



## PUBLIC WORKS COMMISSION MEETING AGENDA

TUESDAY, JUNE 28, 2022 AT 5:30 PM

COUNCIL CHAMBERS, SECOND FLOOR, MUNICIPAL BUILDING

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**By Phone or GoToMeeting:** Members of the media and the public may attend by calling: (Toll Free): 1 866 899 4679 or 1 (571) 317-3116 **Access Code:** 611-422-333 or <https://global.gotomeeting.com/join/611422333>

Please join meeting from your computer, tablet or smartphone. All public participants' phones will be muted during the meeting except during the public comment period.

**By Phone or GoToMeeting:** Members of the media and the public may attend by calling:

1 866 899 4679 or +1 (571) 317-3116 Access Code: 283-170-405 or

<https://meet.goto.com/283170405> All public participants' phones will be muted during the meeting except during the public comment period.

**1. CALL TO ORDER**

**2. COMMENTS AND SUGGESTIONS FROM CITIZENS PRESENT**

**3. REVIEW AND APPROVE MINUTES**

A. Minutes from June 7, 2022

B. Minutes from June 14, 2022

**4. BUSINESS:**

A. Review and take possible action: Water Department, approve change order #14 for Robert E. Lee and Associates, Inc. for N. Fourth Street water infrastructure project

B. Review and take possible action: consider approval of Assignment and Assumption of Substitute Development Agreement

**5. ADJOURNMENT**

*Persons requiring other reasonable accommodations for any of the above meetings, may contact the office of the City Clerk at [mdunneisen@CityofWatertown.org](mailto:mdunneisen@CityofWatertown.org), phone 920-262-4006*

*A quorum of any City of Watertown Council, Committee, Board, Commission, or other body, may be present at this meeting for observing and gathering of information only*

*Persons requiring other reasonable accommodations for any of the above meetings, may contact the office of the City Clerk at [mdunneisen@CityofWatertown.org](mailto:mdunneisen@CityofWatertown.org), phone 920-262-4000*

*A quorum of any City of Watertown Council, Committee, Board, Commission, or other body, may be present at this meeting for observing and gathering of information only*

PUBLIC WORKS COMMISSION  
Tuesday, JUNE 7, 2022 at 6:30 p.m.

Commission members present: Alders Bartz, Romlein, Ruetten, Wetzel

City employees present:  
Waste Water Treatment Manager Peter Hartz

1. Chairman Wetzel called the meeting to order at 6:31 p.m.
2. Review and take action: award bid for the 2022 Private Lead Service Line

The Water Department applied for a grant through the Wisconsin Department of Natural Resources (WDNR) for the replacement of private lead service laterals. The Wisconsin Department of Natural Resources has communicated to the City of Watertown that in order to receive the funds, the private lead service lateral project needs to be advertised and awarded. The Public Works Commission approved advertising for this special project.

The following three (3) sealed bids were received for the 2022 Private Lead Service Line Contract:

<b>Contractor</b>	<b>Total Cost (Bid items 1 – 14)</b>
MJ Construction, INC.	\$2,895,400
Wood Sewer & Excavating	\$2,999,470
Mid City Corporation	\$3,182,300

The bid from MJ Construction, INC. is the lowest and in the best interest of the City. Pete Hartz stated that funding is available. Strand Associates approves of MJ construction and has recently worked with them in Stoughton. The City of Oconomowoc also gave a positive review.

Motion to authorize go award the 2022 Private Lead Service Lateral Replacement Project #09-22 for a total of \$2,500,000 a reduction from the bid amount to match available funding provided by the WDNR.

Motion by Ald. Romlein

2nd Ald. Bartz

Carried by unanimous voice vote

3. Adjournment

Motion to adjourn Ald. Ruetten

2nd Ald. Bartz

Carried by unanimous voice vote

Meeting adjourned at 6:36 p.m.

Respectfully submitted,  
Bob Wetzel  
Public Works Commission Chair

Note: These minutes are uncorrected, and any corrections made thereto will be noted in the proceedings at which these minutes are approved.

## PUBLIC WORKS COMMISSION

Tuesday, June 14, 2022

Commission members present: Alders Bartz, Romlein, Ruetten, Wetzel, Commissioner Peter Thompson

City employees present:

Public Works Director/City Engineer (PWD/CE) Jaynellen Holloway

Street Department Superintendent Dan Zuelsdorf

1. Chairman Wetzel called the meeting to order at 5:35 p.m.

2. Comments and suggestions from citizens present

NONE present

3. Review and Approve Minutes from May 24, 2022

Motion to approve Ald. Romlein

2nd Ald. Bartz

Carried by unanimous voice vote

4. Review and take possible action: one side parking on E. Main Street between Market - Irene

To prepare the Financial Agreement with WisDOT for the project east of Market Street(3050-04-70) the parking area needs to be clarified. Currently the street width does not provide enough room for parking on both sides of the street. To provide parking on one side of the street, the new centerline could be shifted two feet to provide more room on the side of the street with parking. An estimated cost for parking on one side of the street is \$150,000. Would the city like to provide parking on one side of the street, or should this segment be marked NO PARKING, or should the street be widened and provide parking on both sides of the street which would cost the City an additional \$150,000? Once discussed, engineering will respond back to WisDOT. It should be noted that this item was presented to the Public Safety & Welfare Committee (PS&W) at their May 4th meeting. That Committee made the recommendation to only provide parking on the north side of the street based on one resident's comments of current parking patterns and based on cost to the City. Resident letters were mailed out to all property owners along this segment of Main Street, but only one resident attended the PS&W meeting. Since the Public Works Commission is involved in Engineering standards of the City's streets, Engineering wanted to also bring this item before this body for discussion and determination.

Ald. Ruetten asked where the resident who attended that PS&W meeting (above) resides and the answer given was across from Dominos.

Ald. Romlein shared the idea that towns and transportation are changing and that we should be forward thinking in our consideration. For instance, he stated that by 2035 vehicle traffic will be solely electric and that people will be more pedestrian. Discussion followed concerning those thoughts.

Comm'r. Thompson stated that streets have had an 11' driving lane and 9' parking lane. These measurements have likely increased.

Ald. Ruetten asked if we are under contract. PWD/CE Holloway replied that we are not.

Ald. Ruetten asked if the overhead utilities would be underground. PWD/CE Holloway wasn't sure.

Comm'r. Thompson asked how the residents were notified. PWD/CE Holloway stated that each was mailed all the pertinent information from both the City and State.

Ald. Romlein motioned that the recommendation of the PS&W committee be accepted (parking on only the northside of Main St.). Motion failed due to lack of a 2nd.

Ald. Ruetten motioned for 2 parking lanes.

2nd by Comm'r. Thompson

Ald. Ruetten amended his motion with the following:

send the recommendation to the Finance Committee.

2nd by Comm'r. Thompson

Comm'r. Thompson asked that PWD/CE Holloway contact the State as to current drive and parking lane widths.

Carried by a 4-1 voice vote (Ald. Romlein in dissent).

5. Review and take possible action: contract with Behnke Materials for pavement testing for \$19,980.00

This is an annual contract for pavement testing under the Annual Street program, for which there is a budgeted item. Since it is the sole provider, purchasing policy requires that it come through Committee for approval under Section 2.3 (6). A resolution is not required.

Comm'r. Thompson stated that he has had very positive experiences with Behnke when he has worked with them and that they are ahead of the State in their work and processes.

Motion to approve Comm'r. Thompson

2nd Ald. Ruetten

Carried by unanimous voice vote

6. Review and take possible action: Watertown Signal & Communication Project revised total cost

The Street Division applied for in 2020 and received a grant from WisDOT in 2021 to upgrade the existing traffic signals to wireless technology on Main Street in the downtown area. With the multiple turnover in street superintendents since the grant award, the project has not moved forward and no funding was placed in the 2022 budget for this work. The improvements are very much needed. The Street Division is seeking direction on next moves. City funds the match in the 2022 budget and have the project completed this year or ask DOT if the grant funding can be carried over into 2023 and the City budget for this in 2023 (although there could be a cost increase in 2023)? With either option the City needs to communicate to the State how it wishes to move forward. Since the grant was awarded the cost to upgrade the signals has increased. The State will only fund 90% of the original grant award of \$87,500 = \$78,750. The City will need to provide the original 10% of the original cost \$8,750, and to do the whole project (which is needed) 100% of the cost increase of \$20,976. The State has asked the following:

- A. Do the entire project for a total cost of \$99,726, with the State paying \$78,750 and the City paying \$20,976.
- B. Eliminate portions of the project to bring the cost under that initial \$87,500. The State would pay \$78,750 and the city \$8,750 as initially planned.
- C. Push a portion of the project to a future fiscal year by applying and getting approved through the SISP program again. The total for FY23 would be the applied for \$87,500, and the new project could cover whatever was broken off. The State would pay \$78,750 and the city \$8,750 as initially planned and applied for on this project, then the same 90/10 split on the future project. Something like putting the radios on a future year is an idea.
- D. Eliminate a portion of the project bringing the cost under that initial \$87,500. Fund the rest of the project with city funds, or eliminate all together.

Once the City lets the State know how we wish to proceed, the State will get the SMA signed and the project rolling.

Ald. Ruetten motioned to move the entire street project i.e. parking lanes on both the north and south side of the street to the 2023 budget.

2nd Ald. Romlein

Carried by unanimous voice vote

Consensus dictated that items 7-15 be combined.

7. Review and take possible action: sidewalk concern/repair at 116 E. Main Street, 308 E. Main Street, 802 N. Church Street, 806 N. Church Street, 812 N. Church Street, 815 N. Church Street, 818 N. Church Street, 821 N. Church Street, 824 N. Church Street

Ald. Ruetten asked if these complaints were driven by residents who live at said addresses or if they were simply noticed by other residents. PWD/CE Holloway said that observations were given by citizens passing by and that the City must set a course of action once notified.

Motion to approve Ald. Romlein

2nd Ald. Ruetten

Carried by unanimous voice vote

16. Review and take possible action: consider approval of Assignment and Assumption of Substitute Development Agreement. Neither Engineering nor Streets did not bring this item to Public Works and so there was no presenter of this agenda item.

Motion to table Ald. Ruetten

2nd Ald. Bartz

Carried by unanimous voice vote

17. Adjournment

Motion to adjourn Ald. Ruetten

2nd Ald. Bartz

Carried by unanimous voice vote

Meeting adjourned at 6:28 p.m.

Respectfully submitted,

Bob Wetzel

Public Works Commission Chair

Note: These minutes are uncorrected, and any corrections made thereto will be noted in the proceedings at which these minutes are approved.

**For Engineering Services  
2018 Annual Street And Water/Sanitary Design  
Between City of Watertown And Robert E. Lee & Associates, Inc.**

This amendment, dated June 14, 2022, is to provide additional engineering design services for the 2023 North Fourth Street Water Main Replacement project, North Fourth Street from Jones Street to Center Street. The additional work was requested by the City of Watertown and covers water main design efforts for the North Fourth Street project.

**SCOPE OF WORK**

The City of Watertown has applied for STP-Urban funding for the resurfacing of North Fourth Street and was awarded this funding. As part of this project, the City Utility requested engineering services to prepare engineering plans and specifications for water main replacement prior to the STP-Urban BIL project. North Fourth Street water main replacement project will be completed prior to the state BIL project within the City of Watertown. The project work is described below.

**ENGINEERING SCOPE OF SERVICES**

The following is a detailed scope of engineering services for the North Fourth Water Main Replacement Project from Jones Street to Center Street within the City of Watertown.

**Design**

1. Provide additional design and drafting of approximately 2,750 LF of water main replacement of North Fourth Street at Jones Street to Center Street at the direction of the City of Watertown Utility.
2. Complete additional topographic survey for plan development.
3. Complete preliminary water main plans, including plan and profile sheets.
4. Hold one virtual plan review meeting.
5. Prepare and submit WDNR permitting in regard to water main, if necessary for planned upgrades.
6. Develop final plans, specifications and bid tabulation.
7. Address contractor's questions during bidding and prepare Addenda, if required.

**CITY'S RESPONSIBILITIES**

1. Provide as-built information
2. Pay permit fees, if applicable
3. Publication costs, if applicable
4. Complete project bidding.

**TASKS NOT INCLUDED IN SCOPE OF SERVICES**

1. Soil borings
2. Archaeological or historical investigation.
3. Right-of-way plat and title searches.

- 4. Environmental investigation.
- 5. Construction permit acquisition.
- 6. Determination of the existing right-of-way will utilize City GIS.
- 7. Wetland delineation.

COMPENSATION

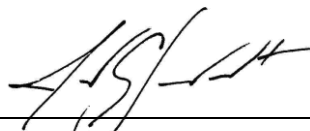
The proposed fee for the engineering work is presented in the following list:

4 <sup>th</sup> Street Water Main Replacement Project.....	\$18,000 Lump Sum
Total This Amendment 14.....	\$ 18,000
Original Contract Price.....	\$ 65,420
Total Amendment 1 .....	\$ 16,500
Total Amendment 2 .....	\$ 76,421
Total Amendment 3 .....	\$ 2,310
Total Amendment 4 .....	\$ 15,201
Total Amendment 5 .....	\$ 500
Total Amendment 6 .....	\$ 2,750
Total Amendment 7 .....	\$ 3,450
Total Amendment 8 .....	\$ 6,400
Total Amendment 9 .....	\$ 9,000
Total Amendment 10 .....	\$ 69,588
Total Amendment 11 .....	\$ 8,900
Total Amendment 12 .....	\$ 9,500
Total Amendment 13 .....	\$ 60,000
Total Revised Contract .....	\$363,940

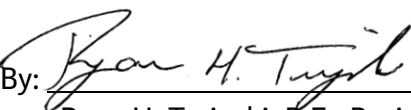
All other terms and conditions of the original agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement as of the day and year first above written.

ROBERT E. LEE & ASSOCIATES, INC.

By:   
Jared G. Schmidt, P.E., Vice President

Date: 6/14/2022

By:   
Ryan H. Trzinski, P.E., Project Manager

Date: 6/14/2022

CITY OF WATERTOWN

By: \_\_\_\_\_  
Jaynellen Holloway, City Engineer

Date: \_\_\_\_\_



To: Chairman Wetzels and members of the Public Works Commission      June 20, 2022  
From: Peter Hartz – Water Systems Manager

Re:            Agenda item – June 28, 2022 - Public Works Commission meeting

**Water Department:**

1. Review and take possible action – Water Department, approve change order #14 for Robert E. Lee and Associates, Inc. for N. Fourth Street water infrastructure project.
  - The Water Department recently reviewed the planned road restoration for 2023 on N. Fourth St. from Jones St. – Bridge and recommends replacing approximately 2,750 lineal feet of watermain prior to the new surface restoration. The watermain is circa 1924 and the expected life of the new road surface is 10 years (or more). The design work is needed this year to complete the watermain, valve, service, and hydrant replacements early next year to stay ahead of the planned road resurfacing work. Staff recommends approving RE Lee's quote to complete the engineering design work as they have already been awarded survey work for the N. Fourth St project area and that will be needed for the utility design work as well.
  - Fiscal note: Although not planned this year, sufficient funds are available in the capital improvement budget approved for 2022 from account #03-99-99-99.
  - A draft resolution is included and will be moved forward to the Common Council pending approval.

Sincerely,  
*Peter Hartz*

Water Systems Manager

**RESOLUTION TO  
APPROVE CHANGE ORDER NO. 14 TO CONTRACT #XX-17**

**SPONSOR: ALDERPERSON WETZEL  
FROM: PUBLIC WORKS COMMISSION**

**WHEREAS**, the Water Department became aware of a BIL Grant for a 2023 resurfacing project planned on N. Fourth St. this past April of 2022; and

**WHEREAS**, the watermain age dates to 1924 and with the expected new road surface life of 10 years determined that replacing the underground infrastructure is in the best interest of the Water Utility and City of Watertown; and

**WHEREAS**, RE. Lee was already awarded the surveying work for the road project and that provides relevant information for the watermain design; and

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF WATERTOWN, WISCONSIN:** that the proper City Officials be and are hereby authorized to award change order No. 14 to Robert E. Lee and Associates, Inc. for the N. Fourth Street watermain replacement project for total not to exceed \$18,000, funds to come from Water Utility account #03-99-99-99.

	YES	NO
DAVIS		
LAMPE		
RUETTEN		
BARTZ		
LICHT		
SMITH		
SCHMID		
WETZEL		
ROMLEIN		
MAYOR MCFARLAND		
TOTAL		

ADOPTED July 05, 2022

\_\_\_\_\_  
CITY CLERK

APPROVED July 05, 2022

\_\_\_\_\_  
MAYOR

## ASSIGNMENT AND ASSUMPTION OF SUBSTITUTE DEVELOPMENT AGREEMENT AND CONSENT AND ACKNOWLEDGMENT OF CITY

This Assignment and Assumption Agreement (this "Agreement") is made and entered into as of \_\_\_\_\_, 2022 (the "Effective Date"), by and between Watertown Square, LLC, a Delaware limited liability company (the "Assignor") and EXCHANGERIGHT ESSENTIAL INCOME STRATEGY PROPERTIES 3, LLC, a Delaware limited liability company (the "Assignee") and the City of Watertown, Wisconsin (the "City").

WHEREAS, the Assignor and the City entered into that certain Substitute Development Agreement dated July 7, 2009 (the "Development Agreement") covering certain property owned by the Assignor and legally described on **Exhibit A** attached hereto ("Property"); and

WHEREAS, pursuant to the terms of the Development Agreement, the Property is entitled to certain public incentive programs, including a portion of revenues held by the City in a City controlled interest-bearing, segregated fund (the "Fund"); and

WHEREAS, the Assignor wishes to convey and sell to the Assignee, and the Assignee wishes to purchase the Property subject to the Development Agreement pursuant to that certain Purchase and Sale Agreement, as amended, dated March 22, 2022 (the, "Agreement"); and

WHEREAS, in connection with the conveyance of the Property, Assignor desires to assign to Assignee, and Assignee desires to assume, the Assignor's interest in the Development Agreement and the Fund; and

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, Assignor and Assignee hereby agree as follows:

1. All capitalized terms not otherwise defined in this Agreement shall bear the meaning given them in the Development Agreement.

2. Assignment and Assumption of Development Agreement. Assignor does hereby assign to Assignee all of Assignor's right, title and interest in and to the Development Agreement. Assignee hereby accepts the assignment of the Assignor's interest in the Development Agreement, and hereby assumes all of the obligations and liabilities of the Assignor thereunder accruing from and after the Closing (as defined in the Agreement), and agrees, for the benefit of Assignor and the City, to perform, observe, keep and comply with all the terms, covenants, conditions, provisions and agreements contained therein on the part of Assignor to be performed, observed, kept and complied with from and after Closing. Assignor confirms all benefits in Section 3.2 of the Development Agreement accrue only to Assignor and have not been conveyed or assigned to any other party and will be paid to the Assignee following Closing when due. Notwithstanding the foregoing, Assignor shall indemnify Assignee against and hold Assignee harmless of and from, all liabilities, obligations, actions, suits, proceedings or claims, and all losses, costs and expenses, including but not limited to reasonable attorneys' fees, arising as a result of any act, omission or obligation of Assignor arising or accruing with respect to the Development Agreement occurring or alleged to have occurred prior to Closing.

3. Assignment of the Fund. Assignor does hereby assign and transfer to Assignee, without recourse, all of Assignor's right, title and interest in and to the Fund.

4. Confirmation by City. City consents to the foregoing assignment of the Development Agreement, consents to the sale of the Property to the Assignee and management of the Property by Assignee at Closing, and confirms it is made in full compliance with the provisions of Section 9.12 of the Development Agreement.

5. Guaranty. Exchangeright Asset Management, LLC, by execution of this Agreement, hereby guarantees performance by Assignee of the provisions of Section 3.1(6) of the Development Agreement.

6. Release. The City and the Assignee hereby confirm that at Closing, Assignor, P.H. Limited Partnership, and E.J. Plesko & Associates, Inc., are hereby released from any and all obligations under the Development Agreement and any related guaranties.

7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one Agreement. To facilitate execution of this Agreement, the parties may execute and exchange by email in PDF format counterparts of the signature pages, which shall be deemed an original.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first set forth above.

ASSIGNOR:

WATERTOWN SQUARE, LLC, a Delaware  
limited liability company

By: P.H. Limited Partnership, an Illinois  
limited partnership  
Its Member

By: PH Corporation, a Wisconsin  
corporation  
Its General Partner

By: \_\_\_\_\_  
Andrew E. Plesko  
Its President

STATE OF \_\_\_\_\_ )  
 ) ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 2022, by Andrew E. Plesko, the President of PH Corporation, a Wisconsin corporation, as the General Partner of P.H. Limited Partnership, an Illinois limited partnership, as the Member of Watertown Square, LLC, a Delaware limited liability company, on behalf of the company.

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Notary Public

*(signature page to Assignment)*

ASSIGNEE

EXCHANGERIGHT ESSENTIAL INCOME  
STRATEGY PROPERTIES 3, LLC, a  
Delaware limited liability company

By: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 2022, by \_\_\_\_\_, the \_\_\_\_\_ of EXCHANGERIGHT ESSENTIAL INCOME STRATEGY PROPERTIES 3, LLC, a Delaware limited liability company, on behalf of the Company.

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Notary Public

(signature page to Assignment)

GUARANTOR:

EXCHANGERIGHT ASSET MANAGEMENT,  
LLC, a California limited liability company

By: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 2022, by \_\_\_\_\_, the \_\_\_\_\_, of EXCHANGERIGHT ASSET MANAGEMENT, LLC, a California limited liability company, on behalf of the company.

\_\_\_\_\_  
Notary Public

*(signature page to Assignment)*

CITY:

CITY OF WATERTOWN, WISCONSIN

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its:

[illegible]

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 2022, by \_\_\_\_\_ and \_\_\_\_\_, the \_\_\_\_\_ and \_\_\_\_\_ of the City of Watertown, Wisconsin.

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Notary Public

THIS INSTRUMENT WAS DRAFTED BY:  
Christoffel & Elliott, P.A.  
1111 UBS Plaza  
444 Cedar Street  
St. Paul, MN 55101

**Exhibit A****Legal Description**

That certain real property lying in the County of Jefferson, State of Wisconsin, legally described as follows:

**Parcel 1:**

Lot 1 of Certified Survey Map No. 5225 recorded on August 7, 2009, in Volume 28 of Certified Surveys on Pages 126-131 as Document No. 1263956, being all of Lots 1 through 18, part of Lots 37 through 46, vacated Montgomery Street, vacated Robert Street and vacated Crangle Avenue and vacated alley, all of Crangle's Addition, Outlot 2, Twelfth Ward – formerly Third Ward, and part of Certified Survey Map No. 1167 recorded in Volume 4 on Page 38, all in the NW ¼ of the SW ¼ of Section 4, Township 8 North, Range 15 East, City of Watertown, Jefferson County, Wisconsin.

EXCEPTING THEREFROM land conveyed to Fatmir Suloja in Quit Claim Deed recorded on 07/07/10 as Document No. 1278701, described as follows: Commencing at the Southwest corner of Lot 2 of Certified Survey Map No. 5225; thence North 84°17'20" West, along said Northerly right-of-way of Bernard Street and the Southerly line of said Lot 1, Certified Survey Map No. 5225, 66.97 feet to the point of beginning of the hereinafter described lands: thence continuing North 84°17'20" West, along said right-of-way, 12.03 feet; thence North 12°23'00" East, along the Westerly line of said Lot 1, 169.90 feet; thence South 08°19'42" West, 168.93 feet to the point of beginning.

**Parcel 2:**

TOGETHER WITH AND SUBJECT TO Rights and Easements as set forth on Declaration of Restrictions and Easements recorded on 7/21/09 as Document No. 1262986.

Tax Key No. 291-0815-0432-012

Address: 600 S. Church St., Watertown, WI 53094

**CERTIFICATION**

This Certification is made by the City of Watertown, Wisconsin (“City”) on the \_\_\_\_ day of \_\_\_\_\_, 2022.

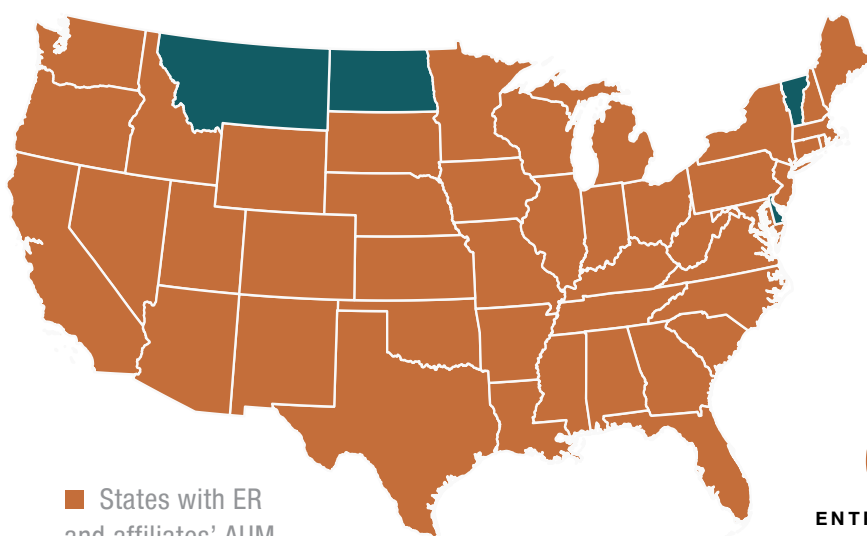
- (i) Neither P.H. Limited Partnership (“P.H.”), E.J. Plesko and Associates, Inc. (“E.J.P.”) nor Watertown Square, LLC (“Seller”) nor the City is in default of the Substitute Development Agreement (“SDA”) made as of July 7, 2009, a copy of which is attached hereto as Exhibit A;
- (ii) The SDA is in full force and effect;
- (iii) To the knowledge of City, there is no document that has caused, or would cause, City to pay the benefits of the SDA in Section 3.2 thereof, to anyone other than Seller, and such benefits will be paid to Essential Income Strategy Properties 3, LLC (“Purchaser”) post-closing;
- (iv) City consents to the sale of the Property described in Exhibit B, which is attached hereto, to Purchaser and to management post-closing by Purchaser, provided Purchaser agrees to be bound by the terms of the SDA, and, upon assignment to, and confirmation of, the SDA by Purchaser, P.H., E.J.P. and Seller are released from all obligations under the SDA;
- (v) The current balance of the Fund, as defined in the SDA is not less than \$300,000.00.

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for the City of Watertown, Wisconsin



*It's our passion to empower people  
to be secure, free, and generous.*



**\$4.8+ Billion**

ASSETS STEWARDED  
FOR INVESTORS

**73 Offerings**

ALL MEETING OR EXCEEDING  
DISTRIBUTION TARGETS

**6,600+ Investors**

ENTRUST EXCHANGERIGHT WITH THE STEWARDSHIP  
OF THEIR WEALTH AND INCOME



**44 States**

GEOGRAPHICAL  
DIVERSIFICATION



**61 Tenants**

PRIMARILY  
INVESTMENT-GRADE



**674 Markets**

DIVERSIFICATION  
OF ASSETS



**16 Industries**

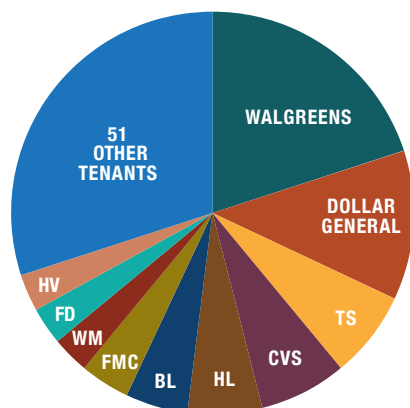
RECESSION-RESILIENT  
ESSENTIAL BUSINESSES

Past performance of the Sponsor and any past offerings is not indicative of future results.  
All AUM stats as of 3/31/22.

ExchangeRight has built a highly diversified, aggregated portfolio of net-leased properties backed primarily by investment-grade tenants that operate successfully in the necessity retail and healthcare space to provide investors with secure capital, stable income, and strategic exits.

Over 93% of the portfolio's net operating income is generated by **essential** tenants that remained open in cities and states where other businesses were forcibly closed due to the COVID-19 pandemic. Many of these tenants rose to the occasion throughout the crisis to meet record-breaking demand for their essential goods and services, and they continue to operate profitably as the national recovery continues.

#### SUMMARY OF EXCHANGERIGHT'S ASSETS UNDER MANAGEMENT



#### TOP TEN TENANTS % OF NOI

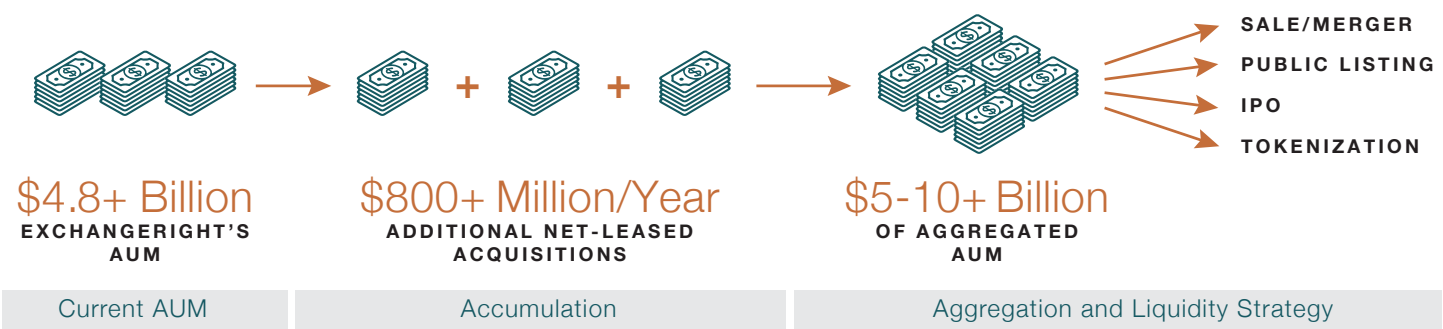
Walgreens	20.93%	BioLife Plasma Services L.P.	3.63%
Dollar General	12.26%	Fresenius Medical Care	3.59%
Tractor Supply	8.17%	Walmart Neighborhood Market	3.22%
CVS Pharmacy	5.44%	Family Dollar	3.11%
Hobby Lobby	4.26%	Hy-Vee Grocery	2.62%

Our portfolio tenants are primarily "investment-grade", as determined by nationally recognized statistical rating organizations that are approved by the U.S. Securities and Exchange Commission to provide information that financial firms may rely on for regulatory purposes. An "investment-grade" rating is a rating that indicates that a corporate bond has a relatively lower risk of default than a corporate bond with a speculative grade.

Total assets under management (AUM) and number of states are inclusive of ExchangeRight and its affiliates.

Past performance of the Sponsor and any past offerings is not indicative of future results.

ExchangeRight intends to strategically acquire net-leased necessity retail and healthcare properties to grow its total properties under management to \$5-10+ billion within the next one to three years. The Sponsor believes this will afford us the flexibility to optimize shareholder value via any one or a combination of the following options: 1) a net lease platform integration with expanded liquidity provisions executed via a tax-deferred sale/merger, 2) a listing on a national or international exchange, 3) an initial public offering, or 4) a securitized tokenization.



OUR SCALABILITY AND AGGREGATION

We intend to take advantage of the Sponsor’s fully scalable platform and deep industry relationships to strategically acquire single-tenant, net-leased necessity-based retail and healthcare assets with the goal of creating additional size and diversification in order to seek enhanced, recession-resilient returns and liquidity for shareholders within the next one to three years.



Any one or a combination of these potential aggregation strategies may further enhance investor returns and liquidity if executed, however, there is no guarantee that any aggregation strategy will be executed or that they will produce enhanced liquidity or returns. It is anticipated that any one or a combination of these potential aggregation strategies will be greatly enhanced by ExchangeRight’s existing assets under management and the continued growth of its net lease platforms.

Past performance of the Sponsor and any past offerings is not indicative of future results. Aggregation and liquidity objectives, timing, and results are not guaranteed. Investing in this offering involves risk. Please review the PPM in its entirety so that you may understand and weigh the potential benefits and risks before making any investment decision.

ExchangeRight tracks the performance and metrics of publicly traded net lease REITs to ensure that its portfolio and offering construction are in alignment with its ultimate aggregation and liquidity strategy. The graph below compares the key metrics of publicly traded net lease REITs against the current and past returns of ExchangeRight's assets under management.

REIT NAME	TKR	MARKET CAP <sup>1</sup>	5-YR AVG HISTORICAL DIVIDEND YIELD <sup>1</sup>	WALT (YEARS) <sup>2</sup>	Q2 2020 RENT COLLECTIONS <sup>4</sup>	Q3 2020 RENT COLLECTIONS <sup>4</sup>	Q4 2020 RENT COLLECTIONS <sup>4</sup>
Realty Income Corporation	O	\$41.56 B	4.42%	9.00	88%	93%	94%
National Retail Properties, Inc.	NNN	\$8.03 B	4.55%	10.60	69%	90%	96%
Agree Realty Corp.	ADC	\$4.64 B	3.73%	11.50	95%	98%	99%
STORE Capital	STOR	\$8.16 B	4.57%	13.40	73%	87%	90%
Acadia Realty Trust	AKR	\$2.05 B	4.50%	Approx. 5.50	73%	87%	91%
Weighted average of public REIT comparables (based on Market Capitalization)			4.41%	9.83	84%	92%	94%
<b>ExchangeRight Net-Leased Portfolios as of 3/31/2022</b>			<b>6.62%<sup>3</sup></b>	<b>9.70<sup>2</sup></b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Difference between ExchangeRight's Net-Leased Assets Under Management and public REIT comparables</b>			<b>50.20%</b>	<b>-1.26%</b>	<b>19.11%</b>	<b>8.50%</b>	<b>6.67%</b>

In addition to the comparison metrics noted above, ExchangeRight's assets under management have several distinct advantages compared to the public comps noted above, including

- › Almost exclusively essential businesses that remained open even in shelter-in-place cities during the COVID-19 pandemic
- › Corporate-backed leases with no franchises or "mom and pop" locations
- › Primarily investment-grade credit compared to the public REITs' significant exposure to tenants with junk-bond-rated credit
- › Focused on recession-resilient industries compared to more discretionary and economically sensitive businesses

## FOOTNOTES

Investments are subject to market risk. Past performance is not indicative of future results.

1. As of 3/31/22. Source: YCharts, a financial data research platform. Unlike shares of publicly traded net lease REITs, ExchangeRight's assets under management are illiquid and are not listed or traded on any stock exchange.
2. "WALT" stands for "weighted average lease term". Comparable public REIT lease terms are presented as of 12/31/2021 (Source: 10-K filings for year ended December 31, 2021). ExchangeRight lease terms are as of 12/31/2021.
3. 5-Year Average Dividend Yield is the historical 5-year weighted average of net cash flow for ExchangeRight's net-leased AUM. Past performance may not be indicative of future performance.
4. Rent Collection metrics for comparable public REITs are based on press releases, earnings calls, SEC filings, and other public investor presentations. All other comparable public REITs as of 12/31/2020. Q3 figures represent a simple average of July, August, and September collections for O, ADC, STOR, and AKR.

## Primarily investment-grade tenants operating essential businesses within recession-resilient industries.



*S&P Rated: Investment Grade BBB (Long-Term)  
A-2 (Short-Term)*

2021 Annual Revenue: \$132.51 Billion  
2021 Gross Profit: \$28.07 Billion  
2021 Annual Net Income: \$2.54 Billion  
2021 Fiscal Year Revenue Growth: 8.63%  
2021 Number of Employees: 315,000

### **DOLLAR GENERAL**

*S&P Rated: Investment Grade BBB (Long-Term)  
A-2 (Short-Term)*

2021 Annual Revenue: \$34.22 Billion  
2021 Gross Profit: \$10.81 Billion  
2021 Annual Net Income: \$2.40 Billion  
2021 Fiscal Year Revenue Growth: 1.40%  
2021 Number of Stores: 18,190



*S&P Rated: Investment Grade BBB (Long-Term)*

2021 Annual Revenue: \$12.73 Billion  
2021 Gross Profit: \$4.48 Billion  
2021 Annual Net Income: \$997.11 Million  
2021 Fiscal Year Revenue Growth: 19.87%  
2021 Number of Stores: 2,003



*S&P Rated: Investment Grade BBB (Long-Term)  
A-2 (Short-Term)*

2021 Annual Revenue: \$292.11 Billion  
2021 Gross Profit: \$52.05 Billion  
2021 Annual Net Income: \$7.91 Billion  
2021 Fiscal Year Revenue Growth: 8.71%  
2021 Number of Stores: 9,900

“Investment-grade” is determined by nationally recognized statistical rating organizations that are approved by the U.S. Securities and Exchange Commission to provide information that financial firms may rely on for regulatory purposes. An investment grade rating is a rating that indicates that a corporate bond has a relatively lower risk of default than a corporate bond with a speculative grade.



*No Publicly Rated Debt*

2021 Annual Revenue: \$6.4 Billion  
 Forbes List of Largest Private Companies: 64th  
 2021 Increase in Annual Revenue 20.8%  
 Estimated Number of Employees: 43,000



*Leases are guaranteed by Baxalta, Inc., of which senior unsecured notes are S&P Rated: Investment Grade BBB+*

2020 Annual Revenue: \$30.28 Billion  
 2020 Gross Profit: \$20.25 Billion  
 2020 Annual Net Income: \$407.05 Million  
 2020 Revenue Growth: 60.04%  
 2020 Number of Stores: 150



*Leases are guaranteed by Fresenius Medical Care Holdings, Inc., which is Moody's Rated: Investment Grade Baa3*

2021 Annual Revenue: €17.62 Billion  
 2021 Gross Profit: €5.08 Billion  
 2021 Annual Net Income: €969 million  
 2021 Number of Locations: 4,100  
 2021 Number of Employees: 123,000



*S&P Rated: Investment Grade AA (Long-Term)  
 A-1+ (Short-Term)*

2021 Annual Revenue: \$572.75 Billion  
 2021 Gross Profit: \$143.75 Billion  
 2021 Annual Net Income: \$13.67 Billion  
 2021 Fiscal Year Revenue Growth: 2.43%  
 2021 Number of Stores: 10,500



*Family Dollar Stores, Inc. is a wholly owned subsidiary of Dollar Tree, Inc., which is S&P Rated: Investment Grade BBB*

2021 Annual Revenue: \$26.32 Billion  
 2021 Gross Profit: \$7.74 Billion  
 2021 Annual Net Income: \$1.33 Billion  
 2021 Fiscal Year Revenue Growth: 3.18%  
 2021 Number of Stores: 8,061



*NAIC Rated: Investment Grade 2 (NAIC discloses that their "2" rating is the equivalent of a BBB-, BBB, or BBB+ investment-grade rating by S&P)*

2020 Est. Annual Revenue: \$10.1 Billion  
 2020 Forbes List of Largest Private Companies: 38th  
 2017 Increase in Annual Revenue 3.9%  
 2020 Number of Employees: 85,000

## FULL-CYCLE OFFERINGS

OFFERING	DESCRIPTION	TARGETED ANNUALIZED CASH FLOW	ACTUAL ANNUALIZED RETURNS
Net-Leased Preferred Equity Fund 1	Shorter-term fund to acquire and sell net-leased assets for the Sponsor	Range of 12–20%	12.93%
Net-Leased Preferred Equity Fund 2	Shorter-term fund to acquire and sell net-leased assets for the Sponsor	Range of 8–12%	10.11%
Acquisition Notes	Company that issued short term debt capital to the Sponsor to acquire and sell net-leased assets	Range of 12–14%	12.00%
Acquisition Notes 2	Shorter-term fund to acquire and syndicate assets for the Sponsor	10.00%	10.00%
Acquisition Notes 3	Shorter-term fund to acquire and syndicate assets for the Sponsor	8.25–10.00%	10.00%
Van Mark Creek Apartments	One apartment community consisting of 144 units	7.16%	7.27%
Mira Bella and San Martin	Two Class B apartment communities consisting of 378 units	6.68%	6.82%
Lakeside at Arbor Place	One Class B apartment community consisting of 246 units	6.54%	11.08%
North Austin Apartments	Three Class B apartment communities consisting of 422 units	6.52%	6.80%
Crystal Lake Florida Apartments	One apartment community consisting of 224 units	6.44%	8.51%
El Paso Apartments	Two apartments totaling 393 units	5.96%	14.52%
Net-Leased Portfolio 1	Portfolio of two long-term net-leased properties leased to Family Dollar	7.25%	Range of 9.40%–10.58%
Net-Leased Portfolio 2	Portfolio of seven long-term net-leased properties leased to Family Dollar (6) and Dollar General (1)	7.45%	Range of 9.22%–10.93%
Net-Leased Portfolio 3	Portfolio of nine long-term net-leased properties leased to Family Dollar (8) and Dollar General (1)	7.52%	Range of 9.10%–10.64%
Net-Leased Portfolio 4	Portfolio of 11 long-term net-leased properties leased to Family Dollar (8), Advance Auto Parts (1), Aaron's (1), and Dollar General (1)	7.70%	Range of 7.73%–9.16%
Net-Leased Portfolio 5	Portfolio of 14 long-term net-leased properties leased to Advanced Auto Parts (2), AutoZone (1), Dollar General (4), Family Dollar (5), Sherwin-Williams (1), and The Christ Hospital (1)	7.24%	Range of 7.34%–8.16%
Net-Leased Portfolio 7	Portfolio of 16 long-term net-leased properties leased to Family Dollar (4), Dollar General (8), Advance Auto Parts (1), CVS (1), Napa Auto Parts (1), and O'Reilly Auto Parts (1)	7.79%	Range of 7.81% - 9.67%
Net-Leased Portfolio 8	Portfolio of 13 long-term net-leased properties leased to Advance Auto Parts (3), AutoZone (2), CVS (1), Dollar General (2), Family Dollar (1), Franciscan Alliance (1), Ross Stores (1), and Tractor Supply (2)	7.35%	Range of 7.69%–9.99%
Net-Leased Portfolio 12	Portfolio of 19 long-term net-leased properties leased to Advance Auto Parts (3), Dollar General (9), Family Dollar (1), Fresenius Medical Care (1), Kroger (1), Napa Auto Parts (2), Tractor Supply (1), and Walgreens (1)	6.30%	Range of 7.01%–9.92%
Net-Leased Portfolio 13	Portfolio of 20 long-term net-leased properties leased to Advance Auto Parts (1), CVS (1), Dollar General (5), Family Dollar (4), Hobby Lobby (1), Napa Auto Parts (1), Sherwin Williams (4), Tractor Supply (1), and Walgreens (2)	6.80%	Range of 7.35%–9.92%
Net-Leased Portfolio 14	Portfolio of 17 long-term net lease properties leased to Advance Auto Parts (1), Athletic Physical Therapy (1), Dollar General (6), Fresenius Medical Care (2), MedSpring (1), Napa Auto Parts (1), O'Reilly (1), Tractor Supply (1), and Walgreens (3)	6.55%	Range of 6.77% - 8.31%
Net-Leased Portfolio 15	Portfolio of 16 single-tenant, long-term net-leased retail assets that are 100% occupied by Advance Auto Parts (2), CVS (1), Dollar General (6), Family Dollar (1), Goodwill (1), Hobby Lobby (1), Indianapolis Osteopathic Hospital (1), and Walgreens (2)	6.53%	Range of 6.54%–7.99%
Net-Leased Portfolio 16	Portfolio of 19 long-term net-leased properties leased to Advance Auto Parts (3), Dollar General (7), Family Dollar (1), Hobby Lobby (1), Sherwin Williams (1), Tractor Supply (2), and Walgreens (4)	6.79%	Range of 7.08% - 8.50%

## NET-LEASED PORTFOLIOS CLOSED OFFERINGS

OFFERING	DESCRIPTION	TARGETED ANNUALIZED CASH FLOW	ACTUAL ANNUALIZED CASH FLOW
NLP 48	Portfolio of 21 single-tenant properties net-leased to necessity-based retail and pharmacy tenants that are 100% occupied and operating as CVS Pharmacy (3), Dollar General (5), Dollar Tree (1), First Midwest Bank (3), Food 4 Less (1), Fresenius Medical Care (1), Memorial Health System (1), Sherwin Williams (1), Verizon Wireless (1) and Walgreens (4)	6.11%	6.11%
NLP 47	Portfolio of 12 long-term net-leased properties leased to BB&T Bank (1), Dollar General (2), Dollar Tree (2), Fresenius Medical Care (1), Giant Eagle (1), Kroger (1), Napa Auto Parts (1), Verizon Wireless (1), Walgreens (1) and Walmart Supercenter (1)	6.10%	6.10%
NLP 46	Portfolio of 16 long-term net-leased properties leased to CVS Pharmacy (2), Dollar General (2), Dollar Tree (3), Family Dollar (1), Fresenius Medical Care (2), GIANT Foods (1), PNC Bank (1), Publix (1), and Walgreens (3)	6.15%	6.15%
NLP 45	Portfolio of 17 long-term net-leased properties leased to BioLife Plasma Services (2), Dollar General (5), Family Dollar (1), Fresenius Medical Care (3), Sherwin Williams (4), Tractor Supply Co. (1) and Walgreens (1)	6.18%	6.19%
NLP 44	Portfolio of 5 long-term net-leased properties leased to Dollar General (2), Natural Grocers (2), and Walgreens (1)	5.11%	5.14%
NLP 43	Portfolio of 16 long-term net-leased properties leased to Dollar Tree (1), Fresenius Medical Care (2), Lowe's (1), M&T Bank (1), Natural Grocers (1), Sherwin Williams (3), Tractor Supply Co. (2), Walgreens (4), and Whole Foods Market (1)	6.06%	6.10%
NLP 42	Portfolio of 14 long-term net-leased properties leased to CVS (1), Dollar General (3), Family Dollar (2), Fresenius Medical Care (1), Tractor Supply (1), Walgreens (4), and Walmart (2)	6.32%	6.34%
NLP 41	Portfolio of 18 long-term net-leased properties leased to BioLife Plasma Services (2), CVS (1), Dignity Health (1), Dollar General (4), Dollar Tree (1), Fresenius Medical Care (1), Hobby Lobby (1), Natural Grocers (1), Tractor Supply (2), Walgreens (2), and Walmart (2)	6.30%	6.33%
NLP 40	Portfolio of 21 long-term net-leased properties leased to AutoZone (1), CVS (5), Dollar General (5), Dollar Tree (1), Kroger (1), O'Reilly Auto Parts (1), Sherwin Williams (1), Tractor Supply (2) and Walgreens (4)	6.25%	6.30%
NLP 39	Portfolio of 18 long-term net-leased properties leased to BioLife Plasma Services (1), Dollar General (7), Dollar Tree (2), Giant Eagle (1), Pick 'n Save (Kroger guaranty) (1), Tractor Supply (2), and Walgreens (4)	6.21%	6.22%
NLP 38	Portfolio of 13 long-term net-leased properties leased to CVS (2), Dollar General (7), Pick 'n Save (Kroger guaranty) (1), Tractor Supply (2), and Walgreens (1)	6.17%	6.18%
NLP 37	Portfolio of 11 long-term net-leased properties leased to CVS (1), Dollar General (2), Dollar Tree (1), Fresenius Medical Care (4), Tractor Supply (1), and Walgreens (2)	6.17%	6.17%

## NET-LEASED PORTFOLIOS CLOSED OFFERINGS (CONT.)

OFFERING	DESCRIPTION	TARGETED ANNUALIZED CASH FLOW	ACTUAL ANNUALIZED CASH FLOW
NLP 36	Portfolio of 2 long-term net-leased properties leased to Pick 'n Save (Kroger guaranty) (2)	6.21%	6.21%
NLP 35	Portfolio of 4 long-term net-leased properties leased to Tractor Supply (2) and Walgreens (2)	6.00%	6.01%
NLP 34	Portfolio of 4 long-term net-leased properties leased to Ballad Health (1), Dollar General (1), FedEx (1), and Walgreens (1)	5.12%	5.12%
NLP 33	Portfolio of 11 long-term net-leased properties leased to Dollar General (7), Tractor Supply (2), and Walgreens (2)	5.18%	5.18%
NLP 32	Portfolio of 27 long-term net-leased properties leased to Advance Auto Parts (1), BioLife Plasma Services (1), CVS (7), Dollar General (7), Fresenius Medical Care (2), Hobby Lobby (2), Tractor Supply (4), and Walgreens (3)	6.66%	6.67%
NLP 31	Portfolio of 25 long-term net-leased properties leased to Advance Auto Parts (1), BioLife Plasma Services (1), CVS (4), Dollar General (7), Giant Eagle (1), Hobby Lobby (2), Hy-Vee (1), Tractor Supply (5), and Walgreens (3)	6.79%	6.83%
NLP 30	Portfolio of 21 long-term net-leased properties leased to AutoZone (1), CVS (1), Dollar General (8), Fresenius Medical Care (1), Giant Eagle (1), Hobby Lobby (1), Tractor Supply (4), and Walgreens (5)	6.92%	6.97%
NLP 29	Portfolio of 24 long-term net-leased properties leased to BioLife Plasma Services (1), CVS (1), Dollar General (10), Fresenius Medical Care (2), Hobby Lobby (1), Tractor Supply (2), and Walgreens (7)	6.85%	6.92%
NLP 28	Portfolio of 23 long-term net-leased properties leased to Dollar General (6), Dollar Tree (1), Fresenius Medical Care (1), Hobby Lobby (2), O'Reilly Auto Parts (1), Pick 'n Save (Kroger guaranty) (1), Tractor Supply (2), and Walgreens (8)	6.35%	6.83%
NLP 27	Portfolio of 18 long-term net-leased properties leased to Advance Auto Parts (1), BioLife Plasma Services (1), Dollar General (4), Dollar Tree (1), Hy-Vee (1), O'Reilly Auto Parts (2), Pick 'n Save (Kroger guaranty) (1), Tractor Supply (1), and Walgreens (6)	6.38%	6.38%
NLP 26	Portfolio of 19 long-term net-leased properties leased to Advance Auto Parts (1), Auto Zone (1), CVS (1), Dollar General (5), Hy-Vee (1), Pick 'n Save (Kroger guaranty) (1), Tractor Supply (4), and Walgreens (5)	6.16%	6.17%
NLP 25	Portfolio of 21 long-term net-leased properties leased to BioLife Plasma Services (2), Dollar General (8), Family Dollar (2), Hobby Lobby (1), Hy-Vee (1), Tractor Supply (3) and Walgreens (4)	6.16%	6.20%
NLP 24	Portfolio of 24 long-term net-leased properties leased to Advance Auto Parts (2), BioLife Plasma Services (2), CVS (1), Dollar General (5), Dollar Tree (1), Fresenius Medical Care (1), Pick 'n Save (Kroger guaranty) (1), Sherwin Williams (1), Tractor Supply (3), and Walgreens (7)	6.20%	6.20%
NLP 23	Portfolio of 24 long-term net-leased properties leased to Advance Auto Parts (2), AutoZone (2), Dollar General (8), Family Dollar (2), GIANT Food Store (1), Tractor Supply (2), and Walgreens (7)	6.23%	6.34%
NLP 22	Portfolio of 15 long-term net-leased properties leased to BioLife Plasma Services (1), CVS (1), Dollar General (4), Family Dollar (1), First Midwest Bank (1), Fresenius Medical Care (1), Pick 'n Save (Kroger guaranty) (1), Tractor Supply (2), and Walgreens (3)	6.42%	6.42%
NLP 21	Portfolio of 20 long-term net-leased properties leased to Advance Auto Parts (1), Dollar General (6), Fresenius Medical Care (3), Hobby Lobby (1), Napa Auto Parts (2), O'Reilly Auto Parts (1), Tractor Supply (3), and Walgreens (3)	6.40%	6.43%
NLP 20	Portfolio of 16 long-term net-leased properties leased to Advance Auto Parts (1), BioLife Plasma Services (1), Dollar General (4), Fresenius Medical Care (1), Napa Auto Parts (1), Pick 'n Save (Kroger guaranty) (1), Tractor Supply (2), Verizon Wireless (1), and Walgreens (2)	6.63%	6.63%
NLP 19	Portfolio of 21 long-term net-leased properties leased to Advance Auto Parts (2), CVS (1), Dollar General (9), Fresenius Medical Care (2), Hobby Lobby (1), Napa Auto Parts (2), Verizon Wireless (1), and Walgreens (3)	6.86%	6.86%
NLP 18	Portfolio of 17 long-term net-leased properties leased to Advance Auto Parts (1), CVS (1), Dollar General (6), Fresenius Medical Care (1), Hobby Lobby (1), Napa Auto Parts (1), Tractor Supply (2), and Walgreens (4)	6.68%	6.68%
NLP 17	Portfolio of 16 long-term net-leased properties leased to Advance Auto Parts (1), Dollar General (7), Goodwill (1), Pick 'n Save (Kroger guaranty) (1), Napa Auto Parts (1), Tractor Supply (2), Verizon Wireless (1), and Walgreens (2)	7.10%	7.10%
NLP 16	Portfolio of 19 long-term net-leased properties leased to Advance Auto Parts (3), Dollar General (7), Family Dollar (1), Hobby Lobby (1), Sherwin Williams (1), Tractor Supply (2), and Walgreens (4)	6.82%	6.82%
NLP 11	Portfolio of 17 long-term net-leased properties leased to Advance Auto Parts (3), CVS (1), Dollar General (5), Family Dollar (2), Hobby Lobby (1), Napa Auto Parts (3), Sherwin-Williams (1), and Walgreens (1)	6.87%	6.87%
NLP 10	Portfolio of 22 long-term net-leased properties leased to Advance Auto Parts (3), AutoZone (1), CVS (1), Dollar General (5), Dollar Tree (1), Family Dollar (4), Napa Auto Parts (2), O'Reilly Auto Parts (2), PNC Bank (1), and Tractor Supply (2)	7.32%	7.32%
NLP 9	Portfolio of 22 long-term net-leased properties leased to Advance Auto Parts (4), AutoZone (4), CVS (1), Dollar General (9), Hobby Lobby (1), Napa Auto Parts (2), and TCF National Bank (1)	7.46%	7.51%
NLP 6	Portfolio of 16 long-term net-leased properties leased to Family Dollar (3), Dollar General (8), Advance Auto Parts (1), AutoZone (1), CVS (1), Dollar Tree (1), and Tractor Supply (1)	7.87%	7.87%

## PREFERRED EQUITY FUNDS CLOSED OFFERINGS

OFFERING	DESCRIPTION	TARGETED ANNUALIZED CASH FLOW	ACTUAL ANNUALIZED CASH FLOW
Net-Leased Preferred Equity Fund 3	Shorter-term fund to acquire and syndicate assets for the Sponsor	8.25%	8.25%
Net-Leased Preferred Equity Fund 4	Shorter-term fund to acquire and syndicate assets for the Sponsor	7.00%	7.00%

Past performance is no guarantee of future results. Cash flows are not guaranteed and could be lower than anticipated. This material is not a recommendation or solicitation to buy any security, as all such offers can be made only by a private placement memorandum. DSTs and real estate investments are speculative and require a high level of due diligence. The due diligence performed does not guarantee investment performance. There are material risks associated with investing in real estate. Some include total loss of principal, declining market values, tenant vacancies, and that they are illiquid investments.

*We are a vertically integrated, fully scalable real estate platform.*

- › Underwriting and Acquisitions
- › Financing and Structuring
- › Leasing and Tenant Retention
- › Marketing and Dispositions
- › Asset and Property Management
- › Analysis and Legal
- › Professional and Timely Investor Reporting
- › Monthly Investor Distribution Schedule



**David Fisher, CPA** *Managing Partner*

David began his career with KPMG in the tax department, and then worked in tax, treasury, and acquisitions for Wells Fargo for over nine years. He was North American Head of Asset and Structured Finance for HSBC's Investment Banking division. David and his banking teams executed international financings in excess of \$8 billion. He graduated from the University of Northern Iowa in 1993, *magna cum laude* in Accounting, and earned national honors with the Elijah Watt Sells Award on the May 1993 CPA exam. David is primarily responsible for the acquisition, asset management, and financing aspects of the businesses.



**Joshua Ungerecht** *Managing Partner*

Joshua currently serves as Managing Partner of ExchangeRight and Telos Capital and continues to serve as CEO and Chief Investment Officer of a wealth management firm and Broker-Dealer specializing in securitized real estate investments. Together with Warren Thomas, Joshua has overseen and underwritten the acquisition of over \$6 billion in real estate. Joshua graduated from The Master's College, *summa cum laude* with a B.A. in Theology, Apologetics, and Missions and is currently on leave from Talbot Graduate School, where he was pursuing an M.A. in Philosophy of Religion and Ethics. He also maintains Series 7, 22, 24, 63, 66 and 79 securities licenses and an active California real estate broker license. Joshua also serves as chairman of the board for Saving Innocence, a non-profit focused on rescuing children in Los Angeles County from human trafficking.



**Warren Thomas, CPA** *Managing Partner*

Warren has over 35 years of experience as a CPA and has been an active commercial real estate investor for the past 25 years. Prior to focusing on the securitized 1031 exchange market in 2003, he developed an extensive tax practice including estate planning, financial planning, and real estate advisory services. He graduated in 1978 from Biola University with a B.S. in Business, specializing in Accounting. He also earned a master's degree in Taxation from Golden Gate University in 1993. He maintains Series 6, 7, 22, 24, 39, 63, 66, and 79 Securities Licenses.

#### EXECUTIVE MANAGEMENT



**Dave Van Steenis CFA, CPA**  
*Chief Financial Officer*



**Susana Dryden**  
*Chief Operating Officer*



**Louis Swingrover**  
*Executive Vice President*



**Kevin Steines, CPA**  
*Chief Accounting Officer*

## BROKER-DEALER AND RIA RELATIONS



**Geoff Flahardy**  
*Director of Natl Accounts*



**David McCurdy**  
*Sr Vice President*



**Beth Veloz**  
*Sr Vice President*



**Danny Carmona**  
*Sr Vice President*



**Fletcher Galloway**  
*Sr Vice President*



**David Flamm**  
*Vice President*



**Zach Plahn**  
*Vice President*



**Larry Baron**  
*Vice President*



**Scott Peterman**  
*Vice President*



**Renee Esguerra**  
*Asst Vice President*

## INVESTOR RELATIONS



**Shannon Bailey**  
*IR Team Lead*



**Jackie Solorzano**  
*Trans Coord Team Lead*



**Riley Blindt**  
*Investor Services*



**Anthony Harper**  
*Investor Serv Assoc*



**Ashley Hoagland**  
*Investor Serv Assoc*



**Korey Green**  
*Transaction Coord*



**Jody Takamori**  
*Transaction Coord*



**Danila Dudenkov**  
*Transaction Coord*



**Tiffany Nickels**  
*Transaction Coord*



**Aleesha Brooks**  
*Sales Support*

## ACCOUNTING



**Nicholas Partenza**  
*Dir, Financial Reporting*



**Tim Williams**  
*Sr Controller*



**Carrie Garcia**  
*Controller*



**Amy Moss**  
*Controller*



**Leah Frink**  
*Accounting Manager*



**Brianna Jones**  
*Accounting Manager*



**Aileen Frias**  
*Accounting Manager*



**Wesley LaVelle**  
*Accounting Manager*



**Ismael Melendez**  
*Sr Accountant II*



**Juliet Melikian**  
*Sr Accountant I*



**Marisa Dimov**  
*Sr Accountant I*



**Nohemi DeSantiago**  
*Sr Accountant I*



**Kenny Ng**  
*Sr Accountant I*



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*Sr Accountant I*



**Jose Herrera**  
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*Staff Accountant II*



**Mark Vance**  
*Staff Accountant II*



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**Patrick Lord**  
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**Alejandra Rodriguez**  
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**Allison Burr**  
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**Calvin Dixon**  
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**Isaiah Sanchez**  
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**Madison Heinen**  
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**Ayris Avanesian**  
*Acct Admin Assistant*

## INVESTMENT ANALYSIS



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*Investment Manager*



**Drake Moser**  
*Sr Analyst*



**Philip Nesbitt**  
*Analyst*



**Ryan Jack**  
*Analyst*



**Kevin Allen**  
*Analyst*



**Mitchell Sankey**  
*Analyst*

## ACQUISITIONS AND LEGAL



**Pateel Ashjian**  
*Sr Real Estate Attorney*



**Jennifer Chase**  
*Dir, Closings & DD*



**Desmond Meas**  
*Real Estate Attorney*



**Justin Mantell**  
*Real Estate Attorney*



**Christopher Khan**  
*Real Estate Attorney*



**Kathleen Ju**  
*Real Estate Paralegal*



**Antoinette Baca**  
*Sr Closings & DD Coord*



**Angel Lewis**  
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**Anna Lacke**  
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**Sara Hasan**  
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*Director, Asset Mgmt*



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*Sr Facilities Coord*



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*AM Op Team Lead*



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*Assistant Facilities Dir*



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*Sr Facilities Coord*



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**Josh Delo**  
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**Stephanie Lee**  
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## OPERATIONS



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**Laya Rashidi**  
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*Office Manager*



**Joanna Ku**  
*Office Manager*



**Paul Plascencia**  
*Team Resource Admin*



**Paulina Guzman**  
*Team Res Recruit Coord*



**Adam Anderson**  
*Team Res Recruit Coord*



**Paula Wilson**  
*Payroll, Benefits Spec*

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*Communications Manager*



**Rafael Polendo**  
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*Multimedia Art Dir*



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*Marketing Admin*

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