

EXCHANGE  RIGHT

NET-LEASED PREFERRED EQUITY FUND 3, LLC

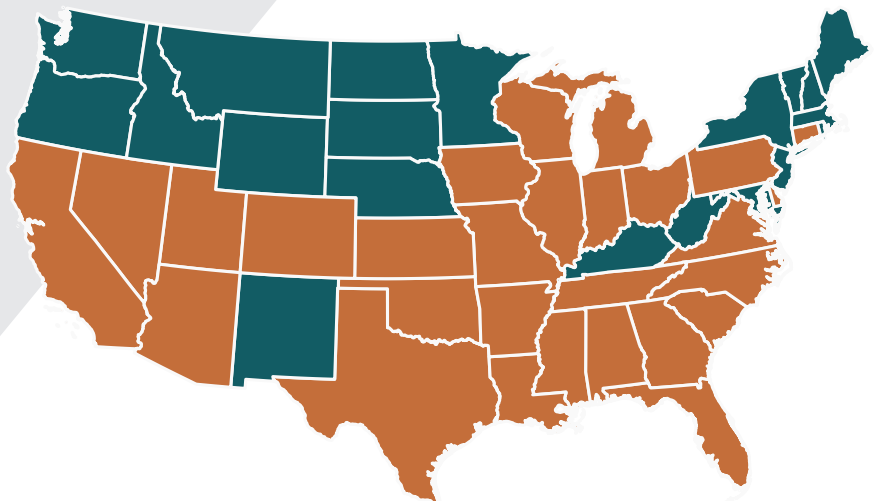
ExchangeRight was formed in 2012 out of a need to provide consistent 1031-exchangeable offerings that exhibit an investor-centric focus.

We've been able to consistently provide stable, income-producing opportunities allowing 1031 exchange investors to defer taxation, enjoy stable income, and benefit from institutional investment-grade asset ownership.

The Net-Leased Preferred Equity Fund 3 provides accredited investors with access to consistent quarterly income backed by real estate. ExchangeRight utilizes the Fund to finance its real estate acquisitions for its growing national demand for 1031 product.

- › \$450MM in assets under management in 27 states
- › Over 2.7MM square feet under management
- › Investment grade, necessity based net lease retail and multifamily properties
- › 182 properties
- › All offerings meeting or exceeding projections

■ *States with ER AUM or under contract for future portfolio inventory.*





Consistent Returns

8.25% annualized return to investors, paid quarterly.



Collateralized Investments

The Fund's investments shall be collateralized by acquired properties as well as the net income and common equity of ExchangeRight.



Access to Liquidity

ExchangeRight anticipates the preferred equity investments to be outstanding for 60 to 180 days at a time with investors having the ability to request early redemptions.



No Load or Fees

Investors do not pay upfront costs, ongoing fees, or any reimbursements to ExchangeRight for managing the fund.



Proven Track Record

ExchangeRight has \$450 million in assets under management with 18 offerings over the past four years all meeting or exceeding investor expectations.

This material must be accompanied or preceded by a private placement memorandum, which is the controlling disclosure document for the Offering and is intended to more fully disclose the potential benefits and risks of the Offering. This material is not a recommendation or solicitation to buy any security, as all such offers can be made only by the private placement memorandum. All potential investors in the Offering must read the private placement memorandum, and no person may invest in the Offering without first acknowledging receipt and review of the private placement memorandum in its entirety.

ExchangeRight is committed to providing 1031-exchangeable DST offerings of value-added multifamily properties and net-leased portfolios.

Our multifamily platform targets Class B apartments with stable income and value-added upside potential. Our multifamily offerings feature strong cash flow, high debt coverage ratios, conservative underwriting, long-term fixed-rate financing, and the potential to enhance return with value-added strategies.

Our net-leased offerings focus on long-term, stable income and asset preservation and distribute 6.0% to 7.0% in starting cash flow for accredited 1031 and 1033 investors. Our goal is to consistently deliver portfolios of long-term, net-leased properties backed by investment-grade corporations. We target corporate tenants that successfully operate in the necessity retail space to provide investors with steady and predictable income.

ExchangeRight's long-term exit strategy is to provide greater diversification and value to investors by combining multiple portfolios into a larger, institutional portfolio sale or 721 exchange roll-up.



INVESTMENT OFFERING TRACK RECORD

OFFERING	DESCRIPTION	PROJECTED ANNUALIZED RETURN	ACTUAL ANNUALIZED RETURN
Net-Leased Preferred Equity Fund 1	Shorter-term fund to acquire and sell net-leased assets for the Sponsor.	Range of 12-20%	Range of 12-17%
Net-Leased Preferred Equity Fund 2	Shorter-term fund to acquire and sell net-leased assets for the Sponsor.	Range of 8-12%	10%
Acquisitions Notes II	Company that issues short term debt capital to the Sponsor to acquire and sell net-leased assets.	Range of 8-12%	10%
Net-Leased Portfolio 1	Two long-term, net-leased properties leased to Family Dollar. One of the two properties sold in January, 2015 at a 10.59% annualized net profit to investors.	7.25%	7.39%
Net-Leased Portfolio 2	Seven long-term, net-leased properties leased to Family Dollar and Dollar General.	7.23%	7.23%
Net-Leased Portfolio 3	Nine long-term, net-leased properties leased to Family Dollar and Dollar General.	7.30%	7.30%
Net-Leased Portfolio 4	Eleven long-term, net-leased properties leased to Family Dollar, Dollar General, Aaron's and Advance Auto Parts.	8.02%	8.02%
Net-Leased Portfolio 5	Fourteen long-term, net-leased properties leased to Family Dollar, Dollar General, Advance Auto Parts, AutoZone, Sherwin Williams, and The Christ Hospital.	7.50%	7.50%
Net-Leased Portfolio 6	Sixteen long-term, net-leased properties leased to Family Dollar, Dollar General, Advance Auto Parts, AutoZone, CVS, Dollar Tree, and Tractor Supply.	7.51%	7.51%
Net-Leased Portfolio 7	Sixteen long-term, net-leased properties leased to Family Dollar, Dollar General, Advance Auto Parts, CVS, Napa Auto Parts, and O'Reilly Auto Parts.	7.75%	7.75%
Net-Leased Portfolio 8	Thirteen long-term, net-leased properties leased to Advance Auto Parts, AutoZone, CVS, Dollar General, Family Dollar, Franciscan Alliance, Ross Stores, and Tractor Supply.	7.32%	7.32%
Net-Leased Portfolio 9	Twenty-two long-term, net-leased properties leased to Advance Auto Parts, AutoZone, CVS, Dollar General, Hobby Lobby, Napa Auto Parts, and TCF National Bank.	7.03%	7.03%
Net-Leased Portfolio 10	Twenty-two long-term, net-leased properties leased to Advance Auto Parts, AutoZone, CVS, Dollar General, Dollar Tree, Family Dollar, Napa Auto Parts, O'Reilly Auto Parts, PNC Bank, and Tractor Supply.	7.03%	7.03%
Net-Leased Portfolio 11	Seventeen long-term, net-lease properties leased to Advance Auto Parts, CVS, Dollar General, Family Dollar, Hobby Lobby, Napa Auto Parts, Sherwin-Williams, and Walgreens.	6.75%	6.75%
Net-Leased Portfolio 12	Nineteen long-term, net-lease properties leased to Advance Auto Parts, Dollar General, Family Dollar, Fresenius Medical Care, Kroger, Napa Auto Parts, Tractor Supply, and Walgreens.	6.15%	6.30%
Multifamily 1 Van Mark Creek	One apartment community consisting of 144 units.	7.05%	7.05%
Mira Bella and San Martin	One apartment community consisting of 378 units.	6.51%	6.51%
Lakeside at Arbor Place	One apartment community consisting of 246 units.	6.20%	6.20%

The success of our DST offerings can be attributed to consistent characteristics that are present in each one.

NET-LEASED PROPERTY CHARACTERISTICS

- › **Location:** ExchangeRight seeks property locations that exhibit strong demographics and positive growth characteristics.
- › **Credit Tenants:** ExchangeRight's acquisition of high-quality net-leased properties is driven by the underlying thesis that tenants with investment-grade credit will deliver the best long-term return to investors. Tenants include Advance Auto Parts, AutoZone, NAPA Auto Parts, O'Reilly, Sherwin-Williams, CVS, Dollar Tree, Family Dollar, Dollar General, Aaron's, Walgreens, Kroger, Fresenius Medical Care, and others. ExchangeRight only buys direct corporate-guaranteed leased properties.
- › **Lease Terms:** Initial average portfolio lease terms are consistently 12 to 13 years, with multiple renewal options.
- › **Price Advantages:** Property acquisitions are made from developers, off-market sources, and from brokers specializing in net lease assets. ExchangeRight seeks to negotiate the most beneficial acquisitions possible. ExchangeRight's advantageous purchases further support the profitability of ExchangeRight and its ability to pay the Fund's preferred return.

MULTIFAMILY PROPERTY CHARACTERISTICS

- › **Location:** The Properties are in favorable locations, characterized by positive growth, limited supply or muted new market supply.
- › **Partnership with Proven Asset and Property Managers:** The Sponsor has formed joint ventures with experienced owner/operators of multifamily properties and also has access to dedicated property management staff with a focus on multifamily property management.
- › **Stable Occupancy with Value-Add Upside Potential:** The targeted multifamily property acquisitions provide current operating cash flows and opportunities for both rent and NOI growth. ExchangeRight's philosophy is to create additional value through unit and common area renovations and through improving property management.

**DAVID FISHER**

David Fisher enjoyed a successful career in banking and finance for 20 years. He is now focused on the management success of ExchangeRight and on managing his own investments. He 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 for the last seven years of his banking career. David and his banking teams executed international financings in excess of \$4 billion. He has been an active real estate investor for the past 10 years and has interests in over 40 partnerships across nine states. 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.

**JOSHUA UNGERECHT**

Joshua currently serves as a managing member for ExchangeRight Real Estate. He is focused on the operations, investment structuring, and acquisitions aspects of the business. Concurrently, he serves as CEO and Chief Investment Officer over a number of integrated wealth management and securitized real estate companies. He developed one of the industry's leading due diligence platforms in securitized real estate analysis. Together with Warren Thomas, Joshua has overseen the acquisition of over \$500 million in real estate since 2003. 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, 65, and 79 Securities Licenses and an active California real estate license.

**WARREN THOMAS**

Warren currently serves as a managing member for ExchangeRight Real Estate. He is focused on the securitization, broker dealer, and registered representative relations sides of the business. Warren is the co-founder and president over a number of integrated wealth management and securitized real estate companies with Joshua Ungerecht. Prior to focusing on the securitized 1031 exchange market in 2003, Warren developed an extensive tax practice including estate planning, financial planning, and real estate advisory services. Warren has over 30 years of experience as a CPA and has been an active commercial real estate investor for the past 15 years. He graduated in 1978 from Biola University with a B.S. in Business Administration, 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.



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