt Place	Glendale, CA	Hotel	Preferred Equity	Preferred Equity	Current	Nov-21		179	\$ 14,234,650	\$ 5,245,714	\$ 60,280,364			
(g)	Hyatt Place	San Jose, CA	Hotel	Preferred Equity	Preferred Equity	Current	Nov-21		190	\$ 15,804,648	\$ 5,824,286	\$ 66,928,933			
	Hilton Garden Inn/Home2 Suites by Hilton	Tempe, AZ	Hotel	Equity	Acquisition	Current	Jan-22		228	\$ 3,715,873	\$ 15,377,387	\$ 47,103,260			
	Tapestry Collection by Hilton	Kahului, HI	Hotel	Mortgage Loan	Bridge	Current	Jan-22		191	\$ 7,113,575	\$ 13,210,925	\$ 58,070,000			
	Independent	Cincinnati, OH	Hotel	Note Purchase	Note Purchase	Current	Dec-21		129	\$ 296,712	\$ 551,037	\$ 2,758,059			
	Hampton by Hilton	Columbus, OH	Hotel	Note Purchase	Note Purchase	Current	Dec-21		152	\$ 1,614,148	\$ 2,997,702	\$ 15,165,478			
	Homewood Suites by Hilton	Columbus, OH	Hotel	Note Purchase	Note Purchase	Current	Dec-21		109	\$ 4,654,545	\$ 8,644,154	\$ 14,002,196			
	Comfort Suites/Comfort Inn	Indianapolis, IN	Hotel	Note Purchase	Note Purchase	Current	Dec-21		122	\$ 494,623	\$ 918,586	\$ 4,802,065			
	Holiday Inn/Comfort Inn	Bloomington, IN	Hotel	Note Purchase	Note Purchase	Current	Dec-21		184	\$ 684,383	\$ 1,270,998	\$ 7,292,584			
	Holiday Inn Express	Bloomington, IN	Hotel	Note Purchase	Note Purchase	Current	Dec-21		102	\$ 649,714	\$ 1,206,612	\$ 6,923,159			
	Independent	Santa Monica, CA	Hotel	Mortgage Loan	Bridge	Current	Feb-22		84	\$ 5,176,500	\$ 9,613,500	\$ 73,790,000			
	Hilton Garden Inn	Clarksville, TN	Hotel	Mortgage Loan	Bridge	Current	Jun-22		111	\$ 1,400,000	\$ 2,600,000	\$ 13,330,000			
	Home2 Suites by Hilton	Pittsburgh, PA	Hotel	Equity	Acquisition	Current	Feb-22		119	\$ 7,629,141	\$ 1,679,230	\$ 19,708,371			
	Hilton Garden Inn	Casper, WY	Hotel	Equity	Acquisition	Current	Jan-22		121	\$ 6,311,902	\$ -	\$ 17,124,868			
	Courtyard	Paso Robles, CA	Hotel	Equity	Acquisition	Current	Mar-22		130	\$ 17,348,730	\$ -	\$ 46,698,730			
	Home2 Suites by Hilton	Eugene, OR	Hotel	Equity	Acquisition	Current	Feb-22		120	\$ 12,643,617	\$ 2,782,953	\$ 36,901,570			
	aloft Hotel	Hillsboro, OR	Hotel	Equity	Acquisition	Current	Feb-22		137	\$ 10,115,008	\$ 2,226,388	\$ 30,466,388			
(g)	Hampton by Hilton	Newberry, SC	Hotel	Note Purchase	Note Purchase	Current	Dec-21		73	\$ 472,472	\$ 877,447	\$ 5,505,278			
	Fairfield Inn	Milwaukee, WI	Hotel	Note Purchase	Note Purchase	Current	May-22		103	\$ 1,408,462	\$ 12,676,161	\$ 22,904,623			
	element/Tribute Portfolio	Carmel, IN	Hotel	Mortgage Loan	Construction	Current	Oct-22		232	\$ 3,501,269	\$ 6,502,357	\$ 63,503,420			
	Tribute Portfolio	Scottsdale, AZ	Hotel	Mortgage Loan	Bridge	Current	May-22		213	\$ 6,095,600	\$ 11,320,400	\$ 43,540,000			
	Canopy	Atlanta, GA	Hotel	Equity	Acquisition	Current	Jun-22		176	\$ 26,331,741	\$ 5,023,035	\$ 72,142,276			
	Four Points by Sheraton	Denver, CO	Hotel	Note Purchase	Note Purchase	Current	Jan-22		144	\$ 13,150,000	\$ -	\$ 25,555,202			
	Livingston Mall - Livingston, NJ	Livingston, NJ	Retail	Mortgage Loan	Bridge	Current	Jun-22		NA	\$ 4,605,000	\$ 10,095,000	\$ 42,000,000			
(g)	Greenwood Mall - Bowling Green, KY	Bowling Green, KY	Retail	Mortgage Loan	Bridge	Current	Aug-22		NA	\$ 10,355,000	\$ 6,545,000	\$ 42,250,000			
	Opus Place - Atlanta, GA	Atlanta, GA	Land	Mortgage Loan	Bridge	Current	Aug-22		NA	\$ 17,100,000	\$ 900,000	\$ 40,000,000			
	Traton Homes Majors Road - Cumming, GA	Marietta, GA	Land	Preferred Equity	Preferred Equity	Current	Jan-22		NA	\$ 2,471,162	\$ -	\$ 2,471,162			
	Margaritaville	South Padre Island, TX	Hotel	Mortgage Loan	Bridge	Realized	Feb-21	Dec-23	200	\$ 2,818,200	\$ 7,246,800	\$ 30,500,000	20.7%	1.56x	1,050
	Holiday Inn Express	Bradenton, FL	Hotel	Note Purchase	Note Purchase	Realized	Sep-21	Mar-22	129	\$ 697,935	\$ 9,120,215	\$ 64.8%	1.25x	168	
	Holiday Inn	Greensboro, NC	Hotel	Note Purchase	Note Purchase	Realized	Sep-21	Dec-23	196	\$ 524,423	\$ 973,929	\$ 6,852,867	19.7%	1.49x	806
	Staybridge Suites	Baltimore, MD	Hotel	Note Purchase	Note Purchase	Realized	Sep-21	Aug-23	101	\$ 2,530,280	\$ 138,745	\$ 13,966,470	66.1%	2.61x	693
	Crocker & Towne Wholesale Mart - Los Angeles, CA	Los Angeles, CA	Retail	Note Purchase	Note Purchase	Realized	Oct-21	Jul-22	NA	\$ 4,587,843	\$ -	\$ 5,135,203	25.5%	1.21x	303
	Crocker & Towne (Participation) - Los Angeles, CA	Los Angeles, CA	Retail	Note Purchase	Note Purchase	Realized	Oct-21	Jul-22	NA	\$ 4,003,061	\$ -	\$ 4,480,653	28.2%	1.22x	302
	CNL - 2nd DOT Los Angeles, CA	Los Angeles, CA	Retail	Note Purchase	Note Purchase	Realized	Oct-21	Jun-22	NA	\$ 1,540,324	\$ -	\$ 2,730,340	-56.9%	0.57x	266
	CNL - 1st DOT (Participation) - Los Angeles, CA	Los Angeles, CA	Retail	Note Purchase	Note Purchase	Realized	Oct-21	Jun-22	NA	\$ 3,621,635	\$ -	\$ 6,419,619	153.4%	1.92x	266
	Best Space Realty Corp - Irving, TX	Irving, TX	Retail	Note Purchase	Note Purchase	Realized	Oct-21	Dec-21	NA	\$ 5,339,407	\$ -	\$ 6,124,087	180.5%	1.19x	62
	Super Foodtown - Hempstead, NY	Hempstead, NY	Retail	Note Purchase	Note Purchase	Realized	Oct-21	Nov-21	NA	\$ 1,304,609	\$ -	\$ 1,390,037	42.7%	1.06x	57
	Holiday Inn Express	Solana Beach, CA	Hotel	Note Purchase	Note Purchase	Realized	Oct-21	Mar-23	80	\$ 1,337,794	\$ -	\$ 5,054,000	11.1%	1.16x	517
	Holiday Inn Express	Solana Beach, CA	Hotel	Note Purchase	Note Purchase	Realized	Oct-21	Mar-23	80	\$ 2,075,844	\$ -	\$ 7,842,250	10.9%	1.15x	517
	Fairfield Inn	Channelview, TX	Hotel	Note Purchase	Note Purchase	Realized	Oct-21	Dec-22	63	\$ 879,223	\$ -	\$ 3,504,087	28.3%	1.16x	441
	Ample Korean Restaurant - Barstow, CA	Barstow, CA	Retail	Note Purchase	Note Purchase	Realized	Oct-21	Jan-22	NA	\$ 166,086	\$ -	\$ 437,622	17.4%	1.05x	113
	aloft Hotel	Detroit, MI	Hotel	Mortgage Loan	Bridge	Realized	Sep-21	Oct-23	136	\$ 4,165,000	\$ 7,735,000	\$ 34,000,000	15.1%	1.31x	776
	TownePlace Suites	Gonzales, LA	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Nov-21	95	\$ 518,682	\$ 970,786	\$ 7,162,344	49.9%	1.17x	154
	Residence Inn	Pasadena, TX	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Oct-21	104	\$ 657,924	\$ 1,221,426	\$ 9,004,604	91.1%	1.17x	94
	Hampton by Hilton/Holiday Inn Express	Kansas City, KS	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Mar-22	268	\$ 640,484	\$ 1,206,011	\$ 8,902,862	48.1%	1.30x	260
	Holiday Inn Express/Hampton by Hilton	Kansas City, KS	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Mar-22	268	\$ 149,259	\$ 281,050	\$ 2,074,735	48.1%	1.30x	260
	Hampton by Hilton	East Syracuse, NY	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Dec-21	92	\$ 134,417	\$ 242,328	\$ 1,749,071	76.1%	1.31x	184
	Hampton by Hilton	East Syracuse, NY	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Dec-21	92	\$ 468,977	\$ 845,476	\$ 6,102,661	76.8%	1.31x	184
	Holiday Inn	Canton, OH	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Sep-22	184	\$ 679,141	\$ 1,265,316	\$ 9,233,658	8.4%	1.21x	435
	Hampton by Hilton	Pasadena, TX	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Oct-21	90	\$ 383,305	\$ 713,731	\$ 5,263,272	89.1%	1.17x	94
	Hampton by Hilton	Montgomery, AL	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Dec-23	86	\$ 561,972	\$ 1,050,073	\$ 7,643,684	17.9%	1.40x	885
	Hampton by Hilton	Lake Charles, LA	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Sep-22	82	\$ 451,025	\$ 844,348	\$ 6,112,120	24.7%	1.28x	458
	Hampton by Hilton	Enterprise, AL	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Dec-21	75	\$ 337,588	\$ 630,708	\$ 4,606,574	51.8%	1.19x	164
	Hyatt Regency	Newport Beach, CA	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Sep-21	343	\$ 6,470,683	\$ 12,016,982	\$ 19,123,131	27.4%	1.04x	67
	Holiday Inn Express	Tacoma, WA	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Sep-21	78	\$ 1,864,849	\$ 3,463,290	\$ 5,511,280	33.9%	1.08x	93
	Hampton by Hilton	Tacoma, WA	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Apr-22	146	\$ 1,041,150	\$ 1,933,565	\$ 12,206,209	30.8%	1.23x	287
	Hampton by Hilton	Seal Beach, CA	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Jun-23	110	\$ 1,144,610	\$ 2,125,705	\$ 13,066,014	20.4%	1.40x	707
	Independent	Pico Rivera, CA	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Jan-22	55	\$ 1,024,798	\$ 1,903,197	\$ 3,161,764	41.3%	1.19x	193
	Comfort Inn	Tacoma, WA	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Nov-22	162	\$ 663,149	\$ 1,231,562	\$ 8,051,223	20.4%	1.18x	506
	Cambria Hotels	New York, NY	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Mar-23	135	\$ 1,585,160	\$ 2,943,868	\$ 18,095,002	11.9%	1.20x	623
	Best Western	Simi Valley, CA	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Sep-22	120	\$ 927,023	\$ 1,721,614	\$ 10,809,776	33.8%	1.41x	430
	Best Western	Santa Clara, CA	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Dec-21	52	\$ 1,638,427	\$ 3,042,792	\$ 4,972,993	26.0%	1.10x	157
	Courtyard	Lafayette, IN	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Dec-23	122	\$ 753,543	\$ 1,399,436	\$ 9,127,665	39.6%	2.05x	917
	Courtyard	Newark, OH	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Jan-22	84	\$ 42,664	\$ 79,233	\$ 489,022	28.4%	1.16x	223
	Courtyard	Newark, OH	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Jan-22	84	\$ 370,586	\$ 688,230	\$ 4,247,688	29.7%	1.17x	223

FN	Hotel / Investment	Location	Property Type	Structure	Type	Status	Investment Date	Date Realized	# Keys (e)	Equity Invested	Equity Co-Invested	Total Basis (\$)	Realized IRR	Realized Equity Multiple	Hold Period (Days)
	Courtyard	South Bend, IN	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Jul-22	140	\$ 822,026	\$ 1,526,619	\$ 9,223,686	9.1%	1.07x	399
	Staybridge Suites	South Bend, IN	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Jul-22	90	\$ 454,359	\$ 843,809	\$ 5,098,216	9.1%	1.07x	399
	Holiday Inn Express	Livonia, MI	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Feb-22	100	\$ 234,565	\$ 435,621	\$ 2,688,611	28.7%	1.17x	226
	Holiday Inn Express	Livonia, MI	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Feb-22	100	\$ 328,326	\$ 609,748	\$ 3,763,302	27.1%	1.16x	226
	Hampton by Hilton	Tiffin, OH	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Apr-22	65	\$ 164,613	\$ 305,710	\$ 1,949,628	23.2%	1.18x	293
	Holiday Inn Express	Granger, IN	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Jun-22	90	\$ 508,493	\$ 944,345	\$ 5,766,061	17.4%	1.18x	350
	Holiday Inn	Big Rapids, MI	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Nov-21	118	\$ 1,005,501	\$ 1,867,358	\$ 3,750,093	56.8%	1.20x	146
	Ascend Collection	New York, NY	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Oct-23	122	\$ 6,755,000	\$ 12,545,000	\$ 21,860,281	16.7%	1.41x	856
	Hilton Garden Inn	Atlanta, GA	Hotel	Preferred Equity	Preferred Equity	Realized	Dec-20	May-23	242	\$ 4,300,000	\$ -	\$ 4,300,000	29.6%	1.50x	865
	Embassy Suites by Hilton	Atlanta, GA	Hotel	Preferred Equity	Preferred Equity	Realized	Dec-20	Aug-23	321	\$ 3,000,000	\$ -	\$ 3,000,000	57.0%	1.50x	987
	Tru	Florida City, FL	Hotel	Mortgage Loan	Bridge	Realized	May-21	Aug-23	80	\$ 713,563	\$ 1,325,188	\$ 5,825,000	15.5%	1.33x	811
	Home2 Suites by Hilton	Florida City, FL	Hotel	Mortgage Loan	Bridge	Realized	May-21	Aug-23	96	\$ 995,313	\$ 1,848,438	\$ 8,125,000	14.6%	1.31x	811
	Staybridge Suites	Hillsboro, OR	Hotel	Note Purchase	Note Purchase	Realized	Jun-21	Sep-21	80	\$ 8,800,000	\$ -	\$ 8,644,006	29.4%	1.08x	106
	Cambria Hotels	Bloomington, MN	Hotel	Note Purchase	Note Purchase	Realized	Mar-21	May-21	170	\$ 17,560,000	\$ -	\$ 16,250,000	6.4%	1.01x	73
	SpringHill Suites	East Syracuse, NY	Hotel	Note Purchase	Note Purchase	Realized	Feb-21	Jan-23	119	\$ 478,618	\$ 888,861	\$ 7,196,364	39.9%	1.87x	713
	Fairfield Inn	East Syracuse, NY	Hotel	Note Purchase	Note Purchase	Realized	Feb-21	Apr-23	108	\$ 576,809	\$ 1,071,216	\$ 8,813,002	30.0%	1.82x	800
	Best Western Plus	Cascade Locks, OR	Hotel	Note Purchase	Note Purchase	Realized	Mar-21	Jul-21	63	\$ 369,195	\$ 685,647	\$ 1,141,326	37.1%	1.10x	109
	Best Western Plus	Cascade Locks, OR	Hotel	Note Purchase	Note Purchase	Realized	Mar-21	Jul-21	63	\$ 537,563	\$ 998,330	\$ 1,661,817	36.3%	1.09x	109
	SpringHill Suites	Reno, NV	Hotel	Note Purchase	Note Purchase	Realized	Mar-21	Jun-22	117	\$ 1,395,621	\$ 2,591,868	\$ 11,941,941	10.2%	1.09x	460
	Hampton by Hilton	Birmingham, AL	Hotel	Note Purchase	Note Purchase	Realized	Mar-21	May-21	133	\$ 2,354,433	\$ 4,372,519	\$ 7,278,476	88.7%	1.09x	54
	La Quinta Inns & Suites	Winchester, VA	Hotel	Note Purchase	Note Purchase	Realized	Mar-21	Apr-22	100	\$ 139,124	\$ 258,374	\$ 1,290,848	32.7%	1.24x	396
	La Quinta Inns & Suites	Winchester, VA	Hotel	Note Purchase	Note Purchase	Realized	Mar-21	Apr-22	100	\$ 697,990	\$ 1,296,266	\$ 6,108,243	22.4%	1.16x	396
	Hampton by Hilton	Martinsburg, WV	Hotel	Note Purchase	Note Purchase	Realized	Mar-21	Jun-21	99	\$ 2,564,416	\$ 4,762,486	\$ 7,927,814	29.2%	1.08x	108
	Residence Inn	Des Moines, IA	Hotel	Note Purchase	Note Purchase	Realized	Mar-21	Sep-21	127	\$ 1,605,660	\$ 2,981,940	\$ 14,547,370	31.9%	1.16x	200
	Hilton	Kansas City, MO	Hotel	Note Purchase	Note Purchase	Realized	Jan-21	Jun-21	213	\$ 372,242	\$ 691,305	\$ 1,161,985	41.7%	1.13x	133
	Hilton	Kansas City, MO	Hotel	Note Purchase	Note Purchase	Realized	Jan-21	Jun-21	213	\$ 458,711	\$ 851,891	\$ 1,431,907	28.8%	1.09x	133
	Hilton	Kansas City, MO	Hotel	Note Purchase	Note Purchase	Realized	Jan-21	Jun-21	213	\$ 5,079,720	\$ 9,433,766	\$ 15,856,800	34.7%	1.11x	133
	Office Condo - Fort Worth, TX	Fort Worth, TX	Office	Note Purchase	Note Purchase	Realized	Dec-20	Sep-21	N/A	\$ 0	\$ 1	\$ 284,551	(c)	(c)	(c)
	Office Condo - Matthews, NC	Matthews, NC	Office	Note Purchase	Note Purchase	Realized	Dec-20	Feb-21	N/A	\$ 29,898	\$ 55,526	\$ 105,628	282.4%	1.24x	60
	DoubleTree by Hilton	West Fargo, ND	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Jul-22	103	\$ 800,252	\$ 1,486,183	\$ 6,866,419	13.2%	1.20x	549
	Holiday Inn Express	Rapid City, SD	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Apr-21	99	\$ 2,194,712	\$ 4,075,892	\$ 6,979,063	55.1%	1.13x	101
	BW Premier Collection	Syracuse, NY	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Jul-23	83	\$ 247,823	\$ -	\$ 301,297	15.4%	1.42x	933
	Homewood Suites by Hilton	East Syracuse, NY	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Sep-23	101	\$ 2,408,719	\$ -	\$ 8,385,405	34.9%	2.20x	997
	Hilton Garden Inn	East Syracuse, NY	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Sep-23	100	\$ 1,485,589	\$ -	\$ 7,500,018	69.9%	3.92x	997
	SpringHill Suites	Roswell, GA	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Jul-23	90	\$ 949,608	\$ 1,763,558	\$ 8,528,316	19.6%	1.56x	932
	Holiday Inn Express	Alpharetta, GA	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Sep-21	92	\$ 1,405,686	\$ 2,610,559	\$ 5,460,510	61.8%	1.43x	274
	Holiday Inn Express	Mathews, NC	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Sep-21	89	\$ 958,782	\$ 1,780,595	\$ 3,188,758	84.4%	1.10x	60
	Holiday Inn Express	Charlotte, NC	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Feb-21	123	\$ 2,683,931	\$ 4,984,443	\$ 8,226,731	16.5%	1.02x	60
	Holiday Inn Express	Charlotte, NC	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Feb-21	123	\$ 153,931	\$ 285,870	\$ 471,741	12.4%	1.02x	60
	Fairfield Inn	Charlotte, NC	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Feb-21	82	\$ 1,213,458	\$ 2,253,564	\$ 5,325,794	(a)	(a)	(a)
	DoubleTree by Hilton	New Bern, NC	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Oct-22	171	\$ 829,742	\$ 1,540,950	\$ 11,458,926	54.9%	2.28x	683
	DoubleTree by Hilton	New Bern, NC	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Oct-22	171	\$ 48,562	\$ 90,186	\$ 670,648	73.4%	2.81x	683
	DoubleTree by Hilton	Atlantic Beach, NC	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Jun-23	200	\$ 1,095,829	\$ 2,035,110	\$ 9,908,932	17.2%	1.49x	920
	Hampton by Hilton	Alamosa, CO	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Nov-21	80	\$ 273,722	\$ 508,339	\$ 873,191	20.2%	1.18x	342
	Hampton by Hilton	Alamosa, CO	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Nov-21	80	\$ 1,823,745	\$ 3,386,954	\$ 5,817,872	20.1%	1.18x	342
	Holiday Inn Express	Las Vegas, NM	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Aug-21	68	\$ 295,538	\$ 548,857	\$ 964,971	28.3%	1.18x	244
	Holiday Inn Express	Las Vegas, NM	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Aug-21	68	\$ 1,054,456	\$ 1,958,276	\$ 3,442,936	28.4%	1.18x	244
	Fairfield Inn	Fort Morgan, CO	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Oct-22	82	\$ 55,210	\$ 102,532	\$ 466,513	15.7%	1.32x	680
	Fairfield Inn	Fort Morgan, CO	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Oct-22	82	\$ 708,496	\$ 1,315,778	\$ 6,157,707	17.7%	1.36x	680
	TownePlace Suites	Loveland, CO	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Feb-23	102	\$ 1,495,727	\$ 2,777,778	\$ 13,150,000	17.8%	1.40x	790
	Hilton Garden Inn	Omaha, NE	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Mar-22	131	\$ 4,710,851	\$ 8,748,351	\$ 15,290,938	18.5%	1.22x	452
	Holiday Inn	Omaha, NE	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Apr-21	114	\$ 426,040	\$ 791,217	\$ 1,306,536	25.6%	1.09x	134
	Holiday Inn	Omaha, NE	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	Apr-21	114	\$ 3,074,721	\$ 5,710,195	\$ 9,429,234	25.4%	1.08x	134
	Home2 Suites by Hilton	Hilton Head, SC	Hotel	Note Purchase	Note Purchase	Realized	Dec-20	May-21	99	\$ 2,244,557	\$ 4,168,464	\$ 7,183,396	45.4%	1.16x	151
	Independent	Raleigh, NC	Hotel	Mezzanine	Mezzanine	Realized	Sep-20	Mar-21	126	\$ 3,000,000	\$ -	\$ 3,000,000	16.3%	1.08x	183
	Tribute Portfolio	San Diego, CA	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Sep-21	162	\$ 10,369,562	\$ 19,257,758	\$ 36,402,714	24.1%	1.20x	364
	Independent	Santa Barbara, CA	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Jun-21	50	\$ 2,965,438	\$ 5,507,241	\$ 10,499,642	35.2%	1.24x	274
	Hampton by Hilton	Cullman, AL	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Jul-22	86	\$ 43,260	\$ 124,351	\$ 629,928	37.2%	1.53x	656
	Country Inn & Suites	California, MD	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Oct-21	88	\$ 115,640	\$ 332,404	\$ 1,637,100	34.1%	1.36x	392
	Wingate by Wyndham	Lancaster, PA	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Jan-21	70	\$ 10,503	\$ 30,192	\$ 50,000	118.8%	1.26x	109
	Country Inn & Suites	California, MD	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Oct-21	88	\$ 152,902	\$ 439,511	\$ 2,164,603	34.1%	1.36x	392
	Home2 Suites by Hilton	Fort Worth, TX	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Dec-21	127	\$ 923,172	\$ 2,653,628	\$ 11,718,316	26.0%	1.32x	468
	Home2 Suites by Hilton	Albany, NY	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Sep-23	90	\$ 613,739	\$ 1,764,172	\$ 8,124,396	20.4%	1.76x	1,100
	Days Inn	State College, PA	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Apr-21	184	\$ 782,682	\$ 2,249,795	\$ 7,217,073	41.6%	1.21x	207
	Wyndham Garden Hotel	Dania Beach, FL	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Jan-22	142	\$ 1,238,901	\$ 3,561,179	\$ 15,400,000	25.9%	1.33x	477
	Hampton by Hilton	Bowie, MD	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Oct-22	103	\$ 552,897	\$ 1,589,283	\$ 9,089,718	53.9%	1.98x	749
	Hampton by Hilton	Cullman, AL	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Jul-22	86	\$ 359,511	\$ 1,033,401	\$ 5,234,941	38.1%	1.55x	656
	Hampton by Hilton	Charlotte, NC	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Apr-21	132	\$ 2,013,787	\$ 5,788,566	\$ 9,786,628	22.3%	1.12x	210
	Days Inn	Gettysburg, PA	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Dec-21	112	\$ 364,362	\$ 1,047,347	\$ 4,896,793	25.6%	1.32x	468
	Wingate by Wyndham	Lancaster, PA	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Jan-21	70	\$ 425,889	\$ 1,224,205	\$ 2,027,379	153.7%	1.31x	109
	Holiday Inn Express	Commerce, GA	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Jan-21	77	\$ 1,075,933	\$ 3,092,905	\$ 5,002,224	78.0%	1.20x	126
	Hilton Garden Inn	Duluth, GA	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Dec-23	122	\$ 968,005	\$ 2,782,499	\$ 12,032,667	8.3%	1.28x	1,191
	Holiday Inn	Duluth, GA	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Jan-21	143	\$ 1,531,682	\$ 4,402,769	\$ 7,375,367	71.0%	1.21x	118

FN	Hotel / Investment	Location	Property Type	Structure	Type	Status	Investment Date	Date Realized	# Keys (e)	Equity Invested	Equity Co-Invested	Total Basis (\$)	Realized IRR	Realized Equity Multiple	Hold Period (Days)	
	Hyatt Place	Fort Myers, FL	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Sep-21	148	\$ 2,442,751	\$ 7,021,607	\$ 12,232,848	35.1%	1.34x	364	
	TownePlace Suites	Florence, SC	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Feb-22	89	\$ 586,764	\$ 1,686,633	\$ 7,093,322	13.0%	1.18x	512	
	Courtyard	Florence, SC	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Aug-21	90	\$ 999,562	\$ 2,873,209	\$ 6,196,451	77.1%	1.62x	329	
	Comfort Inn	Lancaster, PA	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Jan-21	111	\$ 921,578	\$ 2,649,045	\$ 5,233,295	243.9%	1.34x	111	
	Staybridge Suites	Cathedral City, CA	Hotel	Note Purchase	Note Purchase	Realized	Jun-20	Apr-21	197	\$ 10,000,000	\$ 3,800,000	\$ 19,750,000	87.2%	1.69x	307	
	Fairfield Inn	Terreclua, CA	Hotel	Note Purchase	Note Purchase	Realized	Nov-21	Jan-23	94	\$ 1,241,266	\$ -	\$ 5,046,413	29.0%	1.36x	435	
	Resort Property - Asheville, NC	Asheville, NC	Other	Note Purchase	Note Purchase	Realized	Sep-21	Sep-23	NA	\$ 1,084,910	\$ 2,014,832	\$ 14,176,984	18.4%	1.39x	720	
	Retail and Single Family - Brevard, NC	Brevard, NC	MultiFamily	Note Purchase	Note Purchase	Realized	Sep-21	Mar-22	NA	\$ 113,001	\$ 209,859	\$ 1,476,636	57.4%	1.22x	162	
	Townhome Development - Asheville, NC	Asheville, NC	MultiFamily	Note Purchase	Note Purchase	Realized	Sep-21	Sep-23	NA	\$ 10,022	\$ 18,611	\$ 130,957	35.4%	1.81x	720	
	Best Western/Best Western	Lexington, VA	Hotel	Note Purchase	Note Purchase	Realized	Sep-20	Dec-21	488	\$ 677,341	\$ 1,946,993	\$ 10,005,634	39.2%	1.47x	461	
	Courtyard	Nagara Falls, NY	Hotel	Note Purchase	Note Purchase	Realized	Dec-21	Jul-22	82	\$ 4,222,407	\$ -	\$ 4,312,049	20.6%	1.12x	232	
	Hilton Garden Inn	Aurora, CO	Hotel	Mortgage Loan	Bridge	Realized	Dec-21	Jun-23	157	\$ 2,805,250	\$ 5,209,750	\$ 22,900,000	17.8%	1.26x	563	
	Stanford 1050 - Los Angeles, CA	Los Angeles, CA	Retail	Note Purchase	Note Purchase	Realized	Nov-21	Dec-21	NA	\$ 10,262,872	\$ -	\$ 10,580,062	76.7%	1.04x	25	
	Econo Lodge	Yankton, SD	Hotel	Note Purchase	Note Purchase	Realized	Jan-22	Jun-22	59	\$ 147,941	\$ 274,747	\$ 1,719,461	27.6%	1.13x	155	
	Wingate by Wyndham	Sioux City, IA	Hotel	Note Purchase	Note Purchase	Realized	Jan-22	Oct-23	62	\$ 176,706	\$ 328,167	\$ 2,197,065	25.0%	1.47x	641	
	My Place	Fargo, ND	Hotel	Note Purchase	Note Purchase	Realized	Jan-22	Apr-22	64	\$ 711,633	\$ 1,321,603	\$ 2,246,324	55.6%	1.11x	88	
	SpringHill Suites	Coraville, IA	Hotel	Note Purchase	Note Purchase	Realized	Jan-22	Dec-22	102	\$ 35,684	\$ 66,269	\$ 639,290	24.9%	1.24x	323	
	SpringHill Suites	Coraville, IA	Hotel	Note Purchase	Note Purchase	Realized	Jan-22	Dec-22	102	\$ 804,966	\$ 1,494,936	\$ 9,205,706	42.7%	1.43x	323	
	Independent	Sioux Falls, SD	Hotel	Note Purchase	Note Purchase	Realized	Jan-22	Jun-22	83	\$ 300,308	\$ 557,713	\$ 981,012	61.1%	1.27x	154	
	Country Inn & Suites	Kearney, NE	Hotel	Note Purchase	Note Purchase	Realized	Jan-22	Apr-22	73	\$ 63,563	\$ 118,044	\$ 202,921	59.5%	1.14x	99	
	Country Inn & Suites	Kearney, NE	Hotel	Note Purchase	Note Purchase	Realized	Jan-22	Apr-22	73	\$ 661,252	\$ 1,228,039	\$ 2,019,229	27.7%	1.07x	99	
	Days Inn	Kearney, NE	Hotel	Note Purchase	Note Purchase	Realized	Jan-22	Apr-22	60	\$ 1,129,866	\$ 2,097,950	\$ 3,606,400	19.7%	1.05x	99	
	Holiday Inn Express	Carter Lake, IA	Hotel	Note Purchase	Note Purchase	Realized	Jan-22	Sep-22	85	\$ 622,843	\$ 1,156,708	\$ 7,278,611	20.2%	1.13x	258	
	Hampton by Hilton	Carter Lake, IA	Hotel	Note Purchase	Note Purchase	Realized	Jan-22	Sep-22	85	\$ 664,455	\$ 1,233,987	\$ 7,764,895	19.6%	1.13x	260	
	My Place	Jamestown, ND	Hotel	Note Purchase	Note Purchase	Realized	Jan-22	Jul-22	46	\$ 190,339	\$ 353,486	\$ 2,212,229	27.1%	1.14x	173	
	Best Western	Macomb, IL	Hotel	Note Purchase	Note Purchase	Realized	Jan-22	May-22	50	\$ 384,723	\$ 714,486	\$ 1,318,078	66.0%	1.19x	127	
	Super 8	Mound City, MO	Hotel	Note Purchase	Note Purchase	Realized	Jan-22	Jul-22	43	\$ 86,362	\$ 160,386	\$ 1,026,058	27.4%	1.09x	181	
	La Quinta Inns & Suites	Lenexa, KS	Hotel	Note Purchase	Note Purchase	Realized	Jan-22	Jun-22	106	\$ 242,450	\$ 450,263	\$ 3,014,492	55.4%	1.16x	152	
	La Quinta Inns & Suites	Lenexa, KS	Hotel	Note Purchase	Note Purchase	Realized	Jan-22	Jun-22	106	\$ 22,050	\$ 40,951	\$ 274,163	47.2%	1.17x	152	
	Best Western Plus	Mesa, AZ	Hotel	Note Purchase	Note Purchase	Realized	Jan-22	Jul-22	115	\$ 546,975	\$ 1,015,810	\$ 6,498,540	24.6%	1.11x	182	
	Hampton by Hilton	Metaline, LA	Hotel	Mortgage Loan	Bridge	Realized	Jan-22	Aug-23	111	\$ 1,391,600	\$ 2,584,400	\$ 11,360,000	16.8%	1.24x	555	
	Curio Collection by Hilton	Cincinnati, OH	Hotel	Note Purchase	Note Purchase	Realized	Dec-21	May-23	148	\$ 2,134,157	\$ 3,963,434	\$ 19,629,016	10.4%	1.14x	523	
	Courtyard	Cincinnati, OH	Hotel	Note Purchase	Note Purchase	Realized	Dec-21	Dec-22	126	\$ 1,918,978	\$ 3,563,816	\$ 19,053,870	12.3%	1.10x	258	
	TownePlace Suites	Cincinnati, OH	Hotel	Note Purchase	Note Purchase	Realized	Dec-21	Aug-22	110	\$ 4,318,887	\$ 8,020,790	\$ 13,730,650	23.0%	1.15x	347	
	Holiday Inn	Budd Lake, NJ	Hotel	Note Purchase	Note Purchase	Realized	Dec-21	Aug-22	141	\$ 2,151,363	\$ 3,995,387	\$ 6,335,661	17.2%	1.09x	236	
	Holiday Inn Express	Bellevue, KY	Hotel	Note Purchase	Note Purchase	Realized	Dec-21	Aug-22	73	\$ 1,589,614	\$ 2,952,140	\$ 4,681,338	18.1%	1.11x	236	
	MainStay Suites/Comfort Suites	Cincinnati, OH	Hotel	Note Purchase	Note Purchase	Realized	Dec-21	Jul-23	113	\$ 942,490	\$ 1,750,338	\$ 9,099,637	16.3%	1.27x	587	
	Home2 Suites by Hilton	Bloomington, IN	Hotel	Note Purchase	Note Purchase	Realized	Dec-21	Sep-22	107	\$ 4,104,165	\$ 7,622,020	\$ 12,346,496	9.8%	1.08x	286	
	Wingate by Wyndham	Mooresville, NC	Hotel	Note Purchase	Note Purchase	Realized	Dec-21	Sep-22	86	\$ 1,814,432	\$ 3,369,658	\$ 6,459,030	52.5%	1.35x	275	
	Courtyard	Nagara Falls, NY	Hotel	Note Purchase	Note Purchase	Realized	Dec-21	Jul-22	82	\$ 1,377,593	\$ -	\$ 1,409,776	22.4%	1.14x	232	
	TownePlace Suites	Cupertino, CA	Hotel	Note Purchase	Note Purchase	Realized	Jan-22	Oct-22	100	\$ 1,525,934	\$ -	\$ 14,706,243	-4.7%	0.96x	288	
	BentoLiving (Note A) - Nashville, TN	Nashville, TN	Mixed-Use	Note Purchase	Note Purchase	Realized	Mar-22	Mar-23	NA	\$ 4,026,446	\$ 7,477,686	\$ 12,000,000	13.4%	1.13x	357	
	Independent	Nashville, TN	Hotel	Note Purchase	Note Purchase	Realized	Mar-22	Mar-23	89	\$ 123,440	\$ 229,246	\$ 1,000,000	9.3%	1.07x	357	
	Avondale Station - Avondale, AZ	Avondale, AZ	Other	Mortgage Loan	Bridge	Realized	May-22	Dec-22	NA	\$ 4,700,000	\$ -	\$ 4,700,000	14.6%	1.08x	206	
	Speedway Villas - Myrtle Beach, SC	Myrtle Beach, SC	Other	Mortgage Loan	Bridge	Realized	May-22	Jun-23	NA	\$ 5,250,000	\$ -	\$ 5,250,000	15.4%	1.15x	382	
	Sprinkle Cutoff - Austin, TX	Austin, TX	Other	Mortgage Loan	Bridge	Realized	May-22	Jun-23	NA	\$ 4,700,000	\$ -	\$ 4,700,000	15.7%	1.15x	386	
	Traton Homes East Park Village - Kennesaw, GA	Marietta, GA	Land	Preferred Equity	Preferred Equity	Realized	Sep-21	Jul-23	NA	\$ 3,331,085	\$ -	\$ 3,331,085	18.3%	1.31x	669	
	Traton Homes Milford - Marietta, GA	Marietta, GA	Land	Preferred Equity	Preferred Equity	Realized	Nov-21	Jan-23	NA	\$ 985,276	\$ -	\$ 985,276	20.9%	1.27x	429	
	<i>Participations in Other Vehicles</i>															
	Hilton Garden Inn (f)	Arlington, VA	Hotel	Mortgage Loan	Bridge	Realized	Jul-20	Dec-21	248	\$ 4,275,000	\$ 1,425,000	\$ 19,000,000	13.8%	1.25x	504	
	Sub-Total (Weighted-Average)	244 Investments							24,679	\$ 715,636,559	\$ 600,130,753	\$ 3,154,093,869	29.2%	1.26x	346	

Peachtree Strategic Opportunity Fund

	Hyatt Place	Reno, NV	Hotel	Mortgage Loan	Construction	Current	Sep-22		132	\$ 6,500,000	\$ -	\$ 26,000,000			
	Hampton by Hilton	Jamaica, NY	Hotel	Mortgage Loan	Bridge	Current	Sep-22		216	\$ 4,965,800	\$ 12,769,200	\$ 43,735,000			
	Canopy	Columbus, OH	Hotel	Mortgage Loan	Bridge	Current	Jul-22		167	\$ 3,306,000	\$ 3,000,000	\$ 26,301,000			
	TownePlace Suites	Irving, TX	Hotel	Mortgage Loan	Bridge	Current	Aug-22		119	\$ 1,575,000	\$ 2,925,000	\$ 15,000,000			
	Candlewood Suites	North Syracuse, NY	Hotel	Mortgage Loan	Bridge	Current	Jun-22		115	\$ 441,249	\$ 2,989,332	\$ 3,980,581			
	Suburban Extended Stay	Westminster, CO	Hotel	Mortgage Loan	Bridge	Current	Jun-22		128	\$ 2,078,608	\$ 1,362,969	\$ 8,441,577			
	Sonesta ES Suites	Memphis, TN	Hotel	Mortgage Loan	Bridge	Current	Jun-22		105	\$ 1,231,749	\$ 807,673	\$ 5,539,422			
	Sonesta ES Suites	Lombard, IL	Hotel	Mortgage Loan	Bridge	Current	Jun-22		144	\$ 1,276,228	\$ 836,839	\$ 7,613,067			
	Sonesta ES Suites	Middleburg Heights, OH	Hotel	Mortgage Loan	Bridge	Current	Jun-22		158	\$ 1,881,046	\$ 1,233,425	\$ 9,614,471			
	Sonesta ES Suites	Dublin, OH	Hotel	Mortgage Loan	Bridge	Current	Jun-22		106	\$ 725,139	\$ 475,483	\$ 5,800,622			
	Sonesta Simply Suites	Knoxville, TN	Hotel	Mortgage Loan	Bridge	Current	Jun-22		98	\$ 1,160,250	\$ 760,791	\$ 5,421,041			
	Sonesta Simply Suites	Southfield, MI	Hotel	Mortgage Loan	Bridge	Current	Jun-22		121	\$ 1,312,691	\$ 860,748	\$ 6,373,439			
	Sonesta ES Suites	Montgomery, AL	Hotel	Mortgage Loan	Bridge	Current	Jun-22		94	\$ 1,394,206	\$ 914,198	\$ 6,308,404			
	Holiday Inn	Lancaster, PA	Hotel	Note Purchase	Note Purchase	Current	Jun-22		215	\$ 1,842,855	\$ -	\$ 12,662,700			
	Blue Star Studio - Forrest Park, GA	Forrest Park, GA	Industrial	Mortgage Loan	Construction	Current	Jul-22		NA	\$ 3,854,455	\$ 9,995,545	\$ 25,850,000			
	TRYP by Wyndham	Fort Lauderdale, FL	Hotel	Mortgage Loan	Bridge	Current	Sep-22		150	\$ 1,446,638	\$ 3,375,488	\$ 22,432,126			

FN	Hotel / Investment	Location	Property Type	Structure	Type	Status	Investment Date	Date Realized	# Keys (e)	Equity Invested	Equity Co-Invested	Total Basis (\$)	Realized IRR	Realized Equity Multiple	Hold Period (Days)
	Courtyard	Myrtle Beach, SC	Hotel	Mortgage Loan	Bridge	Current	Oct-22		135	\$ 690,000	\$ 1,610,000	\$ 12,570,000			
	Courtyard	Charlotte, NC	Hotel	Mortgage Loan	Bridge	Current	Oct-22		148	\$ 930,000	\$ 2,170,000	\$ 17,280,000			
	Hilton Garden Inn	Roanoke Rapids, NC	Hotel	Mortgage Loan	Bridge	Current	Oct-22		147	\$ 754,500	\$ 1,760,500	\$ 13,650,000			
	Hilton Garden Inn/Hilton Garden Inn	Johns Creek, GA	Hotel	Equity	Acquisition	Current	Jun-23		122	\$ 4,177,405	\$ 4,013,586	\$ 20,240,135			
	Town Center at Cobb - Kennesaw, GA	Kennesaw, GA	Retail	Mortgage Loan	Bridge	Current	Jan-23		NA	\$ 420,000	\$ 12,180,000	\$ 42,000,000			
	aloft Hotel	North Charleston, SC	Hotel	Mortgage Loan	Bridge	Current	Oct-22		136	\$ 1,112,500	\$ 1,112,500	\$ 16,100,000			
	Harmony Land - St. Cloud, FL	St. Cloud, FL	Land	Mortgage Loan	Bridge	Current	Jan-23		NA	\$ 3,410,000	\$ -	\$ 6,950,000			
	Office Loan - Washington, DC	Washington, DC	Office	Note Purchase	Note Purchase	Current	Sep-22		NA	\$ 3,522,103	\$ 10,566,310	\$ 34,338,413			
	Bellis Fair - Bellingham, WA	Bellingham, WA	Retail	Mortgage Loan	Bridge	Current	Dec-22		NA	\$ 5,940,000	\$ 3,960,000	\$ 24,000,000			
	DoubleTree by Hilton	Bend, OR	Hotel	Mortgage Loan	Bridge	Current	Dec-22		117	\$ 1,602,000	\$ 3,738,000	\$ 25,330,000			
	The Mall at Robinson	Robinson Township, PA	Retail	Mortgage Loan	Bridge	Current	Nov-22		NA	\$ 1,600,401	\$ 8,399,599	\$ 25,500,000			
	Hanley & Mote	Winder, GA	MultiFamily	Mortgage Loan	Construction	Current	Feb-23		NA	\$ 4,400,000	\$ -	\$ 8,000,000			
	The Mill District - Athens, GA	Athens, GA	Student Housing	Mortgage Loan	Bridge	Current	Dec-23		NA	\$ 5,510,000	\$ -	\$ 17,500,000			
	The Pavilion on 62nd - Gainesville, FL	Gainesville, FL	MultiFamily	Mortgage Loan	Bridge	Current	Dec-23		NA	\$ 15,200,000	\$ -	\$ 34,500,000			
	Brooklyn Village South	Charlotte, NC	Land	Mortgage Loan	Bridge	Current	Jul-23		NA	\$ 11,787,500	\$ -	\$ 23,575,000			
	148 Sheraton Drive	New Cumberland, PA	MultiFamily	Mortgage Loan	Construction	Current	Apr-23		NA	\$ 2,750,000	\$ -	\$ 11,000,000			
	Autograph Collection	Huntsville, AL	Hotel	Mortgage Loan	Construction	Current	Jun-23		215	\$ 5,916,300	\$ 10,987,415	\$ 47,903,715			
	Poole's Manor & Carolina Village	Ellenwood, GA	Other	Mortgage Loan	Construction	Current	Jun-23		NA	\$ 6,480,000	\$ -	\$ 16,120,000			
	Homewood Suites by Hilton	Nashville, TN	Hotel	Equity	Acquisition; JV Equity	Current	Jun-23		192	\$ 21,404,930	\$ 20,565,521	\$ 95,470,450			
	Hampton by Hilton	Austin, TX	Hotel	Equity	Acquisition; JV Equity	Current	May-23		137	\$ 13,407,499	\$ 12,881,715	\$ 63,037,077			
	Riverstone Apartments - Troy, NY	Troy, NY	MultiFamily	Mortgage Loan	Construction	Current	Jul-23		NA	\$ 3,000,000	\$ -	\$ 13,000,000			
	Independent	San Luis Obispo, CA	Hotel	Mortgage Loan	Bridge	Current	Feb-23		65	\$ 1,020,000	\$ 2,380,000	\$ 17,000,000			
	Cub Creek Station - Durham, NC	Durham, NC	Land	Mortgage Loan	Construction	Current	Aug-23		NA	\$ 9,787,000	\$ -	\$ 21,750,000			
	A/C Hotels	Birmingham, AL	Hotel	Mortgage Loan	Construction	Current	Nov-23		190	\$ 22,005,000	\$ -	\$ 48,900,000			
	Fairlane Town Center - Dearborne, MI	Dearborne, MI	Retail	Mortgage Loan	Bridge	Current	Apr-23		NA	\$ 712,059	\$ 9,347,941	\$ 28,000,000			
	Dobs on Station - Mesa, AZ	Mesa, AZ	MultiFamily	Mortgage Loan	Construction	Current	Jun-23		NA	\$ 1,213,500	\$ 14,386,500	\$ 52,000,000			
	933 Canal St - Philadelphia, PA	Philadelphia, PA	MultiFamily	Mortgage Loan	Construction	Current	Jul-23		NA	\$ 9,502,500	\$ -	\$ 27,150,000			
	Landmark at Rendon - Fort Worth, TX	Fort Worth, TX	MultiFamily	Mortgage Loan	Construction	Current	Nov-23		NA	\$ 16,250,000	\$ -	\$ 47,250,000			
	Home2 Suites by Hilton/Tru	San Diego, CA	Hotel	Mortgage Loan	Construction	Current	Dec-23		263	\$ 16,828,250	\$ -	\$ 50,415,000			
	Hampton by Hilton	East Elmhurst, NY	Hotel	Mortgage Loan	Bridge	Current	Aug-23		220	\$ 6,550,000	\$ 6,550,000	\$ 43,600,000			
	Independent	Nashville, TN	Hotel	Mortgage Loan	Bridge	Current	Aug-23		133	\$ 8,020,000	\$ 11,180,000	\$ 42,200,000			
	Days Inn	Palm Coast, FL	Hotel	Mortgage Loan	Bridge	Current	Jun-23		119	\$ 803,616	\$ 1,875,104	\$ 10,200,000			
	SpringHill Suites	Bryce Canyon City, UT	Hotel	Mortgage Loan	Construction	Current	Dec-23		127	\$ 5,085,000	\$ -	\$ 16,950,000			
	Thompson Hotels	San Antonio, TX	Hotel	Note Purchase	Note Purchase	Current	Dec-23		162	\$ 9,500,000	\$ -	\$ 35,500,000			
	EVEN Hotels	Tinley Park, IL	Hotel	Mortgage Loan	Bridge	Current	Nov-23		202	\$ 6,853,010	\$ -	\$ 23,303,010			
	Tapestry Collection by Hilton	New Orleans, LA	Hotel	Note Purchase	Note Purchase	Current	Dec-23		184	\$ 6,918,107	\$ -	\$ 21,568,653			
	Tapestry Collection by Hilton/Independent	Salem, OR	Hotel	Note Purchase	Note Purchase	Current	Dec-23		127	\$ 4,368,954	\$ -	\$ 21,496,000			
	Sonesta ES Suites	Westport, MO	Hotel	Mortgage Loan	Bridge	Realized	Jun-22	Aug-23	106	\$ 1,315,501	\$ 862,590	\$ 6,178,091	17.4%	1.20x	436
	Sonesta ES Suites	Birmingham, AL	Hotel	Mortgage Loan	Bridge	Realized	Jun-22	Aug-23	128	\$ 1,484,887	\$ 973,659	\$ 7,458,546	17.4%	1.20x	436
	Sonesta ES Suites	Minneapolis, MN	Hotel	Mortgage Loan	Bridge	Realized	Jun-22	Sep-23	120	\$ 1,711,560	\$ 1,122,292	\$ 7,083,852	17.6%	1.20x	449
	Holiday Inn	Lancaster, PA	Hotel	Note Purchase	Note Purchase	Realized	Jun-22	Dec-22	215	\$ 35,823	\$ -	\$ 35,823	89.9%	1.22x	173
	Holiday Inn	Lancaster, PA	Hotel	Note Purchase	Note Purchase	Realized	Jun-22	Dec-22	215	\$ 7,432	\$ -	\$ 7,432	129.6%	1.21x	173
	Hampton by Hilton	Charlotte, NC	Hotel	Mortgage Loan	Bridge	Realized	Sep-22	Jun-23	109	\$ 875,000	\$ 1,625,000	\$ 10,000,000	32.2%	1.21x	271
	Cumberland Mall - Vineland, NJ	Vineland, NJ	Retail	Mortgage Loan	Bridge	Realized	Oct-22	Apr-23	NA	\$ 183,550	\$ 11,316,450	\$ 28,750,000	28.3%	1.12x	173

Participations in Other Vehicles

	Fairfield Inn (f)	Milwaukee, WI	Hotel	Note Purchase	Note Purchase	Current	May-22		103	\$ 12,676,161	\$ 1,408,462	\$ 22,904,623			
	Canopy (f)	Atlanta, GA	Hotel	Equity	Acquisition	Current	Jun-22		176	\$ 5,023,035	\$ 26,331,741	\$ 72,142,276			
Sub-Total (Weighted-Average)		62 Investments							5,951	\$ 295,716,996	\$ 222,911,576	\$ 1,460,981,545	19.4%	1.20x	404

PACE (d)

	Canopy	Columbia, OH	Hotel	PACE	Retroactive	Current	Jul-22		167	\$ 453,785	\$ -	\$ 15,126,163			
	Hall of Fame (stadium) - Canton, OH	Canton, OH	Other	PACE	Retroactive	Current	Jun-22		NA	\$ 1,001,635	\$ -	\$ 33,387,844			
	Westin	Snowmass Village, CO	Hotel	PACE	Retroactive	Current	Nov-22		254	\$ 180,000	\$ -	\$ 6,000,000			
	DoubleTree by Hilton	Columbia, MO	Hotel	PACE	Retroactive	Current	May-19		114	\$ 105,000	\$ -	\$ 3,500,000			
	Hotel Indigo	St. Louis, MO	Hotel	PACE	Development	Current	Aug-19		127	\$ 123,450	\$ -	\$ 4,115,000			
	Homewood Suites by Hilton	Dillon, CO	Hotel	PACE	Development	Current	Oct-19		117	\$ 181,077	\$ -	\$ 6,035,906			
	EDGE@West - Creve Coeur, MO	Creve Coeur, MO	Office	PACE	Development	Current	Mar-20		NA	\$ 97,026	\$ -	\$ 3,234,184			
	IHG	Lexington, KY	Hotel	PACE	Development	Current	Aug-19		95	\$ 34,507	\$ -	\$ 1,150,218			
	Hilton Garden Inn	Longmont, CO	Hotel	PACE	Development	Current	May-20		105	\$ 48,000	\$ -	\$ 1,600,000			
	Philadelphia Theatre - Philadelphia, FN	Philadelphia, PA	Retail	PACE	Retroactive	Current	Apr-20		NA	\$ 180,000	\$ -	\$ 6,000,000			
	Tapestry Collection by Hilton	Anaheim, CA	Hotel	PACE	Retroactive	Current	Apr-20		174	\$ 71,032	\$ -	\$ 2,367,750			
	Courtyard	Monterey Park, CA	Hotel	PACE	Retroactive	Current	Nov-20		288	\$ 360,000	\$ -	\$ 12,000,000			
	citizenM	Los Angeles, CA	Hotel	PACE	Development	Current	Feb-21		315	\$ 1,260,000	\$ -	\$ 42,000,000			
	Island H2O - Kissimmee, FL	Kissimmee, FL	Other	PACE	Retroactive	Current	Mar-21		NA	\$ 399,861	\$ -	\$ 13,328,689			
	Fairfield Inn	Camarillo, CA	Hotel	PACE	Retroactive	Current	Mar-21		103	\$ 174,201	\$ -	\$ 5,806,709			
	Province Retail - San Gabriel, CA	San Gabriel, CA	Mixed-Use	PACE	Development	Current	Sep-20		NA	\$ 441,540	\$ -	\$ 14,718,000			
	Holiday Inn Express	Versailles, KY	Hotel	PACE	Retroactive	Current	Aug-21		82	\$ 84,925	\$ -	\$ 2,830,843			
	Kimpton	West Hollywood, CA	Hotel	PACE	Retroactive	Current	Feb-21		105	\$ 214,222	\$ -	\$ 7,140,748			
	element	Milpitas, CA	Hotel	PACE	Retroactive	Current	Feb-21		194	\$ 532,955	\$ -	\$ 17,765,172			

FN	Hotel / Investment	Location	Property Type	Structure	Type	Status	Investment Date	Date Realized	# Keys (e)	Equity Invested	Equity Co-Invested	Total Basis (\$)	Realized IRR	Realized Equity Multiple	Hold Period (Days)	
	River Gate - Montebello, CA	Montebello, CA	MultiFamily	PACE	Development	Current	Aug-21		N/A	\$ 457,844	\$ -	\$ 15,261,470				
	950 3rd Street NW - Washington, DC	Washington, DC	MultiFamily	PACE	Development	Current	Jul-21		N/A	\$ 336,879	\$ -	\$ 10,562,648				
	Luverne Town Square Apartments - Luverne, MN	Luverne, MN	MultiFamily	PACE	Development	Current	Aug-21		N/A	\$ 33,796	\$ -	\$ 1,126,523				
	aloft Hotel	Sacramento, CA	Hotel	PACE	Development	Current	Sep-19		114	\$ 124,389	\$ -	\$ 4,146,286				
	Rockport Harvey Housing (Phase II) - Rockport, TX	Rockport, TX	MultiFamily	PACE	Development	Current	Apr-21		N/A	\$ 229,824	\$ -	\$ 7,660,808				
	Industrial Building - Kansas City, MO	Kansas City, MO	Industrial	PACE	Retroactive	Current	Aug-21		N/A	\$ 117,000	\$ -	\$ 3,900,000				
	Certus Memory Care - Mt. Dora, FL	Mount Dora, FL	Senior Living Facility	PACE	Retroactive	Current	Oct-20		N/A	\$ 207,449	\$ -	\$ 6,914,956				
	The Mesa at Laguna Ridge - Elk Grove, CA	Elk Grove, CA	MultiFamily	PACE	Development	Current	Nov-21		N/A	\$ 413,197	\$ -	\$ 13,773,235				
	Pineapple House - Naples, FL	Naples, FL	Senior Living Facility	PACE	Retroactive	Current	Jul-21		N/A	\$ 270,000	\$ -	\$ 9,000,000				
	Reserve Flats - Wyoming, MI	Wyoming, MI	MultiFamily	PACE	Development	Current	Feb-22		N/A	\$ 189,993	\$ -	\$ 6,333,114				
	Manteca Luxury Apartments - Stockton, CA	Manteca, CA	Mixed-Use	PACE	Development	Current	May-22		N/A	\$ 494,551	\$ -	\$ 16,485,028				
	Hobby Hill Apartments - Gladstone, MO	Galdstone, MO	MultiFamily	PACE	Development	Current	Jun-22		N/A	\$ 369,074	\$ -	\$ 12,302,452				
	Holiday Inn Express	St Augustine, FL	Hotel	PACE	Development	Current	Jun-22		50	\$ 126,000	\$ -	\$ 4,200,000				
	SpringHill Suites	Chula Vista, CA	Hotel	PACE	Development	Current	Jul-22		179	\$ 539,680	\$ -	\$ 17,989,322				
	Ventura Multifamily - Ventura, CA	Ventura, CA	Other	PACE	Development	Current	Aug-22		N/A	\$ 670,950	\$ -	\$ 22,365,000				
	Fresh Karma Dispensaries - Kansas City, MO	Kansas City, MO	Industrial	PACE	Retroactive	Current	Sep-22		N/A	\$ 37,607	\$ -	\$ 1,253,560				
	Courtyard	Fresno, CA	Hotel	PACE	Development	Current	Oct-22		144	\$ 308,700	\$ -	\$ 10,290,000				
	Independent	Paso Robles, CA	Hotel	PACE	Development	Current	Oct-22		151	\$ 737,929	\$ -	\$ 24,597,843				
	Cornus House - Seattle, WA	Tacoma, WA	MultiFamily	PACE	Development	Current	Oct-22		N/A	\$ 487,004	\$ -	\$ 16,233,455				
	4300 Belgium Blvd - Riverside, MO	Riverside, MO	Industrial	PACE	Development	Current	Nov-22		N/A	\$ 186,185	\$ -	\$ 6,206,156				
	aloft Hotel	Dallas, TX	Hotel	PACE	Development	Current	Nov-22		156	\$ 213,464	\$ -	\$ 7,115,455				
	Home2 Suites by Hilton	Camarillo, CA	Hotel	PACE	Development	Current	Dec-22		122	\$ 486,000	\$ -	\$ 16,200,000				
	Marriott	St Augustine, FL	Hotel	PACE	Development	Current	Jan-23		58	\$ 135,383	\$ -	\$ 4,512,774				
	Coastal Station - Rehoboth, DE	Rehoboth Beach, DE	Mixed-Use	PACE	Development	Current	Jan-23		N/A	\$ 145,609	\$ -	\$ 4,853,632				
	950 3rd St - Washington, DC - LOAN INCREASE	Washington, DC	MultiFamily	PACE	Development	Current	Feb-23		N/A	\$ 146,264	\$ -	\$ 4,875,464				
	Cornfort Suites	St. Augustine, FL	Hotel	PACE	Development	Current	Apr-23		86	\$ 51,603	\$ -	\$ 1,720,089				
	Independent	San Francisco, CA	Hotel	PACE	Retroactive	Current	May-23		82	\$ 95,247	\$ -	\$ 3,174,897				
	Old City Hall - Tacoma, WA	Tacoma, WA	Industrial	PACE	Development	Current	May-23		N/A	\$ 191,100	\$ -	\$ 6,370,000				
	The Thread - Washington, DC	Washington, DC	Mixed-Use	PACE	Development	Current	May-23		N/A	\$ 103,443	\$ -	\$ 3,448,093				
	Emerald Business Park - Warren, MI	Warren, MI	Industrial	PACE	Development	Current	Jun-23		N/A	\$ 396,079	\$ -	\$ 13,202,625				
	Independent	Santa Monica, CA	Hotel	PACE	Development	Current	Jun-23		84	\$ 188,014	\$ -	\$ 6,287,148				
	Independent	Capistrano Beach, CA	Hotel	PACE	Development	Current	Jun-23		30	\$ 130,516	\$ -	\$ 4,350,527				
	AC Hotels	Detroit, MI	Hotel	PACE	Development	Current	Jul-23		154	\$ 244,908	\$ -	\$ 8,163,587				
	Curio Collection by Hilton	Skaneateles, NY	Hotel	PACE	Development	Current	Aug-23		88	\$ 215,639	\$ -	\$ 7,187,956				
	Belle Ayre - Seaford, DE	Seaford, DE	MultiFamily	PACE	Development	Current	Aug-23		N/A	\$ 45,526	\$ -	\$ 1,517,539				
	Monte - San Diego, CA	San Diego, CA	Student Housing	PACE	Development	Current	Oct-23		N/A	\$ 390,000	\$ -	\$ 13,000,000				
	Coastal Tide Apartments - Lewes, DE	Lewes, DE	MultiFamily	PACE	Retroactive	Current	Nov-23		N/A	\$ 83,203	\$ -	\$ 2,773,419				
	Rockport Upsize - Rockport, TX	Rockport, TX	MultiFamily	PACE	Development	Current	Nov-23		N/A	\$ 34,972	\$ -	\$ 1,165,739				
	Hyatt Place	St. Augustine, FL	Hotel	PACE	Development	Current	Dec-23		120	\$ 551,250	\$ -	\$ 18,375,000				
	Reserve at Vinedo - Paso Robles, CA	Paso Robles, CA	MultiFamily	PACE	Development	Current	Dec-23		N/A	\$ 1,119,464	\$ -	\$ 37,315,468				
	Thompson Hotels	Palm Springs, CA	Hotel	PACE	Development	Current	Dec-23		168	\$ 1,380,000	\$ -	\$ 46,000,000				
	AC Hotels	Sunnyvale, CA	Hotel	PACE	Development	Current	Feb-21		350	\$ 331,438	\$ -	\$ 11,047,940				
	River Gate, upsize - Montebello, CA	Montebello, CA	MultiFamily	PACE	Development	Current	Dec-23		N/A	\$ 90,000	\$ -	\$ 3,000,000				
	Front ave Arena - San Diego, CA	San Diego, CA	Other	PACE	Development	Current	Dec-23		N/A	\$ 782,925	\$ -	\$ 26,097,500				
	River Gate, upsize - Montebello, CA	Montebello, CA	MultiFamily	PACE	Development	Current	Dec-23		N/A	\$ 90,000	\$ -	\$ 3,000,000				
	aloft Hotel	Sacramento, CA	Hotel	PACE	Development	Current	Jul-22		114	\$ 32,055	\$ -	\$ 1,068,505				
	CERTUS Dr. Phillips - Orlando, FL	Orlando, FL	MultiFamily	PACE	Development	Current	Jan-24		N/A	\$ 246,181	\$ -	\$ 8,206,028				
	Home2 Suites by Hilton	San Diego, CA	Hotel	PACE	Development	Current	Dec-23		263	\$ 677,550	\$ -	\$ 22,585,000				
	Home2 Suites by Hilton	Lakewood Ranch, FL	Hotel	PACE	Development	Realized	Aug-21	Aug-22	108	\$ 171,160	\$ -	\$ 5,705,338	47.6%	1.46x	368	
	Independent	Napa, CA	Hotel	PACE	Retroactive	Realized	Dec-20	May-22	145	\$ 715,763	\$ -	\$ 23,858,750	48.3%	1.64x	505	
	Independent	Las Vegas, NV	Hotel	PACE	Development	Realized	Oct-20	Nov-22	74	\$ 81,000	\$ -	\$ 2,700,000	53.8%	1.42x	773	
	Ridgehouse Multifamily - Olivette, MO	Olivette, MO	MultiFamily	PACE	Development	Realized	Jul-20	Jun-22	N/A	\$ 111,899	\$ -	\$ 3,729,976	34.6%	1.29x	699	
	Production Drive - Harrison Township, MI	Harrison Township, MI	Industrial	PACE	Retroactive	Realized	Jul-22	Jan-23	N/A	\$ 112,500	\$ -	\$ 3,750,000	183.8%	1.59x	173	
	Rockport Harvey Housing Phase I - Rockport, TX	Rockport, TX	MultiFamily	PACE	Development	Realized	Jan-20	Jul-22	N/A	\$ 120,000	\$ -	\$ 4,000,000	26.0%	1.42x	901	
	Sub-Total (Weighted-Average)	73 Investments							5,080	\$ 22,171,420	\$ -	\$ 739,047,330	47.5%	1.55x	528	
	Non-Fund Investments															
	Courtyard	Columbus, MS	Hotel	Equity	Ground-Up	Current	Oct-12		110	\$ 1,764,872	\$ -	\$ 12,700,872				
	Courtyard	Kennesaw, GA	Hotel	Equity	Acquisition	Current	Mar-23		100	\$ -	\$ 25,658,769	\$ 25,658,769				
	Courtyard	Painfield, IN	Hotel	Equity	Ground-Up	Current	Jul-18		117	\$ 6,677,977	\$ -	\$ 20,522,977				
	DoubleTree by Hilton	Birmingham, AL	Hotel	Equity	Acquisition	Current	Aug-16		207	\$ 9,762,736	\$ -	\$ 28,812,736				
	Fairfield Inn	Columbus, MS	Hotel	Equity	Ground-Up	Current	Mar-11		85	\$ 2,020,100	\$ -	\$ 10,920,100				
	Hampton by Hilton	Delray Beach, FL	Hotel	Equity	Ground-Up	Current	Nov-18		143	\$ 13,469,269	\$ 3,008,731	\$ 39,150,000				
	Hampton by Hilton	Columbus, MS	Hotel	Equity	Ground-Up	Current	Sep-13		88	\$ 1,890,000	\$ 210,000	\$ 10,836,800				
	Hampton by Hilton	Vero Beach, FL	Hotel	Equity	Co-Development	Current	Oct-13		90	\$ 2,740,000	\$ 685,000	\$ 11,425,000				
	Hilton Garden Inn	Jackson, TN	Hotel	Equity	Acquisition	Current	Oct-23		98	\$ -	\$ 26,845,615	\$ 26,845,615				
	Home2 Suites by Hilton	San Antonio, TX	Hotel	Equity	Ground-Up	Current	Aug-16		106	\$ 3,887,500	\$ -	\$ 14,200,000				
	Home2 Suites by Hilton	St Augustine, FL	Hotel	Equity	Ground-Up	Current	Oct-17		90	\$ 4,290,000	\$ -	\$ 14,300,000				
	Home2 Suites by Hilton	Lawrenceville, GA	Hotel	Equity	Ground-Up	Current	Feb-18		130	\$ 6,350,573	\$ -	\$ 20,770,573				
	Hotel Indigo	Gainesville, FL	Hotel	Equity	Preferred Equity	Current	Jul-17		140	\$ 3,898,302	\$ 6,183,971	\$ 28,482,273				
	SpringHill Suites	Lexington, KY	Hotel	Equity	Ground-Up	Current	Nov-19		118	\$ 965,244	\$ 12,244,165	\$ 27,435,109				

FN	Hotel / Investment	Location	Property Type	Structure	Type	Status	Investment Date	Date Realized	# Keys (e)	Equity Invested	Equity Co-Invested	Total Basis (\$)	Realized IRR	Realized Equity Multiple	Hold Period (Days)
	TownePlace Suites	Palmdale, CA	Hotel	Equity	Ground-Up	Current	Jul-19		110	\$ 6,500,000	\$ 24,800,000	\$ 31,300,000			
	Home2 Suites by Hilton	Ashburn, VA	Hotel	Equity	Ground-Up	Current	Oct-23		122	\$ 11,313,738	\$ -	\$ 28,643,276			
	Homewood Suites by Hilton	Jackson, TN	Hotel	Equity	Ground-Up	Current	Dec-20		95	\$ 7,693,707	\$ -	\$ 25,193,707			
	Tempo by Hilton	Atlanta, GA	Hotel	Equity	Ground-Up	Current	Oct-18		142	\$ 53,004,456	\$ -	\$ 101,698,592			
	SpringHill Suites	Vero Beach, FL	Hotel	Equity	Acquisition	Current	Aug-17		83	\$ 3,425,000	\$ -	\$ 11,425,000			
	Home2 Suites by Hilton	Chandler, AZ	Hotel	Equity	Acquisition	Current	Nov-22		N/A	\$ -	\$ 31,358,947	\$ 31,358,947			
	Embassy Suites by Hilton	Gulf Shores, AL	Hotel	Equity	Ground-Up	Current	Nov-22		257	\$ 73,131,531	\$ -	\$ 144,831,531			
	Residence Inn Ocean Township, NJ	Ocean Township, NJ	Land	Mortgage Loan	Bridge	Current	Jun-23		N/A	\$ 6,000,000	\$ -	\$ 6,000,000			
	Home2 Suites by Hilton	Boone, NC	Hotel	Mortgage Loan	Construction	Current	Aug-23		105	\$ -	\$ 21,675,000	\$ 21,675,000			
	Northtown Mall	Blaine, MN	Retail	Mortgage Loan	Bridge	Current	Aug-23		N/A	\$ 8,500,000	\$ -	\$ 16,000,000			
	element	West Windsor, NJ	Hotel	Mortgage Loan	Bridge	Current	Jun-23		250	\$ 4,000,000	\$ -	\$ 4,000,000			
	Embassy Suites by Hilton	Austin, TX	Hotel	Equity	JV Equity	Current	Dec-23		480	\$ -	\$ 64,600,000	\$ 244,600,000			
	Caption by Hyatt/Independent	Nashville, TN	Hotel	Mortgage Loan	Bridge	Current	Feb-23		210	\$ 19,651,523	\$ 23,071,280	\$ 92,722,803			
	EVEN Hotels	Atlanta, GA	Hotel	Mortgage Loan	Bridge	Current	Nov-23		133	\$ 335,000	\$ -	\$ 335,000			
	AC Hotels	Atlanta, GA	Hotel	Equity	Conversion	Realized	Aug-15	Jul-17	255	\$ 6,952,593	\$ 7,236,373	\$ 47,228,066	34.5%	1.59x	709
	AC Hotels	Austin, TX	Hotel	Equity	Co-Development	Realized	Apr-19	Dec-21	134	\$ 11,230,000	\$ -	\$ 31,038,750	36.3%	2.24x	952
	Comfort Suites	Starkville, MS	Hotel	Equity	Acquisition	Realized	Jul-08	Jan-23	76	\$ 2,112,500	\$ -	\$ 8,361,728	16.7%	3.04x	5,297
	Extended Stay America	Montgomery, AL	Hotel	Equity	Acquisition	Realized	Jan-02	Jan-05	71	\$ 775,000	\$ -	\$ 775,000	65.7%	4.26x	1,097
	Courtyard	Gulf Shores, AL	Hotel	Equity	Acquisition	Realized	Apr-11	Aug-14	90	\$ 1,200,000	\$ -	\$ 5,820,000	58.7%	3.93x	1,214
	Courtyard	Jacksonville, FL	Hotel	Equity	Acquisition	Realized	Feb-13	Oct-15	120	\$ 3,800,000	\$ -	\$ 11,569,999	36.1%	2.10x	947
	Courtyard	Columbia, SC	Hotel	Equity	Acquisition	Realized	Jan-14	Feb-14	189	\$ 4,400,000	\$ -	\$ 14,800,000	(a)	(a)	(a)
	Courtyard	Starkville, MS	Hotel	Equity	Renovation	Realized	Mar-14	Jan-23	104	\$ 2,842,104	\$ -	\$ 16,342,104	9.8%	1.85x	3,232
	Crowne Plaza	North Charleston, SC	Hotel	Equity	Acquisition	Realized	May-14	Apr-17	166	\$ 5,300,000	\$ -	\$ 15,310,000	21.8%	1.71x	1,065
	aloft Hotel	Atlanta, GA	Hotel	Note Purchase	Note Purchase	Realized	Feb-12	Jul-12	254	\$ 2,115,000	\$ 4,935,000	\$ 13,100,000	305.8%	1.87x	157
	DoubleTree by Hilton	Biloxi, MS	Hotel	Equity	Acquisition	Realized	May-14	Jun-22	195	\$ 8,580,000	\$ -	\$ 23,196,042	10.9%	2.19x	2,963
	element	Orlando, FL	Hotel	Equity	Co-Development	Realized	Apr-18	Aug-23	165	\$ 6,452,217	\$ 2,765,236	\$ 30,724,843	16.0%	2.15x	1,954
	Embassy Suites by Hilton	Williamsburg, VA	Hotel	Equity	Acquisition	Realized	Apr-14	Jul-18	161	\$ 3,715,010	\$ -	\$ 12,362,517	7.6%	1.35x	1,550
	Fairfield Inn	Valdosta, GA	Hotel	Equity	Acquisition	Realized	Sep-11	Jun-15	132	\$ 755,630	\$ 755,630	\$ 9,411,260	26.8%	2.09x	1,360
	Fairfield Inn	Indianapolis, IN	Hotel	Equity	Acquisition	Realized	Jun-06	Feb-18	78	\$ 960,000	\$ -	\$ 4,460,000	13.4%	3.26x	4,265
	Fairfield Inn	Gadsden, AL	Hotel	Equity	Ground-Up	Realized	Apr-08	Jun-22	91	\$ 2,661,500	\$ -	\$ 9,932,100	0.0%	1.00x	5,154
	Fairfield Inn	Montgomery, AL	Hotel	Equity	Ground-Up	Realized	Jan-09	Feb-19	105	\$ 2,800,000	\$ -	\$ 11,250,000	8.2%	1.90x	3,669
	Fairfield Inn	Lewisville, TX	Hotel	Equity	Acquisition	Realized	Aug-13	Nov-14	71	\$ 1,620,000	\$ -	\$ 4,670,000	54.7%	1.69x	436
	SpringHill Suites	San Antonio, TX	Hotel	Equity	Acquisition	Realized	Jul-10	Oct-15	116	\$ 3,563,715	\$ -	\$ 14,783,715	12.7%	1.81x	1,899
	Fairfield Inn	Durham, NC	Hotel	Note Purchase	Note Purchase	Realized	Dec-12	Sep-13	98	\$ 529,698	\$ 2,118,793	\$ 5,528,835	77.4%	1.55x	281
	Homewood Suites by Hilton	Durham, NC	Hotel	Equity	Acquisition	Realized	Mar-13	Jun-15	96	\$ 520,079	\$ 2,080,317	\$ 10,283,877	33.7%	1.87x	805
	Hampton by Hilton	Pell City, AL	Hotel	Equity	Acquisition	Realized	Apr-07	May-14	75	\$ 1,370,000	\$ -	\$ 6,087,808	8.4%	1.58x	2,565
	Hampton by Hilton	Corydon, IN	Hotel	Equity	Acquisition	Realized	Nov-07	Mar-15	68	\$ 1,200,000	\$ -	\$ 4,615,000	4.5%	1.33x	2,673
	Hampton by Hilton	Starkville, MS	Hotel	Equity	Acquisition	Realized	Jul-08	Jan-23	67	\$ 1,137,500	\$ -	\$ 4,380,000	16.7%	3.04x	5,297
	Hampton by Hilton	Milledgeville, GA	Hotel	Equity	Acquisition	Realized	Jul-12	Oct-15	75	\$ 2,000,000	\$ -	\$ 4,485,000	23.2%	1.85x	1,165
	Hampton by Hilton	Okeechobee, FL	Hotel	Equity	Acquisition	Realized	Mar-13	Dec-13	85	\$ 2,000,000	\$ -	\$ 4,000,000	207.1%	2.22x	258
	Hampton by Hilton	East Point, GA	Hotel	Equity	Acquisition	Realized	Nov-13	Apr-16	119	\$ 3,990,759	\$ -	\$ 11,207,086	30.8%	1.89x	897
	Hampton by Hilton	Orlando, FL	Hotel	Equity	Co-Development	Realized	Aug-14	Oct-16	110	\$ 3,384,093	\$ -	\$ 12,180,522	38.6%	1.98x	790
	Hampton by Hilton	Lake Mary, FL	Hotel	Equity	Acquisition	Realized	Jan-15	Jun-17	130	\$ 4,977,843	\$ -	\$ 15,992,560	32.9%	2.06x	895
	Hilton Garden Inn	Indianapolis, IN	Hotel	Equity	Ground-Up	Realized	Apr-08	Aug-14	122	\$ 1,710,000	\$ 1,140,000	\$ 15,001,000	9.4%	1.64x	2,310
	Hilton Garden Inn	Tupelo, MS	Hotel	Equity	Acquisition	Realized	Sep-13	Feb-22	158	\$ 5,175,000	\$ -	\$ 16,175,000	21.8%	2.09x	3,080
	Hilton Garden Inn	Overland Park, KS	Hotel	Equity	Acquisition	Realized	Jul-14	Jan-17	125	\$ 4,793,102	\$ -	\$ 13,793,740	29.2%	1.82x	902
	Holiday Inn	Brentwood, TN	Hotel	Equity	Acquisition	Realized	Aug-14	Nov-18	107	\$ 5,291,000	\$ -	\$ 10,505,338	8.4%	1.29x	1,566
	Holiday Inn Express	Pell City, AL	Hotel	Equity	Acquisition	Realized	Apr-07	May-14	91	\$ 1,100,000	\$ -	\$ 6,445,000	8.4%	1.58x	2,565
	Holiday Inn Express	Birmingham, AL	Hotel	Note Purchase	Note Purchase	Realized	Jun-10	Dec-13	96	\$ 398,768	\$ -	\$ 5,316,902	41.1%	3.40x	1,283
	Holiday Inn	Daytona Beach, FL	Hotel	Note Purchase	Note Purchase	Realized	Nov-10	Jul-14	96	\$ 2,519,500	\$ -	\$ 5,519,500	16.9%	1.45x	1,334
	Home2 Suites by Hilton	Prattville, AL	Hotel	Equity	Ground-Up	Realized	Dec-16	Jul-19	90	\$ 2,200,000	\$ -	\$ 10,968,815	32.2%	3.51x	932
	Homewood Suites by Hilton	Destin, FL	Hotel	Equity	Ground-Up	Realized	Jul-18	Dec-23	105	\$ 9,086,162	\$ -	\$ 25,135,812	12.4%	1.81x	1,969
	Hotel Indigo	College Park, GA	Hotel	Note Purchase	Note Purchase	Realized	Sep-13	Oct-15	142	\$ 4,150,000	\$ -	\$ 8,150,000	38.0%	1.90x	750
	Hyatt Place	Jacksonville, FL	Hotel	Equity	Acquisition	Realized	Sep-11	May-15	127	\$ 3,000,000	\$ -	\$ 9,000,000	20.7%	1.97x	1,350
	Residence Inn	Southern Pines, NC	Hotel	Equity	Acquisition	Realized	Mar-06	Aug-12	80	\$ 1,403,016	\$ -	\$ 6,893,016	11.3%	1.91x	2,365
	Residence Inn	Little Rock, AR	Hotel	Equity	Acquisition	Realized	Feb-13	Feb-18	96	\$ 300,000	\$ 2,650,000	\$ 8,150,875	20.8%	2.30x	1,834
	Sheraton Hotel	Jacksonville, FL	Hotel	Equity	Acquisition	Realized	Jun-15	Nov-18	159	\$ 624,007	\$ 5,616,063	\$ 21,141,610	28.2%	2.20x	1,244
	La Quinta Inns & Suites	Kennesaw, GA	Hotel	Equity	Acquisition	Realized	Feb-13	May-16	84	\$ 900,000	\$ -	\$ 4,120,000	22.8%	1.96x	1,198
	aloft Hotel	N/A	Hotel	CMBS	CMBS	Realized	Jun-18	Jun-18	N/A	\$ 1	\$ -	\$ 12,000,000	(c)	(c)	(c)
	Candlewood Suites	N/A	Hotel	CMBS	CMBS	Realized	Dec-15	Dec-15	N/A	\$ 1	\$ -	\$ 3,485,000	(c)	(c)	(c)
	Candlewood Suites	Indianapolis, IN	Hotel	Mortgage Loan	Bridge	Realized	Feb-14	Feb-19	142	\$ 900,000	\$ -	\$ 900,000	19.9%	2.00x	1,805
	Comfort Suites	N/A	Hotel	CMBS	CMBS	Realized	Feb-15	Feb-15	N/A	\$ 1	\$ -	\$ 3,125,000	(c)	(c)	(c)
	Country Inn & Suites	N/A	Hotel	CMBS	CMBS	Realized	Oct-15	Oct-15	N/A	\$ 1	\$ -	\$ 3,800,000	(c)	(c)	(c)
	Country Inn & Suites	N/A	Hotel	CMBS	CMBS	Realized	Feb-15	Feb-15	N/A	\$ 1	\$ -	\$ 4,125,000	(c)	(c)	(c)
	Independent	Savannah, GA	Hotel	Mortgage Loan	Bridge	Realized	Dec-16	Jul-19	18	\$ 390,000	\$ -	\$ 1,950,000	29.6%	1.70x	928
	Hampton by Hilton	Canton, GA	Hotel	Note Purchase	Note Purchase	Realized	Sep-13	Dec-14	81	\$ 1,575,000	\$ -	\$ 4,500,000	21.6%	1.27x	467
	Hilton Garden Inn	N/A	Hotel	CMBS	CMBS	Realized	May-17	May-17	N/A	\$ 1	\$ -	\$ 16,660,000	(c)	(c)	(c)
	Hilton Garden Inn	N/A	Hotel	CMBS	CMBS	Realized	Jan-15	Jan-15	N/A	\$ 1	\$ -	\$ 8,350,000	(c)	(c)	(c)
	Hilton Garden Inn	Phoenix, AZ	Hotel	Mortgage Loan	Bridge	Realized	Apr-14	Dec-19	126	\$ 250,000	\$ 500,000	\$ 750,000	17.5%	1.84x	2,072
	Holiday Inn Express	N/A	Hotel	CMBS	CMBS	Realized	Dec-14	Dec-14	N/A	\$ 1	\$ -	\$ 7,236,000	(c)	(c)	(c)
	Homewood Suites by Hilton	N/A	Hotel	CMBS	CMBS	Realized	Dec-14	Dec-14	N/A	\$ 1	\$ -	\$ 11,340,000	(c)	(c)	(c)
	Hotel Indigo	Tuscaloosa, AL	Hotel	Mortgage Loan	Preferred Equity	Realized	Aug-15	Mar-18	101	\$ 2,200,000	\$ -	\$ 2,200,000	20.4%	1.51x	957
	Hotel Indigo	N/A	Hotel	CMBS	CMBS	Realized	May-15	May-15	N/A	\$ 1	\$ -	\$ 9,100,000	(c)	(c)	(c)

FN	Hotel / Investment	Location	Property Type	Structure	Type	Status	Investment Date	Date Realized	# Keys (e)	Equity Invested	Equity Co-Invested	Total Basis (\$)	Realized IRR	Realized Equity Multiple	Hold Period (Days)
	Independent	Beaufort, SC	Hotel	Mortgage Loan	Bridge	Realized	Jun-14	Oct-16	22	\$ 1,030,000	\$ -	\$ 2,500,000	26.3%	1.47x	852
	La Quinta Inns & Suites	Atlanta, GA	Hotel	Mortgage Loan	Bridge	Realized	Aug-14	Feb-16	70	\$ 327,383	\$ -	\$ 2,202,383	20.0%	1.27x	546
	Sleep Inn	Oxford, AL	Hotel	Note Purchase	Note Purchase	Realized	Dec-12	Mar-15	61	\$ 90,000	\$ -	\$ 230,000	84.9%	2.92x	833
	Staybridge Suites	N/A	Hotel	CMBS	CMBS	Realized	Jun-15	Jun-15	N/A	\$ 1	\$ -	\$ 9,000,000	(c)	(c)	(c)
	Courtyard/TownePlace Suites	N/A	Hotel	CMBS	CMBS	Realized	Jul-18	Jul-18	N/A	\$ 1	\$ -	\$ 14,500,000	(c)	(c)	(c)
	Homewood Suites by Hilton/TownePlace Suites	Branchburg, NJ	Hotel	UCC Loan	Bridge	Realized	Feb-22	Jun-23	851	\$ 20,000,000	\$ -	\$ 20,000,000	22.7%	1.19x	460
(g)	The Mill at MSU - Starkville, MS	Starkville, MS	Mixed-Use	Equity	Conversion	Realized	Dec-09	Jan-23	N/A	\$ 4,250,000	\$ 11,413,917	\$ 30,732,407	9.8%	1.85x	3,232
	SpringHill Suites	Quakertown, PA	Hotel	Note Purchase	Note Purchase	Realized	Jun-10	Oct-13	89	\$ 443,450	\$ -	\$ 9,126,992	86.2%	5.00x	1,212
	Fairfield Inn	Jacksonville, FL	Hotel	Note Purchase	Note Purchase	Realized	May-12	Jun-14	107	\$ 130,560	\$ -	\$ 3,750,000	70.6%	6.80x	777
	Wingate by Wyndham	Winchester, VA	Hotel	Note Purchase	Note Purchase	Realized	Jan-11	Sep-12	84	\$ 2,069,384	\$ -	\$ 3,402,307	15.6%	1.26x	617
	Best Western Plus	Enterprise, AL	Hotel	Note Purchase	Note Purchase	Realized	Apr-11	May-14	50	\$ 110,000	\$ -	\$ 1,660,000	21.5%	1.65x	1,119
	Super 8/Independent	Fort Walton Beach, FL	Hotel	Note Purchase	Note Purchase	Realized	Jun-11	Nov-11	34	\$ 205,700	\$ -	\$ 818,341	(a)	(a)	(a)
	Comfort Suites	Huntersville, NC	Hotel	Note Purchase	Note Purchase	Realized	Aug-11	Jul-13	89	\$ 750,000	\$ -	\$ 6,312,634	28.2%	1.54x	714
	Four Points by Sheraton	Punta Gorda, FL	Hotel	Note Purchase	Note Purchase	Realized	Sep-11	Aug-12	106	\$ 6,600,000	\$ -	\$ 15,090,569	59.7%	1.71x	325
	Wingate by Wyndham	Buord, GA	Hotel	Note Purchase	Note Purchase	Realized	Sep-11	Nov-14	96	\$ 1,163,399	\$ -	\$ 5,461,894	57.4%	2.22x	1,136
	Country Inn & Suites	Wilmington, NC	Hotel	Note Purchase	Note Purchase	Realized	Dec-11	Aug-12	74	\$ 2,675,000	\$ -	\$ 4,967,432	33.6%	1.24x	263
	Mcrotel Inn & Suites by Wyndham	Raleigh, NC	Hotel	Note Purchase	Note Purchase	Realized	Dec-11	Apr-12	74	\$ 1,100,000	\$ -	\$ 3,097,600	302.6%	1.62x	111
	Country Inn & Suites	Birmingham, AL	Hotel	Note Purchase	Note Purchase	Realized	Dec-11	Aug-13	66	\$ 85,482	\$ -	\$ 2,385,237	140.1%	1.58x	587
	Country Inn & Suites	Birmingham, AL	Hotel	Note Purchase	Note Purchase	Realized	Dec-11	Nov-14	62	\$ 85,482	\$ -	\$ 2,064,737	211.7%	3.73x	1,054
	Sleep Inn	Lake Charles, LA	Hotel	Note Purchase	Note Purchase	Realized	Feb-12	Aug-16	67	\$ 1,090,000	\$ -	\$ 2,384,081	28.0%	2.40x	1,646
	Comfort Suites	Wilson, NC	Hotel	Note Purchase	Note Purchase	Realized	Mar-12	Aug-12	76	\$ 2,450,000	\$ -	\$ 4,323,400	44.6%	1.27x	160
	Comfort Inn	Capitol Heights, MD	Hotel	Note Purchase	Note Purchase	Realized	Mar-12	Mar-13	181	\$ 4,000,000	\$ -	\$ 6,757,464	28.6%	1.28x	364
(g)	Hampton by Hilton	Lake Park, GA	Hotel	Note Purchase	Note Purchase	Realized	Jun-12	Oct-19	70	\$ 3,100,000	\$ -	\$ 3,590,767	12.1%	1.96x	2,675
	Independent	Lake Ozark, MO	Hotel	Note Purchase	Note Purchase	Realized	Jun-12	Nov-16	206	\$ 2,550,000	\$ -	\$ 4,555,933	-18.5%	0.63x	1,632
	Comfort Inn	Lumberton, NC	Hotel	Note Purchase	Note Purchase	Realized	Jun-12	Sep-12	70	\$ 135,000	\$ -	\$ 135,000	(b)	(b)	(b)
	Comfort Inn	McHenry, MD	Hotel	Note Purchase	Note Purchase	Realized	Sep-12	Jul-18	75	\$ 1,300,000	\$ -	\$ 2,437,068	7.8%	1.33x	2,148
	Best Western	Bonita Springs, FL	Hotel	Note Purchase	Note Purchase	Realized	Sep-12	Dec-14	60	\$ 1,151,794	\$ -	\$ 3,960,629	10.9%	1.19x	810
	Hilton Garden Inn	Suffolk, VA	Hotel	Note Purchase	Note Purchase	Realized	Sep-12	Mar-13	135	\$ 3,802,367	\$ -	\$ 14,220,000	36.6%	1.16x	170
	Hampton by Hilton	Alexander City, AL	Hotel	Note Purchase	Note Purchase	Realized	Dec-12	Feb-16	61	\$ 1,325,000	\$ -	\$ 3,432,040	18.4%	1.58x	1,149
	Wingate by Wyndham	Fairburn, GA	Hotel	Note Purchase	Note Purchase	Realized	Apr-13	Feb-17	66	\$ 575,000	\$ -	\$ 2,288,280	29.6%	2.20x	1,406
	Hampton by Hilton	Leesburg, FL	Hotel	Note Purchase	Note Purchase	Realized	Apr-13	May-14	82	\$ 1,550,000	\$ -	\$ 5,000,000	22.6%	1.21x	371
	Country Inn & Suites	McDonough, GA	Hotel	Note Purchase	Note Purchase	Realized	May-13	Jul-17	57	\$ 500,000	\$ -	\$ 1,649,455	31.3%	2.20x	1,526
	Independent	Myrtle Beach, SC	Hotel	Note Purchase	Note Purchase	Realized	May-13	Jun-16	825	\$ 4,600,000	\$ -	\$ 13,120,141	28.1%	1.93x	1,122
	Independent	Alpine, WY	Hotel	Note Purchase	Note Purchase	Realized	May-13	Dec-18	22	\$ 500,000	\$ -	\$ 1,966,398	33.1%	2.37x	2,045
	Hilton Garden Inn	East Point, GA	Hotel	Note Purchase	Note Purchase	Realized	Jun-13	Dec-13	174	\$ 9,306,750	\$ -	\$ 23,095,606	78.6%	1.30x	168
	La Quinta Inns & Suites	Fort Myers, FL	Hotel	Note Purchase	Note Purchase	Realized	Jun-13	Dec-13	73	\$ 15,967	\$ -	\$ 3,397,603	269.5%	1.94x	186
	Days Inn	Shorter, AL	Hotel	Note Purchase	Note Purchase	Realized	Aug-13	Jun-15	63	\$ 225,000	\$ -	\$ 1,465,110	21.6%	1.38x	657
	element	Houston, TX	Hotel	Mortgage Loan	Bridge	Realized	Aug-13	Aug-18	123	\$ 3,090,000	\$ -	\$ 3,090,000	21.1%	2.00x	1,827
	Independent	Dundee, MI	Hotel	Note Purchase	Note Purchase	Realized	Sep-13	Nov-16	87	\$ 2,810,000	\$ -	\$ 21,959,185	14.3%	1.48x	1,146
	Holiday Inn Express	Austell, GA	Hotel	Note Purchase	Note Purchase	Realized	Sep-13	Apr-14	69	\$ 530,000	\$ -	\$ 4,323,063	226.7%	1.80x	188
	Four Points by Sheraton	Homewood, AL	Hotel	Note Purchase	Note Purchase	Realized	Sep-11	Oct-14	108	\$ 1,569,755	\$ -	\$ 5,483,574	36.4%	1.95x	1,121
	Hampton by Hilton	N/A	Hotel	CMBS	CMBS	Realized	Dec-14	Dec-14	N/A	\$ 1	\$ -	\$ 6,300,000	(c)	(c)	(c)
	Westin	Tampa, FL	Hotel	Note Purchase	Note Purchase	Realized	Jan-11	Feb-11	252	\$ 1,448,903	\$ -	\$ 3,461,130	61.9%	2.51x	45
	Land (3.44 acres) - Fort Myers, FL	Fort Myers, FL	Land	Note Purchase	Note Purchase	Realized	Sep-12	Nov-14	N/A	\$ 114,134	\$ -	\$ 1,254,125	6.2%	1.12x	800
	Office Building (LAP) - Chesapeake, VA	Chesapeake, VA	Office	Note Purchase	Note Purchase	Realized	Sep-12	Jan-13	N/A	\$ 232,527	\$ -	\$ 564,606	17.7%	1.06x	121
	Office Building (Acorn) - Thomasville, GA	Thomasville, GA	Office	Note Purchase	Note Purchase	Realized	Sep-11	Dec-14	N/A	\$ 158,187	\$ -	\$ 1,073,100	(b)	(b)	(b)
	Ranch Home (Allerbest) - Thomasville, GA	Thomasville, GA	SFR	Note Purchase	Note Purchase	Realized	Sep-11	Apr-17	N/A	\$ 69,521	\$ -	\$ 314,748	(b)	(b)	(b)
	Land (98 Lots) - Meadow Springs, GA	Meadow Springs, GA	Land	Note Purchase	Note Purchase	Realized	Sep-11	Dec-14	N/A	\$ 339,138	\$ -	\$ 4,458,293	80.9%	3.73x	1,164
	Sub-Total (Weighted-Average)	135 Investments							14,188	\$ 481,827,222	\$ 281,552,806	\$ 1,958,641,883	19.0%	1.78x	1,360
	Total (Weighted-Average) - All Investments (f)	696 Investments							68,950	\$ 2,474,077,937	\$ 1,144,782,428	\$ 9,674,932,989	18.3%	1.48x	961

(a) Represents investments with excessive IRRs/Equity Multiples (outliers considered greater than 500% IRR or 10x Equity Multiple), or IRRs/Equity Multiples that are not calculable and are not included in the tables.

(b) Due to vintage of the investment, realization metrics were not calculated.

(c) Represents transactions that are/were 100% debt financed – primarily related to table-funded CMBS assets with immaterial exposure or holding times; relatedly, these investments will not show an IRR, Equity Multiple, or Hold Period.

(d) A portion of the PACE portfolio was owned by SSHCOF III prior to the completion of the fund, at which point the assets were purchased out of the fund to crystallize the returns due to the longer duration of PACE investments.

(e) Key count is adjusted down to account for hotels of which Peachtree holds multiple investments (i.e. an A- and B-note); bottom-line key count is adjusted for any investments that are participated in multiple investment vehicles.

(f) All Other Equity and Total Equity of the deals represented are removed from the bottom-line totals as to not double-count the equity for investments that are participated in multiple Peachtree investment vehicles.

(g) Represents debt investments that were acquired through foreclosure, deed in lieu of foreclosure or other measures considered normal business practice for distressed or REO assets.

(h) Represents assets that have had indebtedness purchased by the fund at a discount from a lending relationship resulting in future economic benefits to the investment.

“Total Basis” reflects total capitalization respective of each fund’s ownership including: all closing costs, fees, financing costs and other capitalized costs at the time of underwriting the investments, including budgeted investments not yet spent for developments. Total Basis for debt investments includes first mortgage partner(s) but excludes borrower equity.

“Equity Invested” reflects the Net Exposure of the respective investment vehicle after accounting for indebtedness, participations, joint ventures, or side car investments.

“Equity Co-Invested” includes equity invested by third party investors and by the fund’s affiliates (including positions held by joint venture partners).

“Realized Equity Multiple” represents the actual gross distributions (after the payment of deal specific leverage and transaction-related expenses) as a multiple of the Peachtree’s contributions into each deal. These calculations reflect leverage to each deal and are presented net of transaction fees but excluding performance-based allocations, promoted interests, asset management fees, or other fund-related expenses.

“Realized IRR” represents the leveraged, annually compounded internal rate of return, respectively, including all fees but excluding asset management fees, other fund-related expenses, or promote paid to sponsor, if any. Gross IRR calculations reflect actual cashflows – this includes the indebtedness, transactions costs, or related expenses incurred as a result of each investment.

EXHIBIT F

Financial Forecast

THE FINANCIAL FORECAST CONTAINED HEREIN SHOULD NOT BE CONSTRUED AS PREDICTIONS OF THE ACTUAL OPERATING RESULTS OF THE PROPERTY OR THE ACTUAL RESULTS OF INVESTING IN THE INTERESTS. THE FINANCIAL FORECAST ARE INTENDED MERELY TO ILLUSTRATE THE POTENTIAL RESULTS THAT THE PROPERTY MIGHT ACHIEVE IF THE ACCOMPANYING ASSUMPTIONS ARE ACHIEVED. WHILE THE SPONSOR BELIEVES THAT THE ASSUMPTIONS ARE REASONABLE, THEY ARE NECESSARILY SPECULATIVE AND SUBJECT TO MANY UNCERTAINTIES AND RISKS. IT IS LIKELY THAT FUTURE EVENTS AND CONDITIONS WILL BE DIFFERENT FROM THOSE ASSUMED AND THAT ACTUAL RESULTS WILL BE DIFFERENT FROM THOSE ILLUSTRATED, AND THOSE DIFFERENCES MAY BE MATERIAL.

THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS MEMORANDUM, INCLUDING, WITHOUT LIMITATION, STATEMENTS REGARDING FUTURE EVENTS, ACTIVITIES, OCCURRENCES OR PERFORMANCES, ARE INTENDED MERELY AS ESTIMATES, TARGETS, PREDICTIONS OR BELIEFS REGARDING THESE FUTURE EVENTS, ACTIVITIES, OCCURRENCES OR PERFORMANCES, UNLESS EXPRESSLY STATED OTHERWISE. FOR VARIOUS REASONS, INCLUDING THOSE SET FORTH IN THE "RISK FACTORS" SECTION OF THIS MEMORANDUM, THERE CAN BE NO ASSURANCE THAT THE ACTUAL EVENTS WILL CORRESPOND WITH THESE FORWARD-LOOKING STATEMENTS OR THAT FACTORS BEYOND THE CONTROL OF THE TRUST WILL NOT AFFECT THE ASSUMPTIONS ON WHICH THE FORWARD-LOOKING STATEMENTS ARE BASED. THEREFORE, THE ILLUSTRATIVE VALUE OF THESE FORWARD-LOOKING STATEMENTS FOUND IN THIS MEMORANDUM SHOULD NOT, UNDER ANY CIRCUMSTANCES, BE CONSIDERED A GUARANTEE THAT SUCH FUTURE EVENTS, ACTIVITIES, OCCURRENCES OR PERFORMANCES WILL TAKE PLACE.

THE FINANCIAL FORECAST WAS COMPILED BY THE SPONSOR AND REPRESENT THE SPONSOR'S BEST ESTIMATE OF THE EXPECTED PERFORMANCE OF THE PROPERTY. THE FINANCIAL FORECAST WAS NOT EXAMINED OR OTHERWISE PASSED UPON BY THE SPONSOR'S LEGAL COUNSEL.

PROSPECTIVE INVESTORS SHOULD SEEK THE ADVICE OF THEIR OWN INDEPENDENT LEGAL AND TAX ADVISERS WITH RESPECT TO AN INVESTMENT IN THE PROPERTY AND THE PROSPECTIVE RISKS AND REWARDS THEREFROM.

Forecasted Statement of Cash Flows
PG Sugarloaf DST

<i>Forecasted Trust Cash-on-Cash Return</i>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>Year Ending</i>	Dec. 2024	Dec. 2025	Dec. 2026	Dec. 2027	Dec. 2028	Dec. 2029	Dec. 2030	Dec. 2031	Dec. 2032	Dec. 2033
<i>Months</i>	9.1	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Effective Gross Income (EGI)	\$4,077,926	\$5,482,692	\$5,424,351	\$5,794,657	\$6,117,297	\$6,300,510	\$6,489,525	\$6,684,211	\$6,903,137	\$7,091,280
Master Lease Rent										
Base Rent to Trust	\$490,945	\$644,035	\$644,035	\$644,035	\$644,035	\$644,035	\$644,035	\$644,035	\$644,035	\$644,035
Base Rent as a Percentage of Equity	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Master Tenant Retained Base Revenue ¹	\$76,197	\$71,388	\$111,583	\$87,270	\$95,100	\$97,357	\$98,129	\$99,654	\$106,547	\$109,571
Master Tenant Operating Expenses	\$2,297,858	\$3,152,577	\$3,162,382	\$3,318,694	\$3,500,865	\$3,607,607	\$3,715,836	\$3,827,311	\$3,951,418	\$4,060,394
Additional Rent										
Additional Rent Breakpoint ²	\$2,865,000	\$3,868,000	\$3,918,000	\$4,050,000	\$4,240,000	\$4,349,000	\$4,458,000	\$4,571,000	\$4,702,000	\$4,814,000
Additional Rent Annual Maximum	1,212,926	1,614,692	1,506,351	1,670,000	1,775,000	1,845,000	1,920,000	2,000,000	2,070,000	2,140,000
Additional Rent to Trust	\$1,212,926	\$1,614,692	\$1,506,351	\$1,670,000	\$1,775,000	\$1,845,000	\$1,920,000	\$2,000,000	\$2,070,000	\$2,140,000
Bonus Rent										
Bonus Rent Breakpoint ³	\$4,077,926	\$5,482,692	\$5,424,351	\$5,720,000	\$6,015,000	\$6,194,000	\$6,378,000	\$6,571,000	\$6,772,000	\$6,954,000
EGI Above Bonus Rent Breakpoint	0	0	0	74,657	102,297	106,510	111,525	113,211	131,137	137,280
Master Tenant Retained Revenue ⁴	0	0	0	22,397	30,689	31,953	33,458	33,963	39,341	41,184
Bonus Rent to Trust ⁴	\$0	\$0	\$0	\$52,260	\$71,608	\$74,557	\$78,068	\$79,248	\$91,796	\$96,096
Trust Rent Before Deductions ⁵	\$1,703,871	\$2,258,727	\$2,150,386	\$2,366,295	\$2,490,643	\$2,563,592	\$2,642,103	\$2,723,283	\$2,805,831	\$2,880,131
Deductions from Trust Distributable Rent										
Asset Management Fee	(\$53,361)	(\$70,000)	(\$85,000)	(\$85,000)	(\$115,000)	(\$115,000)	(\$135,000)	(\$135,000)	(\$150,000)	(\$150,000)
Trust Reserves	(\$163,117)	(\$219,308)	(\$67,804)	(\$246,028)	(\$275,278)	(\$299,274)	(\$308,252)	(\$317,500)	(\$327,899)	(\$336,836)
Trustee Fees/Accounting/Owners' Expenses	(\$7,000)	(\$9,000)	(\$9,000)	(\$9,000)	(\$9,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
Total Rent Deductions	(\$223,478)	(\$298,308)	(\$161,804)	(\$340,028)	(\$399,278)	(\$424,274)	(\$453,252)	(\$462,500)	(\$487,899)	(\$496,836)
Total Distributable Rent to Trust	\$1,480,393	\$1,960,420	\$1,988,582	\$2,026,267	\$2,091,365	\$2,139,318	\$2,188,851	\$2,260,783	\$2,317,932	\$2,383,295
Total Cash-on-Cash Return	6.03%	6.09%	6.18%	6.29%	6.49%	6.64%	6.80%	7.02%	7.20%	7.40%
Total Master Tenant Retained Revenue	\$76,198	\$71,388	\$111,583	\$109,667	\$125,789	\$129,310	\$131,587	\$133,617	\$145,888	\$150,755

¹The difference between the Base Rent and the Additional Rent Breakpoint for the Property, if any, after taking into account any expenses of the Property, will inure to the benefit of the Master Tenant.

²Sum of Base Rent, Master Tenant Base Income, and Master Tenant Operating Expenses

³Sum of Additional Rent Breakpoint and Additional Rent Maximum

⁴Under the Master Lease, the Master Tenant will retain 30% of Gross Income above the Bonus Rent Breakpoint, and the Trust will be paid 70% of such Gross Income as Bonus Rent.

⁵Sum of Base Rent, Additional Rent, and Bonus Rent.

Forecasted Net Operating Income
Home2 Suites Lawrenceville Atlanta Sugarloaf

<i>Pro Forma</i>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>Year Ending</i>	Dec. 2024	Dec. 2025	Dec. 2026	Dec. 2027	Dec. 2028	Dec. 2029	Dec. 2030	Dec. 2031	Dec. 2032	Dec. 2033
<i>Number of Months</i>	9.1*	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Available Rooms	36,270	47,450	47,450	47,450	47,580	47,450	47,450	47,450	47,580	47,450
Room Nights Sold	28,358	37,183	35,691	36,407	37,203	37,199	37,199	37,199	37,301	37,199
Occupancy:	78.2%	78.4%	75.2%	76.7%	78.2%	78.4%	78.4%	78.4%	78.4%	78.4%
<i>Occupancy Growth</i>	-	0.2%	(4.0%)	2.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%
Average Daily Rate (ADR):	\$140.50	\$144.06	\$148.49	\$155.57	\$160.73	\$165.56	\$170.53	\$175.64	\$180.90	\$186.34
<i>ADR Growth:</i>	-	2.5%	3.1%	4.8%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
RevPAR:	\$109.85	\$112.89	\$111.69	\$119.36	\$125.68	\$129.79	\$133.69	\$137.70	\$141.82	\$146.08
<i>RevPAR Growth:</i>	-	2.8%	(1.1%)	6.9%	5.3%	3.3%	3.0%	3.0%	3.0%	3.0%
<i>Inflation:</i>	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Income										
Room Revenue	\$3,984,260	\$5,356,784	\$5,299,895	\$5,663,854	\$5,979,644	\$6,158,741	\$6,343,503	\$6,533,808	\$6,747,808	\$6,931,717
Conference and F&B Revenue	14,549	19,556	19,331	20,317	21,381	22,020	22,681	23,361	24,126	24,784
Other Operated Departments Revenue	38,566	51,841	51,243	53,856	56,677	58,372	60,123	61,927	63,955	65,698
Miscellaneous Revenue	40,552	54,510	53,882	56,629	59,595	61,377	63,219	65,115	67,248	69,081
Effective Gross Income	\$4,077,926	\$5,482,692	\$5,424,351	\$5,794,657	\$6,117,297	\$6,300,510	\$6,489,525	\$6,684,211	\$6,903,137	\$7,091,280
Controllable Expenses										
Rooms Department Expenses	\$857,481	\$1,152,637	\$1,139,347	\$1,197,444	\$1,260,159	\$1,297,842	\$1,336,777	\$1,376,880	\$1,421,977	\$1,460,732
Food & Beverage Expense	1,050	1,411	1,395	1,466	1,543	1,589	1,636	1,686	1,741	1,788
Other Operated Departments Expense	17,724	23,825	23,550	24,751	26,047	26,826	27,631	28,460	29,392	30,193
Administration & General Expenses	286,254	383,909	395,427	406,352	425,342	438,082	451,224	464,761	479,983	493,065
Sales & Marketing Expense	108,622	145,678	150,048	154,194	161,400	166,234	171,221	176,358	182,134	187,098
Franchise, Royalty & Preferred Guest Fees	390,384	524,866	519,292	554,953	585,895	603,443	621,546	640,193	661,161	679,180
IT/Telecom	61,803	82,887	85,373	87,732	90,775	93,289	96,088	98,971	102,212	104,998
Repairs and Maintenance	114,970	154,574	152,929	163,370	172,466	177,631	182,960	188,449	194,621	199,925
Total Controllable Expenses	\$1,838,287	\$2,469,787	\$2,467,361	\$2,590,261	\$2,723,626	\$2,804,935	\$2,889,084	\$2,975,756	\$3,073,220	\$3,156,980
Uncontrollable Expenses										
Utilities	\$81,573	\$109,652	\$108,388	\$113,915	\$119,881	\$123,465	\$127,169	\$130,985	\$135,275	\$138,961
Insurance	44,337	59,463	61,247	62,939	65,122	66,926	68,934	71,002	73,132	75,326
Property Taxes	170,542	294,367	308,412	319,793	347,544	360,260	371,068	382,200	393,666	405,476
Total Uncontrollable Expenses	\$296,453	\$463,482	\$478,047	\$496,647	\$532,546	\$550,651	\$567,171	\$584,186	\$602,072	\$619,763
Property Management Fees	\$163,117	\$219,308	\$216,974	\$231,786	\$244,692	\$252,020	\$259,581	\$267,368	\$276,125	\$283,651
Total Expenses	\$2,297,858	\$3,152,577	\$3,162,382	\$3,318,694	\$3,500,865	\$3,607,607	\$3,715,836	\$3,827,311	\$3,951,418	\$4,060,394
Net Operating Income	\$1,780,069	\$2,330,115	\$2,261,969	\$2,475,962	\$2,616,432	\$2,692,903	\$2,773,690	\$2,856,901	\$2,951,719	\$3,030,886
<i>NOI Margin</i>	43.7%	42.5%	41.7%	42.7%	42.8%	42.7%	42.7%	42.7%	42.8%	42.7%

*Year 1 commences on March 28, 2024 and ends on December 31, 2024

Property Condition Assessment and Other Items

Allowance for kitchen equipment		\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Replace ice machines								22,500		
Replace guest laundry equipment						7,000				
Total	\$0	\$4,000	\$4,000	\$4,000	\$4,000	\$11,000	\$4,000	\$26,500	\$4,000	\$4,000
Total Projected Master Tenant Expenditures	\$114,550	\$4,000	\$2,602,380	\$4,000	\$4,000	\$11,000	\$4,000	\$26,500	\$4,000	\$4,000

Projected Trust Capital Expenditures**Mechanical and Plumbing Assessment Items**

Repair guestroom hot water heater WH-3	\$1,500									
Add condensation neutralization kits for five water heaters.	2,000									
Service roof top units	2,000									
Seal around refrigerant line set openings	800									
Total Mechanical and Plumbing Assessment	\$6,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Property Condition Assessment Items

Clean and recoat pergola over fire pit area	\$5,000							\$5,000		
Sealcoat and restripe asphalt paving	19,050							19,050		
Resurfacing of the swimming pool.						\$9,120				
Repair, recoat, and rescal localized areas of the building enclosure.	10,000									
Clean, apply water-repellant coating to masonry surfaces, recoat exterior walls and miscellaneous metal work. Replace sealants between dissimilar materials.		\$24,000							\$24,000	
Replacement of the common area hospitality carpet						17,250				
Replacement of hot water heaters							\$3,900	3,900	3,900	\$3,900
Replacement of the PTAC units (room A/C units)					\$4,500	4,500	4,500	4,500	4,500	4,500
Repair/replacement of swimming pool equipment							7,000			
Total Property Condition Assessment	\$34,050	\$24,000	\$0	\$0	\$4,500	\$30,870	\$15,400	\$32,450	\$32,400	\$8,400

Other Capital Expenditures

Routine Capital Expenditures	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$25,000	\$25,000
Total Other	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Total Trust Capital Expenditures	\$60,350	\$44,000	\$20,000	\$20,000	\$24,500	\$50,870	\$35,400	\$52,450	\$52,400	\$28,400

Combined Master Tenant and Trust Capital Expenditures	\$174,900	\$48,000	\$2,622,380	\$24,000	\$28,500	\$61,870	\$39,400	\$78,950	\$56,400	\$32,400
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*The beginning balance for Year 1 is the sum of Trust Reverses from Offering proceeds and a seller credit of \$1,000,000.



For more information, please contact your financial advisor.



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