



UR HANES, DST

+ American Airlines Group Reservation Center
Located at 799 Hanes Mall Boulevard | Winston-Salem, NC

Investing in DST Interests involves a high degree of risk. Before investing you should review the entire Private Placement Memorandum including the section titled 'Risk Factors.' Dated: May 14, 2015.

+ THE RISK FACTORS

The purchase of an Interest involves a number of risks. Do not acquire an Interest if you cannot afford to lose your entire investment. Carefully consider the risks described below as well as all those discussed in the Private Placement Memorandum (“PPM”) section titled “Risk Factors”. Consult with your legal, tax and financial advisors about an investment in an Interest. The risks described below are not the only risks that may affect an investment in an Interest. Additional risks and uncertainties that we do not presently know or have not identified may also materially and adversely affect the value of an Interest, the Property or the performance of your investment. A copy of the PPM must be provided to you in conjunction with this offering.

BENEFICIAL OWNERS POSSESS LIMITED CONTROL AND RIGHTS | The Trust will be operated and managed solely by its Trustee and Manager. Purchasers as Beneficial Owners will have no right to participate in any aspect of the operation or management of the Trust.

BENEFICIAL OWNERS DO NOT HAVE LEGAL TITLE | The Beneficial Owners will not have legal title to the Property. The Beneficial Owners will not have any right to seek an in-kind distribution of the Property or divide or partition the Property. The Beneficial Owners do not have the right to sell or cause the sale of the Property.

ACCURACY OF ANTICIPATED RESULTS OF OPERATIONS | The anticipated results of operations for the Trust as set forth in the PPM including the pro forma financial projections attached as Appendix I: Financial Forecast, are based upon current estimates of income and expenses relating to the operation of the Property and should be considered speculative and are qualified in their entirety by the assumptions, information, limitations and risks disclosed in the PPM. If the assumptions on which these estimates are based do not prove correct, the Beneficial Owners who own Interests in the Trust will have difficulty in achieving their anticipated results. The anticipated results of operations assume occupancy levels and certain net rental rates. There can be no assurance that the Property can achieve or maintain the occupancy level or rate increases anticipated.

VALUATION | The Sponsor has obtained an appraisal for the Property prepared by KTR Valuation Services dated April 21st, 2015 (the “Appraisal”), reflecting a market value for the Property of \$17,200,000 which is \$900,000 greater than the net purchase price for the Property. The total Capitalization of \$18,562,082 includes closing costs and transaction costs as well as reserves being established at the closing,

and is calculated based on \$8,562,082 in equity for the Interests, assuming the Maximum Offering Amount is sold, and \$10,000,000 for the Loan. See “Estimated Use of Proceeds.” Thus, the Trust will be subject to immediate dilution and the Beneficial Owners may recover less than their invested capital upon any eventual sale of the Property. There can be no assurance that the value of the Property will appreciate, or appreciate at a rate sufficient to provide a positive return on investment.

RISKS OF LEVERAGE | The Trust expects to own the Property subject to a Loan. This use of leverage may increase the return on invested capital. However, it also presents an additional element of risk in the event that the cash receipts from the operation of the Property are insufficient to meet the principal and interest payments on such indebtedness. In order to comply with tax requirements for qualifying the acquisition of an interest in a Delaware statutory trust in a Section 1031 Exchange, the Trust is not permitted to obtain new financing and Beneficial Owners are not permitted to make additional capital contributions to the Trust. Thus, if the cash flow from the Property is insufficient to allow the Tenant to make the required payments under the Lease, including payments required to service the Loan, the Lender may foreclose on the Property and the Beneficial Owners’ equity in the Property may be reduced or lost entirely. A Transfer Distribution may make it possible to delay or avoid a foreclosure (because the Springing LLC is not restricted from refinancing the Property or raising new capital) but may itself cause adverse tax consequences for the Beneficial Owners. See “Federal Income Tax Consequences.” Moreover, the cost of any refinancing of the Property after a Transfer Distribution, in the form of interest charges and financing fees imposed by lenders or affiliates of the Sponsor, might significantly reduce the profits or increase losses resulting from operation of the Property.



+ THE OPPORTUNITY

American Airlines Group Reservation Center | 799 Hanes Boulevard, Winston-Salem, NC

- + **Purchase Price:** \$16,300,000
- + **Lease Term:** 5 Years NN (3.0% Annual Rent Increases)
- + **Adjusted Cap Rate:** 8.0% (Year 1)
- + **Estimated Cash Flow Yield:** 7.1% (Year 1)¹
- + **Debt Ratio:** 61% (to purchase price)

¹ Based on first year lease and debt amortization. See PPM section titled "Investment Proforma."

Investors will acquire Interests in UR Hanes, DST, a Delaware Statutory Trust ("DST") which is acquiring the class B single tenant, mission-critical office facility located at 799 Hanes Mall Boulevard in Winston-Salem, NC ("The Property").

- **STRONG YIELD** | The Property has a stable in-place NN lease with 3% annual rent escalations for five years. Projected year one yield is expected to exceed 7% with a ten-year average cash-on-cash yield projected above 9%.
- **HIGH CREDIT TENANT** | The merger of American Airlines Group ("AAG") and US Airways in December 2013 created the world's largest airline. The parent company is publicly traded on the NASDAQ Global Select Market, and as of Q3 2014 reported total annual revenue of \$39.8 billion and net worth of more than \$4.9 billion.
- **IDEALLY LOCATED** | The Property is located on Hanes Mall Boulevard in a dense office and retail corridor less than a mile from Interstate 40. The Property is 6 miles from Downtown Winston-Salem and roughly 30 miles from the Piedmont Triad International Airport.

+ THE PROPERTY & LEASE

A look at the Property located at 799 Hanes Mall Boulevard

+ JUST THE FACTS:

AAG Reservation Center

Property Type: Office

County: Forsyth

Parcel Size: 10.31 +/- acres

Building Size: 101,555 square feet

Stories: 5

Parking: 808 surface spaces

Capital Upgrades: \$5M since 2009

- **MISSION CRITICAL FACILITY** | This location is the only US Airways dedicated call center in the eastern United States. The Property houses over half of US Airways' 1,500 global reservation employees and serves as the support center for the Executive Platinum level of the airline's mileage program.
- **SIGNIFICANT TENANT INVESTMENT** | US Airways has invested \$5 million in capital upgrades to the Property since 2009. The improvements include new carpeting, upgraded lighting, replacement of electrical and security equipment, and upgrades to ductwork and HVAC to improve energy efficiency.
- **DESIRABLE LOCATION** | The Property sits on more than 10 acres in a dense office and retail corridor adjacent to several corporate and medical offices, numerous national retailers, and magnet properties including Hanes Mall and Novant Health Forsyth Medical Center.

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Net Operating Income (NOI) | 1,309,929 | 1,349,227 | 1,389,704 | 1,431,395 | 1,474,337 | 1,518,566 | 1,564,123 | 1,611,047 | 1,659,378 | 1,692,237 |
| Distributable Cash to Equity | 593,406 | 603,083 | 643,560 | 685,251 | 982,081 | 823,200 | 868,757 | 915,681 | 964,012 | 12,552,761 |
| Cash Flow Yield | 7.1% | 7.2% | 7.7% | 8.2% | 8.7% | 9.8% | 10.3% | 10.9% | 11.5% | 12.0% |

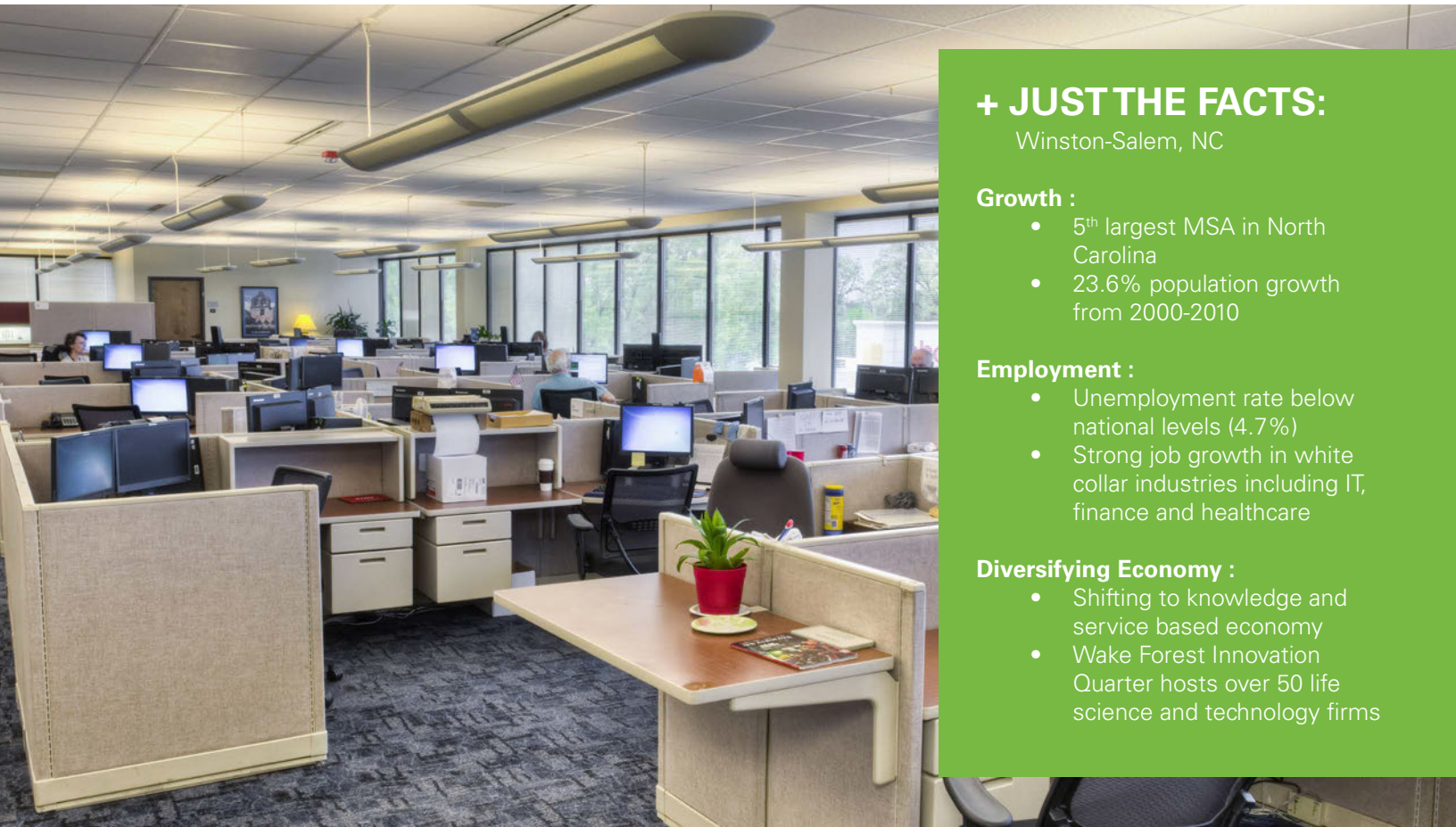
Lease renewal for years 6-10 assumes a market rate. See PPM section titled "Investment Proforma."



+ THE TENANT & MARKET

A look at American Airlines Group and Winston-Salem, NC

- The December 2013 merger of American Airlines Group and US Airways created the largest airline in the world, which is an affiliate of Oneworld.
- US Airways operates 3,301 flights a day to 193 destinations in 24 countries from its hubs in Phoenix, Charlotte, Philadelphia and Washington, D.C.
- American Airlines Group is publicly traded on the NASDAQ Global Select Market with a market cap of approximately \$39.05 billion. The Company's 2014 total revenue was \$42.7 billion and net profit, excluding net special charges, was a record \$4.2 billion.



+ JUST THE FACTS:

Winston-Salem, NC

Growth :

- 5th largest MSA in North Carolina
- 23.6% population growth from 2000-2010

Employment :

- Unemployment rate below national levels (4.7%)
- Strong job growth in white collar industries including IT, finance and healthcare

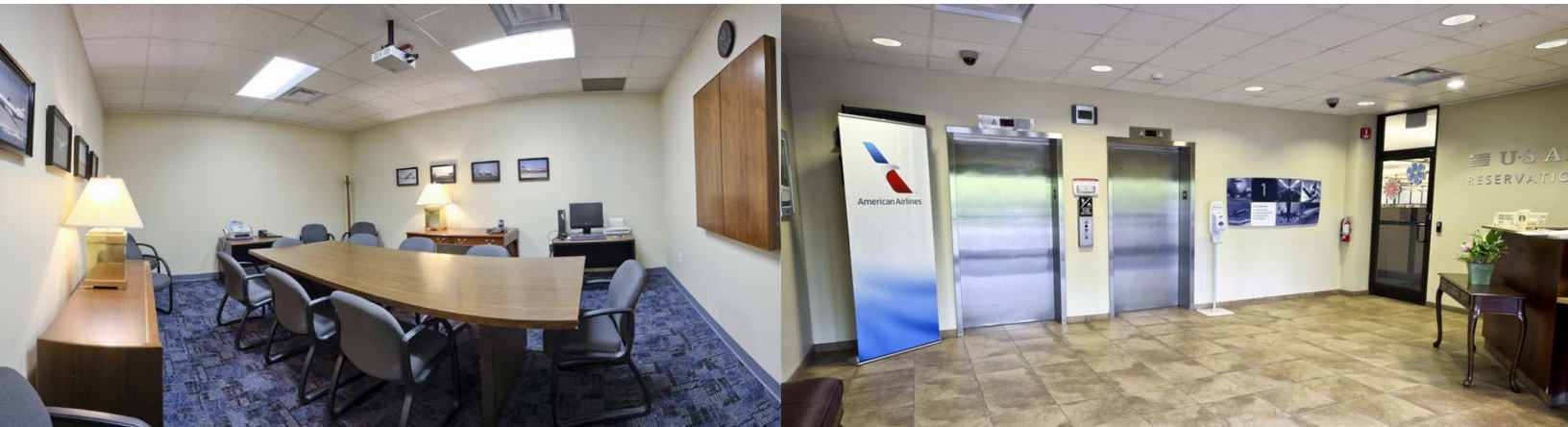
Diversifying Economy :

- Shifting to knowledge and service based economy
- Wake Forest Innovation Quarter hosts over 50 life science and technology firms

+ THE AIRLINE INDUSTRY

An outlook on the \$750 Billion Industry

- Global airline revenues reached a new high of \$745 billion in 2014 according to IBIS World. This represents a 7.4% annual growth rate since 2009.
- The industry employs over 17 million people across 169 airlines globally.
- The global airlines industry has a low level of concentration, with the top four industry players combining for about 18.7% of industry revenue in 2014. This market share concentration has increased as a result of merger and acquisition activity.



+ THE CALL CENTER INDUSTRY

An outlook on the \$20 Billion Industry

- According to the IBISWorld, there are 23,058 call center companies in the United States with total employment of 498,114. The U.S. market for the call centers industry generated a total revenue in 2014 of \$20 billion and an annual growth rate of 3.1%
- At the earlier stages of the call center industry, cheaper labor costs outside of the U.S. made moving these centers to foreign places attractive; however, that is no longer the case. In India and the Philippines, wages have been increasing at a nearly 20% per year making it costly to operate overseas.
- In 2013, Congress considered the U.S. Call Center and Consumer Protection Act of 2013. If passed, this legislation would cut off all federal grants, direct loans, indirect loans and guarantees to companies that moved their call center operations overseas.
- Enhancements in call center technology have allowed customers to resolve routine inquiries and requests automatically. Voice recognition and call routing software have advanced in the past few years, making it cheaper to operate and maintain call centers in the U.S.

+ JUST THE FACTS:

United Realty

- Headquartered in Manhattan, New York, NY
- Senior Management team averages 20+ years investing experience
- Emerging real estate program sponsor
- Management team involved in acquisitions exceeding 1 million sq ft



+ THE SPONSOR

Letter from CEO Jacob Frydman



Thank you for your interest in UR Hanes, DST, which is sponsored by United Realty Funds Management, LLC, a part of the United Realty Group of Companies ("United Realty").

At United Realty we take pride in bringing the benefits of commercial real estate to investors like you through offerings such as UR Hanes, DST.

We believe the property at 799 Hanes Boulevard offers you the potential for attractive risk-adjusted returns with a reputable in-place tenant. Thank you again for your interest and time.

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Frydman', written over a white background.

Jacob Frydman
CEO & Chairman
United Realty



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