Due Diligence Report:

Manufacturing Essential Asset II, DST
August 2024

Offering Sponsor:

CAI Investments, LLC

Prepared by:

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Manufacturing Essential Asset II, DST

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Summary Information

Investment Program Overview	
Issuer	Manufacturing Essential Asset II, DST (Trust)
Structure	Delaware Statutory Trust (DST)
Investment Focus	Single tenant industrial
Security Type	Beneficial Interest in the Trust (Beneficial Interests)
Targeted Equity Raise	$22,284,282
Allocated Debt	$0
Full Syndicated Price	$22,284,282
Minimum Purchase (Equity)	$100,000 (0.4487% Interest in the Trust); lower amounts may be accepted
Minimum Purchase (Debt)	N/A
Minimum Purchase (Total)	$100,000; lower amounts may be accepted at the sole discretion of the Signatory Trustee
Current Program Raise	N/A-new offering
Average Distribution Rate	7.66%
Liquidity	Illiquid
Projected Hold Period	10 years • The Trust Agreement requires that the Trust hold the Property for a minimum of 1 year, as measured from the date of the sale of the last Beneficial Interest
Buttonwood Site Visit	N/A

Registration and Offering Documents	
Investor Suitability	Accredited Investors[1] Only (Beneficial Owners)
Registration Exemption	This is a Rule **506(c)** of Regulation D offering
Tax Exempt Investors	Limited to less than 25% of the total value of the Beneficial Interests outstanding at any time[2]
PPM Date	August 20, 2024
PPM Supplement Dates	N/A
Offering Termination Date	August 20, 2025; may be extended

Parties to the Transaction	
Sponsor	CAI Investments, LLC
Sponsor Contact	Christopher Beavor: (702) 853-7902
Sponsor Contact #	(888) 488-2441
Managing Broker Dealer	Emerson Equity LLC (CRD#: 130032/SEC#: 801-120835, 8-66296)

[1] As defined by Regulation D under the Securities Act of 1933. Net worth of $1 million exclusive of a person's primary residence (a person need not deduct from his or her net worth the amount of the mortgage debt secured by his or her primary residence, except to the extent that the amount of mortgage liability exceeds the fair market value of the residence) or gross annual income of $200,000 ($300,000 jointly with spouse) for current and previous 2 years. Certain institutions and trusts with total assets over $5 million also qualify.

[2] This limitation will be imposed in order to prevent the Signatory Trustee from being a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (ERISA) to employee benefit plan investors.

Asset Manager	N/A
Property Manager	Silver State Realty & Investments, Incorporated (Manager), affiliated
Depositor	Manufacturing Essential Asset Holdings II, LLC
Delaware Trustee	Wilmington Corporate Services, LLC
Signatory Trustee	Manufacturing Essential Asset II ST, DST

Investment Overview	
Number of Properties	**1**
Type of Property	Industrial
Location	308 Church Street, Honea Path, South Carolina 29654
Tenant	US Medical Nitrile & Polyisoprene Chemical Company LLC, a Delaware LLC
Lease Guarantor	US Medical Glove Company LLC, a Kentucky LLC
Occupancy (Physical)	100.0%
Master Lease Structure	Yes
Master Tenant	Manufacturing Essential Asset II Master Lessee, LLC
Master Tenant Capitalization	$0 – See Master Tenant section
Business Plan	The Trust was formed on July 24, 2024 and acquired the 96,204 sf single tenant industrial property (Property) on August 2, 2024. The Property comprises 6 separate buildings on 22.3 acres; see Property Overview. The Trust acquired the Property on August 5, 2024 as part of a sale-leaseback transaction with the Tenant; see Property Acquisition. • The Property is reportedly the only domestic producer of Isolex (Polyisoprene), an integral component in nitrile butadiene rubber (NBR) and polyisoprene gloves widely utilized by the surgical, medical, and industrial sectors as well as other users requiring personal protective equipment (PPE). • The affiliated Lease Guarantor is a vertically integrated manufacturer and distributor of nitrile butadiene and polyisoprene gloves as well as the machines that make such gloves. Its operations are headquartered in Harvard, Illinois within a property owned by Manufacturing Essential Asset, DST. This affiliated program commenced its $182 million equity offering in April 2023, which is also ongoing. Buttonwood's review of this program and its ongoing alternative investment quarterly monitoring reports (AIM) can be found here. • The terms of the lease to the Tenant include an initial term of 22 years with 2 renewal options of 10 years each.
Investment Objectives	The principal objectives of the Trust are to: • Preserve each Beneficial Owner's capital investment; • Realize income through the operation of the Property; • Make **monthly** distributions to the Beneficial Owners from the Rent collected under the Master Lease, which is intended to be passive income and may be partially sheltered as a result of depreciation and amortization expenses; and

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	• Sell the Property approximately 10 years after the Trust's acquisition.

Summary Data Points	
Targeted Debt	$0
LTV Acquisition	0.00%
LTV Syndicated	0.00%
Offering Load, Fees /Equity	19.22%
Offering Load, Fees /Syndicated	19.22%

Buttonwood Conclusions

Conclusions

- The Tenant acquired the Property together with various equipment and intellectual property immediately prior to the sale of the Property to the Trust. As noted above, the Property is reportedly the only domestic producer of Isolex (Polyisoprene), a vital component in the manufacturing of both NBR and polyisoprene gloves. With this addition, the Lease Guarantor, U.S. Medical Glove Company, is reportedly the only glovemaker in the USA to manufacture all of their own chemicals and not rely on overseas markets, which is a main reason the U.S. Department of Defense and other Federal agencies continue to contract with the company.
    - This should strengthen the Tenant's and the Lease Guarantor's commitment to the Property as relocating its manufacturing capability to another location would be expensive, require extensive environmental and zoning approvals, and likely adversely affect the Lease Guarantor's revenues (perhaps significantly).

- Though the Lease Guarantor is relatively newly formed and with a limited operational history, the Appraiser considers the Lease to be guaranteed by a credit tenant, mainly due to the backing of the U.S. Department of Defense and the Department of Health and Human Services.

- The Property is a single-tenant manufacturing facility in a relatively rural location that is leased to the Tenant at a rate considered well-above market. Should the Tenant default on or otherwise exit the Lease, the Trust may have difficulty securing a replacement tenant, which could result in significantly reduced NOIs as well as a lower than projected sales price at exit.
    - This would likely adversely impact the Trust's ability to make distributions to the Beneficial Owners as well as fully return their invested capital at the end of the projected Hold period.
    - However, the Lease has a lengthy initial term, and the Tenant additionally has the option and right to purchase the Property (subject to certain conditions) at a minimum price of $24,750,000, which is approximately 11% higher that the Trust's syndicated purchase price. The Lease Guarantor has stated to Buttonwood that it expects to exercise its purchase option at some point within the projected Hold Period.

- The contract rental rate under the Lease, which commences at $16.68/sf, is based upon production figures/capacity that the Tenant will be able to realize with the addition of this facility and not based on a price per sf of building area.

  - The Appraiser has contacted a local real estate broker, which, given the Property's age/condition and location, estimated that it would likely lease in the $4.50 per sf, NNN if vacant and marketed for lease.
  - Additionally, the Trust received a copy of an earlier appraisal report dated December 19, 2023 also prepared by the Appraiser., which reflected the then-current "as-is" value of the Property as $5,400,000, or roughly 24% of the Trust's syndicated purchase price. .
  - Prospective Beneficial Owners should understand that **there are no assurances** that current appraised value of the Property, $18,100,000, would hold in the event of a default by the Tenant and the Trust needed to find a third-party buyer.

- The Sponsor and its affiliates will receive significant compensation through the sale of the Beneficial Interests. A total of 7.09% of total Offering proceeds, or roughly $1,582,000, will be paid to the Sponsor and its affiliated property manager in the form of the Acquisition Fee and brokerage fees. These are calculated on the Property acquisition price, which again, per the Appraiser, is substantially above market.
  - In addition, the front-end load of this program, which includes offering fees, and expenses, acquisition fees, and the real estate and loan broker fees, totals 19.2% of total proceeds.
  - This is considered above current averages when compared to other similar single-property DST offerings reviewed by Buttonwood, in which averages range between approximately 12.0% and 18.0%.
  - Buttonwood often sees higher percentages in programs that include either a notable component of bridge debt service and/or reserves. Neither of these are present in this Offering

- The global disposable gloves market was estimated to generate $12.4 billion in revenues in 2022, a figure that is projected to grow at a compounded annual growth rate (CAGR) of 3.9% from 2023 to 2030.
  - Further, barriers to entry into this market appear high due to the significant capital costs needed for glove fabrication machines, the need for scale in order to implement and maintain efficient means of production, and the need to establish and maintain long-term contracts, including government contracts, for NBR and polyisoprene gloves.

- This is a net lease in which the Tenant, and not the Trust, will be responsible for Property maintenance (including the roof and structure). As such, the Trust's projected operating costs over the anticipated hold period are very low and limited to certain corporate costs. This should assist the Trust in making monthly distributions to the Members.
  - Per Management, certain immediate and short-term repairs on the Property recommended by the property condition report (PCR) are being scheduled by and will be paid for by the Tenant.

- Though the Property's future maintenance and capital items will be the responsibility of the Tenant, the Master Tenant will be operated as a break-even entity with minimal projected profitability and just enough cash flow to cover its rent obligations. As such, Buttonwood considers the Master Tenant to be undercapitalized.
  - While the lack of capitalization will result in more profitability flowing through to the Trust and its Beneficial Owners, Buttonwood would prefer to see a sponsor-backed demand note or other larger reserve in place to backstop any unexpected cash demands at the Master Tenant level.
  - For example, if the Tenant capitalizes on an opportunity to abate, suspend, or otherwise cease rent payments, the Master Tenant has no other means of cash flow.

  - In such a scenario, the Trust would likely be forced to consider springing to an LLC in order to re-lease or otherwise generate cash flow from the Property. Any such transition to an LLC would have adverse tax consequences for Beneficial Owners.
  - See the Master Tenant section for more details.

- The Trust's projected IRR and equity multiple are respectable and overall returns are not highly sensitive to possible fluctuations in anticipated exit cap rates. Given the Master Tenant structure in place for this program, the projected returns due Beneficial Owners will also not be sensitive to fluctuations in vacancy, expenses, etc. as the Master Tenant will pay a set amount of annual rent.
  - Projected IRRs to Beneficial Owners range from 6.88% to 7.65% for exit cap rates ranging from 8.47% to 9.47%, respectively.
  - Over this range of exit cap rates, projected equity multiples are projected to range from 1.67x to 1.78x, respectively.
  - The projected IRR and average annual yield to Beneficial Owners are similar to other single-tenant DST offerings recently reviewed by Buttonwood.
  - The syndicated acquisition cap rate for the Property is 7.35%. Should the Property sell at the end of the hold period at this same cap rate, the projected IRR for Beneficial Owners would be 8.66%. However, it may not be possible to sell the Property at a later date for a price equal to or greater than the syndicated purchase price paid by the Beneficial Owners. In the event that the Property must be sold for less, the Beneficial Owners will be adversely impacted.
  - See Financial Projections for more information.

- As noted in earlier Buttonwood reports reviewing the Sponsor's DST programs, the Signatory Trustee is an Affiliate of the Master Tenant. Therefore, there will be a conflict of interest with the Signatory Trustee's management of the Master Lease and Master Tenant on behalf of the Trust.
  - If the Master Tenant defaults under the Master Lease, the Signatory Trustee will have a conflict of interest regarding whether to pursue any remedies available to the Trust against the Master Tenant.
  - The Signatory Trustee will have the right to renegotiate the terms of the Master Lease in the event that the Master Tenant is insolvent or in bankruptcy without the approval of the Beneficial Owners.

- Management has confirmed that the Tenant's insurance policies are in place and at the limits required by the Lease.

- This is an illiquid investment. There is no redemption feature outlined in the PPM and Beneficial Owners may hold this investment for 10 years (or more). Management intends this to be a purchase and hold asset, with returns coming from cash flows as well as principal appreciation.
  - No share redemption or distribution reinvestment plan is available to the Beneficial Owners.
  - No secondary market exists for Interests in the Trust.
  - Any transfer of Interests is subject to the Manager's discretion.

BDs/RIAs are advised to review the Risks section in the Private Placement Memorandum for additional concerns.

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Property Overview

Property Acquisition	
Number of Properties	1
Seller	US Medical Nitrile & Polyisoprene Chemical Company LLC (Tenant)
Date Acquired	August 5, 2024
Assignment of Interest	The Depositor originally entered into the Property Purchase Agreement, which it assigned to the Trust prior to closing and provided funds necessary for the Trust to close on its acquisition of the Property in exchange for 100% of the initial Interests
Ownership %	100%
Acquisition Price (1)	$18,000,000
Equity Utilized	$22,284,282
Debt Utilized	$0
Full Syndicated Price	$22,284,282
Appraised Value	$18,100,000
Acquisition Price vs. Appraisal	0.6% Below Appraisal
Syndicated Price vs. Appraisal	23.15% Above Appraisal
Acquisition Cap Rate	9.09% - based on annualized Y1 projected NOI
Syndicated Cap Rate	7.35% - based on annualized Y1 projected NOI

Note 1: Depositor purchase price.

Acquisition Financing Summary

The Property is not encumbered by any debt, and the Beneficial Owners will not be treated as having assumed any debt for the purpose of calculating their respective Section 1031 replacement property.

The Trust closed on its acquisition of the Property, in part, through proceeds of a preferred equity investment in the Depositor by the Property Seller (Seller Bridge Financing) in the amount of $18,790,000. The Seller Bridge Financing is not secured by the Property, and its terms do not permit the Seller to control the Signatory Trustee or Master Tenant following any default.

The amount listed above represents accrued interest which is expected to be paid to the Seller in connection with the Seller Bridge Financing

- The proceeds of this Offering will be used to redeem the Property Seller's preferred equity investment as Interests are sold to the Beneficial Owners. Total Seller Bridge Financing costs to the Trust are estimated to be $12,276 but could be higher if the sale of the Beneficial Interests is slower than expected; see Fees and Expenses.

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- The PPM states that the Sponsor and its affiliates **will recognize a substantial gain** (of approximately $1.6 million) on the sale of the Beneficial Interests. This includes an acquisition fee and brokerage commissions and fees; see Fees and Expenses.

Property Details

Property Type: Industrial
Address: 308 Church Street, Honea Path, South Carolina 29654
Built: Main Building (1968), Main Building Expansion (1978), R&D Building (1987), Manufacturing Unit 0 (1997), Manufacturing Unit A1/A2 (2006), Manufacturing Unit A3/A4 (2011), Waste Water Building (2013)
Site: 22.3 acres
Buildings: 6 single-story buildings totaling 89,000 sf
Parking: 87 total spaces, 3 of which are designated as ADA accessible spaces
Utilities: Municipal water and sewer are provided to the Property. Natural gas and electrical services are provided by Piedmont Natural Gas and by Duke Energy, respectively
Construction Details:

- Foundation: Concrete slab
- Structural Frame: Masonry and steel
- Exterior Walls: Masonry and metal
- Roofs: A mixture of a built-up membrane and exposed frame in warehouse areas
- Elevators: None

Fire Protection: The Property is 100% serviced by wet and dry sprinklers and fire hoses
Location:

- The Property is 0.6 miles south of Honea Path, South Carolina, a rural community 96 miles northwest of Columbia, South Carolina and 140 miles northeast of Atlanta, Georgia. The Property is approximately 20 miles from Interstate-85, which is considered the main industrial corridor serving the Greenville, South Carolina metropolitan statistical area (MSA). Greenville is 36 miles north of the Property.

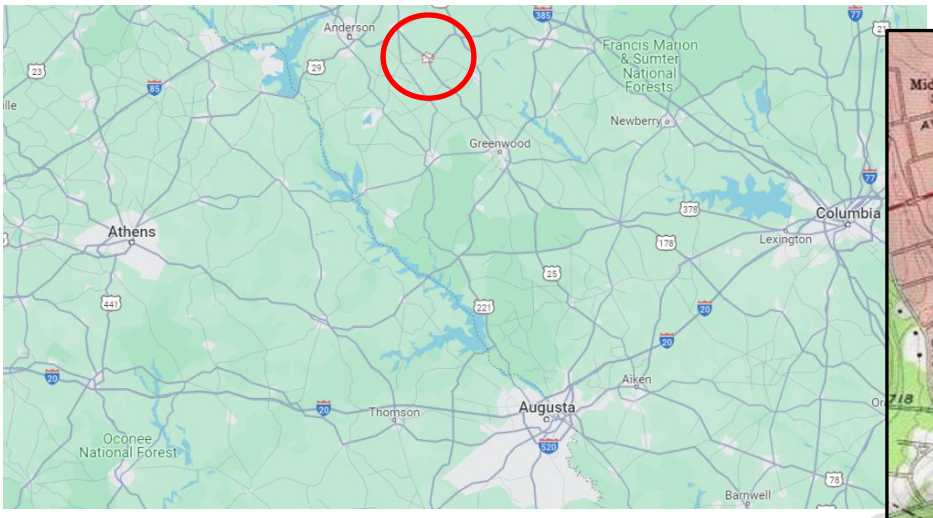
Elevation: 785 feet above sea-level
Prior Uses:

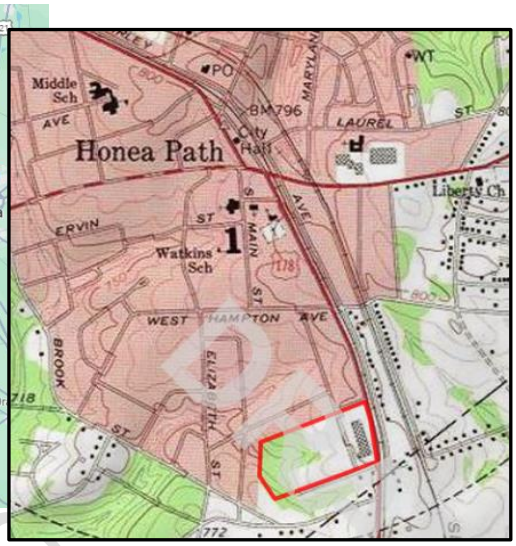
- Pre-1892: Vacant and undeveloped;
- 1892-1948: Unknown;[3]
- 1949-1964: Agricultural with a single family residence; and

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[3] In performing its Phase-I analysis on the Property, Blew & Associates were unable to determine its uses during this period.

- 1968+: Current use





- The Property has most recently been owned and operated by Medline Industries, LP (Medline), which is headquartered in Northfield, Illinois and was recently acquired by a consortium of private equity firms. This transaction required the buyer to divest the Property. Medline's operations here ended in January 2024.[4]
    - The Tenant has hired all of the previous property owner's employees (totaling 18, including 4 senior managers and chemists). This significantly reduces the risk of attracting and training a new employee base at this relatively rural location.

- The neighborhood is best described as stable, with limited new development observed over the past five years. Commercial development has mainly occurred along the U.S. Highway 178 (Church Street) thoroughfare. Growth/redevelopment is projected to be limited over the next five years and the overall nature of the neighborhood will continue to be relatively stable.
    - The area surrounding the Property is primarily residential, primarily single family with mobile homes located to the north and south and a multifamily property to the northwest.

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[4] The land was originally acquired by BF Goodrich, which constructed the Property and commenced operations in 1969.

Property Views











Tenant

The Property is 100% leased to the Tenant, a privately held entity formed on April 17, 2024 and affiliated with the Lease Guarantor, U.S. Medical Glove Company, LLC (see below).

- The Tenant will continue to utilize the Property as an advanced additive manufacturing engineering plant, specializing in the manufacture production of Isolex, a polyisoprene water based emulsion similar to the consistency of latex paint. This is an integral component in nitrile and polyisoprene gloves, which are widely utilized by the surgical, medical, and industrial sectors as well as other users requiring personal protective equipment (PPE).
- As noted, the Property is reportedly the only domestic producer of Isolex and can annually produce 3.2 million dry pounds of polyisoprene, or enough to yield 60 million surgical gloves.
- In addition, the Property will also:
    - House all of the equipment necessary to refine the Lease Guarantor's supply of nitrile, also a critical component required in the production of its NBR gloves. The two reactors/crackers initially located here will produce 30,000 metric tons of the chemical per year and satisfy 100% of the Lease Guarantor's requirement for this critical component for NBR glove manufacturing. To date, the Lease Guarantor's nitrile is purchased from LG Chemicals out of South Korea at a cost of $450.00 per barrel; and
    - Similar to the Harvard facility, will have the capability to fabricate advanced glove manufacturing machines including the components of dripping lines, stainless tanks, control panels, and stripping and layering machines. These machines could be utilized by the Lease Guarantor to assist in meeting the demand for its gloves or be sold to external customers who will each be required to enter into separate joint venture (JV) agreements.

BW The Lease Guarantor's intention is to maintain the high quality manufacturing standards employed at the Property. As such, Tenant has hired all 18 of the former the Medline employees previously housed here, including its senior engineers, technicians, and chemists. Collectively, these employees have significant chemical manufacturing and testing experience and will allow the Tenant to produce its chemicals with a little or no disruptions and/or diminishment in quality.

BW Per Management, a number of factors effectively tie the Tenant to the Property:

- The Isolex and refined Nitrile produced here will satisfy 100% of the Lease Guarantor's current need for these vital chemicals and significantly reduce its exposure to supply chain disruptions, including those caused by a reliance upon internationally sourced components. As such, the Lease Guarantor is the only domestic manufacturer of NBR and polyisoprene gloves that is Infrastructure Investment and Jobs Act (IJA) compliant, specifically with the requirements of the Buy America, Build America Act (BABA)[5];
- The Property additionally provides suitable expansion space that, if utilized for additional production, would effectively double the Property's production capacity, if needed; and
- The equipment housed at the Property is valued at approximately $65 million. As such, relocating or reproducing the Property's production capacity would not only be expensive, but would also require extensive and time consuming permitting and possible environmental remediation.

BW Buttonwood cautions, however, that there is no guarantee that the Tenant will be able to successfully operate its business at the Property, which would adversely impact its ability to make rent payments

[5] See: https://www.gfoa.org/the-infrastructure-investment-and-jobs-act-iija-was

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under the Lease and, therefore, the Trust's ability to meet its financial objectives, including those to the Beneficial Owners.

Lease Guarantor

The Lease is guaranteed by the Lease Guarantor, a Kentucky LLC and a vertically integrated manufacturer and distributor of NBR and polyisoprene gloves and of the machines that manufacture such gloves.[6] The Lease Guarantor is also a tenant of a property in Harvard, Illinois (the Harvard facility), which is owned the MEA Harvard DST, a DST controlled and sponsored by the Sponsor. This offering is ongoing as of the writing of this report; see Prior Performance.

- The company was founded in 2020 to provide domestically sourced and manufactured NBR gloves that are considered critical to the medical, industrial, aerospace, and other sectors. Its founding was in response to the scarcity of PPE manufactured in the United States that was revealed by the COVID-19 pandemic.[7]
- Per the Lease Guarantor, its internally designed machines are 7x smaller, use 11x less electricity, and use 10x less water than competitors. This allows the Lease Guarantor to have the lowest carbon footprint of any glove-production machine manufacturer in the world.

Additional details of the Lease Guarantor include, but are not limited to:

- It currently has approximately 300 employees at its headquarters at the Harvard facility with plans to expand the workforce to 1,000 by the end of 2024. Onsite employees included engineers, R&D specialists, chemists, fabricators, and production crews;
- It continues to manufacture and install new glove production lines at the Harvard facility. As of the writing of this report, 8 glove manufacturing lines are operational with lines 9 through 24 in various stages of construction. The Lease Guarantor plans to have 24 lines operating by approximately mid-September 2024;
- It continues to both maintain and expand its customer base for NBR and polyisoprene gloves. For example:
    - It is close to finalizing an additional contract to provide gloves for the strategic national stockpile, originally with the Department of Defense (DoD) and now with the Department of Health and Human Services (HHS). This contract, which will be awarded once 24 lines are operational, calls for the production of 2.85 billion gloves (28.5 million boxes) through the 5-year contract term. This will generate $600 million in gross revenues; and
    - It also has new contracts in place with the United Nations, Marriott International, and the Veterans Administration, which operates the largest hospital system in the world; and
- It continues to produce NBR glove manufacturing machines for sale to external customers.
    - Per the Tenant, it has contracts in place for customers that include the United Arab Emirates (UAE), which is ordering 42 machines, and the city of Abu Dhabi, which is ordering 26 machines. These machines each typically cost approximately $1.5 million to produce and sell for approximately $4.5 million (for industrial gloves) to $6 million (for surgical gloves).

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[6] The original LLC filing was made with the Kentucky Secretary of State Office on February 1, 2022.
[7] See also: www.usmg.us. Sterile disposable gloves are generally made of vinyl, which is considered a cheap, low end material with limited uses such as fast-food restaurants, or nitrile, which is has become the most popular material for disposable gloves as it is more durable and can better withstand punctures and exposures to certain chemicals. In recent years, nearly all the NBR gloves are made in either China, Malaysia, or Thailand. Per Management, these Asian-made gloves suffer from quality control and often contain contaminants, bacteria, and pathogens due to less rigorous production standards. Glove quality also suffers from the lengthy transport required to get the gloves to U.S. markets. The temperatures in shipping containers often exceeds 160 degrees, which significantly degrades glove shelf lives.

- The Lease Guarantor has related to Buttonwood that it is placing the highest priority on sourcing the supplies for its products domestically, including those produced by the Property. It is further focused upon eliminating bottlenecks in its supply chain while concurrently moving as much of the R&D, manufacturing, and distribution processes in-house. As examples:
  - It has signed a long-term Lease for the Property; and
  - It has purchased a 3-D printing machine to save power by using additive materials versus metal for parts on its glove manufacturing machines. This will reduce the power consumption per machine from 13 amps to 3 amps and provide the Lease Guarantor with a secure inventory of critical components.

Tenant and Lease Guarantor Financial Statements

Buttonwood was unable to review any audited financial statements of either the Tenant or the Lease Guarantor.

- However, in April 2023, the Lease Guarantor did provide the Sponsor with a limited set of financial statements, which suggested that it has a net worth in excess of $100 million. These statements were compiled and signed by an outside CPA but were not audited.
- Buttonwood has reviewed these statements and other financial details of the Lease Guarantor. Its evaluation is not necessarily to comment on the company's revenues and profit potential, but rather to evaluate its ability to meet its guarantor commitments under the terms of the Lease. From this information:
  - The Lease Guarantor's reported 2022 profit margin was 21.6%, which is considered relatively high. Average profit margins for the medical equipment and supplies industry currently range from 7.5% to 7.9%.[8] Note: This may attract competitors looking to actively participate in the NBR and polyisoprene glove market, steal market share from the Lease Guarantor, and possibly impact its ability to operate profitably (though barriers to entry should be considered high into this market); and
  - The Lease Guarantor also reported a high cash balance, which, when combined with its other current assets (assumably collectable within one year), reflects a strong current ratio. Buttonwood calculated this ratio to be 1.96:1. This suggests that the Lease Guarantor may be able to service its obligations, including its lease and other guarantee obligations.
  - The latest revenue estimates project that the Lease Guarantor's 2024 EBITDA will be approximately $66.8 million (growing to $574.5 million and $1.09 billion in 2025 and 2026, respectively).
    - Again, at these levels, it appears that the Lease Guarantor will be able to make its required payments for its lease at the Harvard facility and, if needed, any additional guarantor payments under the terms of the Lease.
    - However, these projections were compiled internally and to the extent possible, the Tenant's and the Lease Guarantor's financial condition will need to be monitored.

- The Sponsor has additionally engaged Predictive Risk Assessment, LLC, d/b/a Tenant Risk Assessment (TRA), to provide an analysis of the credit strength of the Lease Guarantor. TRA's assessment, which included an analysis of the Tenant's unaudited financial statements for the 12-month period ended March 31, 2023, concluded an entity rating of 3.25, defined as lower to upper medium grade credit (BBB- to A-), which reflects that company's rapid growth but its relatively short operating history.

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[8] *See*: https://csimarket.com/Industry/industry_Profitability_Ratios.php?ind=804

- The rating, which is just below that considered prime, indicates that the Lease Guarantor appears to have adequate capacity to meet its financial commitments and appears less vulnerable to near term liquidity concerns.
- However, TRA cautions that long-term uncertainty may diminish the Tenant's credit capacity.

BW In addition, per CBRE, which was recently engaged to appraise the Property:

> "Despite not being a credit rated tenant, it is our opinion that an investor would consider the subject to be leased and guaranteed by a credit tenant with a long lease term, mainly due to the backing of the U.S. Department of Defense and the fact that the subject is reportedly the only Isolex (Polyisoprene) manufacturing company in the United States…

Summary of the Lease:

The Property is to be 100% leased by the Tenant. Details of the prospective lease are as follows:

- **Commencement**: August 2, 2024
- **Type**: Absolute NNN:
- **Lease Guarantor**: U.S. Medical Glove Company, LLC
- **Tenant Obligations**: Tenant shall, at its own cost and expense, maintain, repair, and replace (including capital repairs and replacements) the Property in good condition and repair (subject to reasonable and ordinary wear and tear and casualty and condemnation). This will include all operating expenses, utilities, management fees, real estate and other taxes, and required reserves.
- **Landlord Obligations**: Generally, the Trust will have no responsibility to maintain, repair or replace the Buildings, Improvements, or Property (or any portion thereof).
- **Term**:
  - Initial Term: 22 years
  - Renewal Options: 2 renewal options of 10 years each
- **Security Deposit**: None
- **Concessions**: None
- **Base Rent**: Annual Rent in Year 1 will be $1,637,000 ($16.70 per sf) and increase 2.0% per year thereafter; see detail below and in Financial Projections.
  - During the anticipated hold period of the Trust, the rent schedule is as follows:

Base Rent Schedule

Lease Year	Start	End	Annual Rent	Monthly Rent
1	8/2/24	8/1/25	$ 1,634,772	$ 136,231
2	8/2/25	8/1/26	$ 1,667,512	$ 138,959
3	8/2/26	8/1/27	$ 1,700,906	$ 141,742
4	8/2/27	8/1/28	$ 1,734,969	$ 144,581
5	8/2/28	8/1/29	$ 1,769,713	$ 147,474
6	8/2/29	8/1/30	$ 1,805,152	$ 150,429
7	8/2/30	8/1/31	$ 1,841,299	$ 153,442
8	8/2/31	8/1/32	$ 1,878,170	$ 156,514
9	8/2/32	8/1/33	$ 1,915,778	$ 159,648
10	8/2/33	8/1/34	$ 1,954,138	$ 162,845

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TOTAL / Average:	$ 17,902,409	$ 149,187

- **Additional Rent**: In addition to the Base Rent, the Tenant will directly pay the cost of all utilities and taxes, including, but not limited to, real estate taxes.
- **Tenant Default Reserve**: None
- **Alterations**: Tenant may not alter the Property in any material manner costing in excess of $1,000,000 without Landlord consent. This threshold will increase each calendar year based on the increase in the Consumer Price Index (CPI).
- **Tenant's Right of First Refusal:** If, at any time during the Lease Term, the Trust desires to sell the Property to a third party, the Tenant shall have a right of first refusal to purchase the Property on the same terms and conditions that the Trust desires to sell the Property to any such third party.
- **Tenant's Purchase Option**: The Tenant additionally has the option and right to purchase the Property at any time after the later of 24 months after the Lease Commencement Date or the date that is 1-year after the last Beneficial Owner is admitted to the Trust.
    - To exercise its option, the required purchase price of the Property to be paid by the Tenant will be equal to the greater of:
        - The then current fair market value of the Property as determined by third-party brokers[9];
        - 105% of the Trust's purchase price paid by the Trust; or
        - $24,750,000 if the Trust still owns the Property.
- **Insurance Coverage:** During the Lease Term, the Tenant is required to maintain the following policies:
    - Commercial General Liability against claims for bodily injury or death or property damage and providing coverage of not less than $1,000,000 per occurrence and of $2,000,000 general aggregate;
    - Property covering the full replacement cost of the Property improvements (including alterations made by Tenant) and having a deductible of no more than $50,000 per occurrence;
    - Worker's Compensation in amounts required by applicable law;
    - Business Interruption: with limits not less than an amount equal to 1-year of gross rent; and
    - Umbrella: with limits of not less than $20,000,000 per occurrence and annual aggregate.
- **Assignment and Subletting**: Generally, only with Master Tenant consent.
- **Termination**: The Tenant has the option to terminate the Lease if a casualty occurs during the last 2 years of the Term which has resulted in damage to 25% or more the Property's useable square footage or if repairs are reasonably expected to take at least 12 months.
- **Indemnification**: The Tenant is required protect, defend, indemnify, and hold the Landlord, its agents, employees, and contractors of all tiers harmless from all claims, liabilities, losses, and expenses (including reasonable attorneys' fees) arising out of any other act or occurrence within the leased premises.
- **Financial Statements**: During the term of the Lease and any extension periods, the Tenant will provide its most recent financial statements at the Landlord's request but no more than twice annually.

BW The Property is a single-tenant manufacturing facility in a rural location. Should the Tenant default on or otherwise exit the Lease, there is a **high likelihood** that the Trust may have difficulty securing a replacement tenant at the current lease rate.

- Furthermore, if the Tenant elects to renew the Lease, its rent will be equal to the fair market value of rent at the time of the renewal.

[9] See Section 17.21 of the Lease Agreement.

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- As such, it is unlikely that current market rents will increase sufficiently to prevent a significant decrease in rent upon conclusion of the initial term of the Lease, which could adversely impact the value of the Property upon disposition, perhaps significantly.

BW The Lease includes a corporate guarantee, which has also been a feature in the leases of the Sponsor's recent DST programs reviewed by Buttonwood.
- The Lease also does not require that the Tenant maintain a default reserve. This, too, has been a feature in certain of the Sponsor's recent similarly structured programs.
- When present, these features can ensure that the Master Tenant receives its full rental payments in a timely manner.

BW Buttonwood was unable to confirm that the Tenant's insurance policies are in place and at the limits required. Per Management, the Tenant has acquired these coverages as of the writing of this report and they were effective as of the Lease Commencement Date.

BW Utilizing the Sponsor's financial projections, which include annual distributions to the Beneficial Owners ranging from 7.00% in Year 1 to 8.37% in Year 10, Buttonwood has calculated the following returns to the Beneficial Owners if the Tenant exercises its Purchase Option and is able to do so at for $24,750,000. As detailed in Financial Projections, the Sponsor is anticipating that the Property will sell at the end of the Hold Period at an estimated cap rate of 8.97% (based upon the Year 11 NOI) and generate an overall IRR to the Beneficial Owners of 7.25%.

Year Option Exercised	Gross Sales Price	Net Sales Price (1)	IRR to Beneficial Members
3	$24,750,000	$23,636,250	9.97%
4	$24,750,000	23,636,250	8.99%
5	$24,750,000	23,636,250	8.54%
6	$24,750,000	23,636,250	8.30%
7	$24,750,000	23,636,250	8.15%
8	$24,750,000	23,636,250	8.07%
9	$24,750,000	23,636,250	8.02%

Note 1: Net of Closing costs (1.0%), Selling Broker's Commissions (2.0%), and Sponsor Disposition Fee (1.5%).

- As is shown, if the Tenant elects to exercise its option during the earlier years and all other modeling assumptions remain constant, the IRR to the Beneficial Owners will be increased by up to 272 bps as compared to the Sponsor's projections assuming a Property sale at the end of the Hold Period. The effect of the Purchase Option will gradually diminish over time.

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Demographics

Honea Path, South Carolina Overview

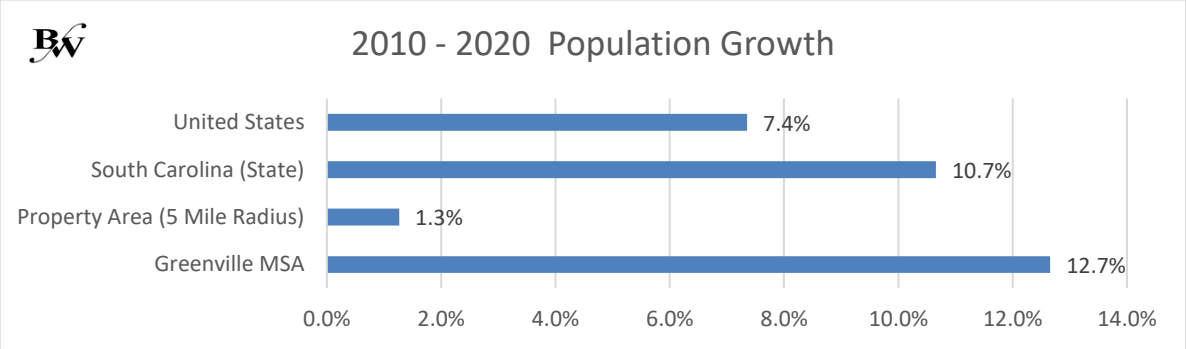
Demographics, Household Income and Employment

With a population of 8,800 residents, Honea Path, South Carolina is located in the northwest portion of the state. It lies in southeast Abbeville County and approximately 30 miles east of the Georgia state line. The city serves as the center for surrounding agricultural uses.

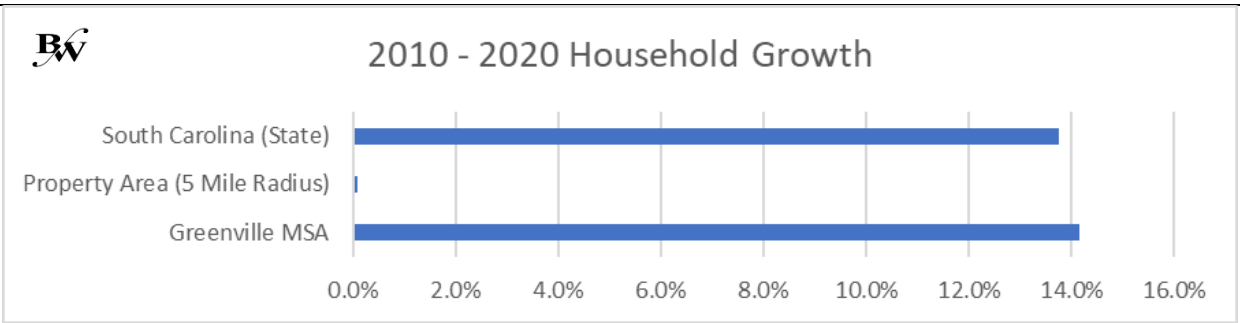
Population

Population Trends							
Area	2010	2020	% Change	2024 Estimate	% Change	2029 Projection	% Change
Greenville MSA	823,912	928,195	12.7%	978,230	5.4%	1,028,889	5.2%
Property Area (5 Mile Radius)	8,596	8,705	1.3%	8,831	1.4%	8,931	1.1%
South Carolina (State)	4,625,391	5,118,425	10.7%	5,377,943	5.1%	5,630,329	4.7%
United States	308,745,377	331,449,281	7.4%	334,500,069	8.3%	341,662,969	2.1%

Data Source: Claritas Spotlight



Household Trends							
Area	2010	2020	% Change	2024 Estimate	% Change	2029 Projection	% Change
Greenville MSA	321,042	366,509	14.2%	388,054	5.9%	409,619	5.6%
Property Area (5 Mile Radius)	3,506	3,509	0.1%	3,564	1.6%	3,607	1.2%
South Carolina (State)	1,801,190	2,048,912	13.8%	2,168,850	5.9%	2,283,620	5.3%

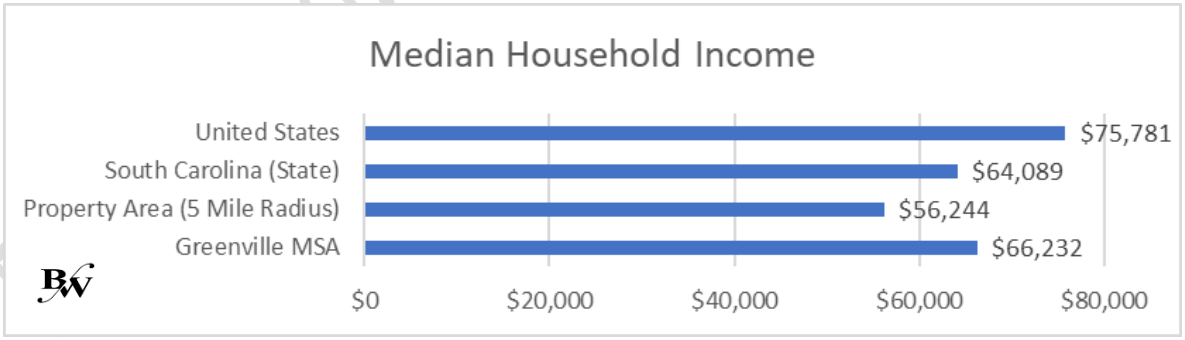


- Honea Path has experienced minor population growth in recent years, growing by approximately 125 total residents since 2020. This trend is projected to continue with population expected to grow by an additional 1.0% (+100 residents) by 2029.

- The city is proximate connected to the larger Greenville-Anderson, South Carolina Metropolitan Statistical Area (MSA) via U.S. Highway-76 and U.S. Highway-25. The MSA is the sixth most populous urban area in the state and has expanded by approximately 50,000 residents since 2020. The closest interstate highway is Interstate-85, approximately 30 miles to the northwest.
  - This stable (and slightly growing) population may assist the Tenant in securing adequate staffing for its operations at the Property.

Household Income

Household Income		
Area	Average	Median
Greenville MSA	$92,196	$66,232
Property Area (5 Mile Radius)	$72,685	$56,244
South Carolina (State)	$89,483	$64,089
United States	$108,671	$75,781



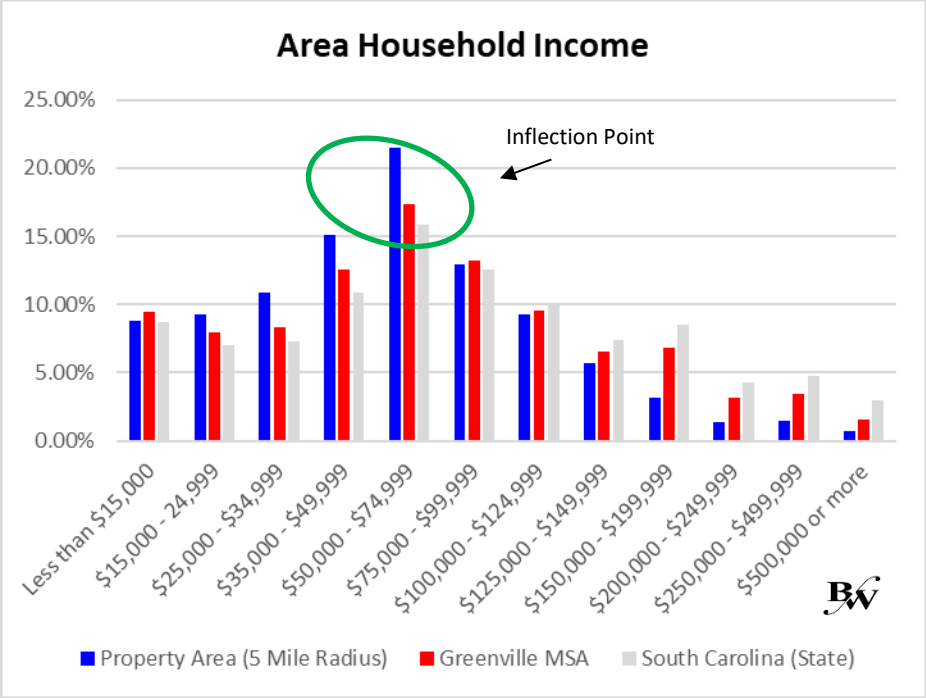
- As shown in the table and chart above, the average and median household incomes in Honea Path are below the levels posted for Greenville and the State of South Carolina as a whole. This is typical of rural communities. See Financial Projections for more detail.

- As further context, total of 26.3% of individuals in the area over the age of 24 have a college degree, with 16.4% holding a bachelor's degree and 9.9% holding a graduate degree.

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Household Income by Cohort

The chart below provides a breakdown of the percentages total annual income at various levels.

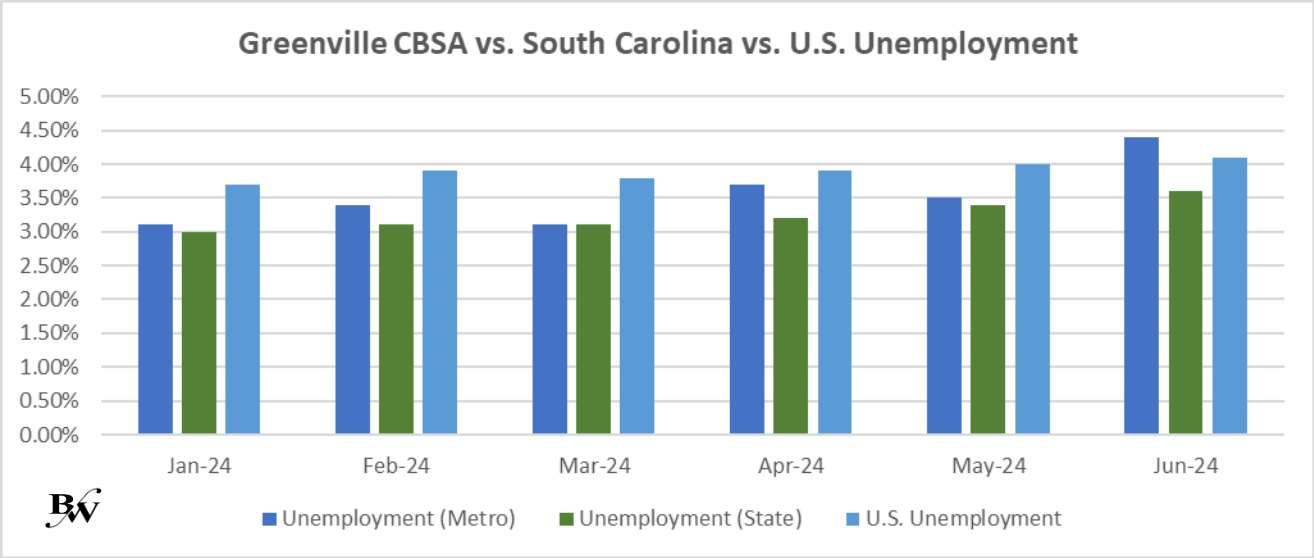


The area surrounding the Property has higher percentages of lower income households when compared to the Greenville MSA and the State of South Carolina.

Employment

Labor and Unemployment Trends						
Area	***Jan-24***	***Feb-24***	***Mar-24***	***Apr-24***	***May-24***	***Jun-24***
Greenville MSA						
Labor Force	453.0	455.2	460.1	459.9	459.1	465.5
Employment	438.9	439.7	445.8	447.6	443.2	444.9
Unemployment Rate	3.1%	3.4%	3.1%	3.7%	3.5%	4.4%
South Carolina						
Labor Force	2,471.8	2,472.6	2,477.6	2,484.3	2,490.1	2,499.9
Employment	2,396.5	2,396.2	2,399.6	2,404.5	2,406.5	2,410.1
Unemployment Rate	3.0%	3.1%	3.1%	3.2%	3.4%	3.6%
United States						
Labor Force	167,276.0	167,426.0	167,895.0	167,892.0	167,732.0	168,009.0
Employment	161,152.0	160,968.0	161,466.0	161,491.0	161,083.0	161,199.0
Unemployment Rate	3.7%	3.9%	3.8%	3.9%	4.0%	4.1%

Source: US Bureau of Labor Statistics



As shown in the chart above, the unemployment rate in the Greenville area has recently been slightly higher than that of the State of South Carolina but generally lower than the overall U.S. average. The local labor market can be considered is relatively tight, and with unemployment rates roughly in line both the state of South Carolina and the U.S. as a whole.

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Property Reports

Property Reports

Appraisal

Prepared By	CBRE
Prepared For	Pinnacle Lending Group, Incorporated[10]
Date of Value	June 25, 2024
Date of Report	July 31, 2024
Interest Valued	Leased Fee
Remaining Economic Life	25 years
Assessed Value	**Appraised Value:** ***As Is*** *(June 25, 2024)*
Cost Approach	(1)
Sales Comparison Approach	$18,000,000 ($187.10 per sf) (2)
Income Capitalization Approach	$18,150,000 ($188.66 per sf)
Final Value Conclusion	**$18,100,000**

Note 1: The Per the Appraiser, the cost approach is not applicable in the estimation of market value due to the age/condition of the Property and the subjectivity of estimating its depreciation. The Appraiser states that exclusion of this approach did not compromise the credibility of its market value estimate.

Note 2: The Appraisal includes details regarding recent sales of 6 similar industrial properties in the Greenville market. The comparable data indicates a unit price range from $56.19 to $75.00 per sf of gross building area, land included. The Appraiser did note a lack of recent industrial sales of similar quality/location as the Property with comparable contract rates.

- The contract rental rate under the Lease **is significantly above** the Appraiser's market rent conclusion. The contract rent is based upon production figures/capacity that the Tenant will be able to realize with the addition of this facility and not based on a price per sf of building area.
  - The Appraiser contacted a local real estate broker. Given the Property's age/condition and location, this individual estimated that it would likely lease in the $4.50 per sf, NNN if vacant and marketed for lease.

[10] Reliance on any reports produced by CBRE is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the report.

Appraised Value vs. Acquisition	
Property Acquisition Price	$18,000,000
Syndicated Acquisition Price	$22,284,282
Appraised Value	$18,100,000
Acquisition Price vs. Appraisal	0.6% Below Appraisal
Syndicated Price vs. Appraisal	23.1% Above Appraisal

- Prospective Beneficial Owners should understand that this valuation is based solely upon the rental terms of the Lease with a tenant that is privately-owned, recently formed, with little operational history. Accordingly, **there are no assurances** that appraised valuation would hold firm in the event of a default by the Tenant.

- The Sponsor purchased the Property for slightly below its appraised value. However, as with most DST programs reviewed by Buttonwood, the Trust's syndicated price is well above the Property's estimated market value. As such, the Property will need to recognize a significant appreciation in value in order to repay the debt and return investor capital on sale.

- The Appraiser's estimate of the Property's highest and best use is industrial, as developed.
  - As the Property will be leased to a single tenant on a long-term basis, the Appraiser assumed that the Tenant has sufficient credit and wherewithal to fulfill its obligations under the Lease. As such, its analysis included no deduction for vacancy and collection loss.

- The Greenville warehouse market is showing relatively strong trends of positive absorption, increasing occupancies, and higher rental rates. The MSA's market consists of nearly 147 million sf and it experienced positive 1,402,991 sf of net absorption for the 2nd quarter of 2024.
  - Year-end 2024 average occupancy is projected to be 94.0%, which reflects a small increase from the 93.8% occupancy rate at the end of last year. Occupancy for 2025 is projected to be 94.4%, reflecting an increase from the current year.
  - The Property's submarket is considered outlying Anderson County. Here, the inventory is composed of just over 31 million sf, a slight (1.9%) increase from the 2023 year-end total. The submarket occupancy is projected to be 94.8% at the end of 2024, which represents an increase from the 2023's occupancy of 91.0%.

December 19, 2023 Appraisal:

The Trust has additionally received a 2nd Appraisal also prepared by the Appraiser. This analysis estimated a then-**current "as-is" value of the Property as $5,400,000** a value based in large part upon the assumption that the Property would be leased to the then-current owner or a similar tenant at an annual rate of $4.50/sf., which is significantly less than the rent payable under the Lease and Master Lease.

- This value appears supported by the Appraiser's analysis of then-recent comparable sales of industrial properties located in central South Carolina. As is shown in the table below, these recent sales were based upon an average NOI/SF of $4.69 and occurred at average sales cap rates of 7.24%.

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Property	Constructed	Sale Date	Current NOI/SF	Sale Cap Rate
Molnlycke Manufacturing Facility, Anderson, SC	1994/2017	10/2023	$ 4.50	7.00%
Wilbert Plastic Services Manufacturing Facility, Easily, SC	1969	6/2023	3.84	6.27%
LuLaRoe Distribution Facility, Blythewood, SC	1996	2/2023	4.42	7.86%
Nelson Mullins Building, West Columbia, SC (1)	1997/2007	2/2023	4.62	6.16%
Lancaster Schuermann Distribution Warehouse, Pauline, SC	1984	1/2023	5.24	8.80%
Unichem, Greenville, SC	1964/1973	12/2022	5.50	7.37%
Average:			**4.69**	**7.24%**

Note 1: This property sold with a below market lease rate in-place, which put downward pressure on the overall cap rate average.

- As detailed in the Lease, the Tenant's base rental rate is $16.68 per sf. **This is considered significantly above market** and forms the basis of the Appraiser's valuation conclusion for the Property of $18.1 million.
  - If the Tenant were to exit the Lease and the Trust were unable to collect amounts due under the Lease from the Tenant (or Lease Guarantor), it is highly unlikely that the Trust would be able to re-lease the Property at the current rate per sf.
  - This would result in substantially less rent paid to the Trust and adversely affect its ability to both make distributions to the Beneficial Owners and return invested capital at the end of the projected Hold Period.

- **However,** these lease comparables may not be an accurate reflection of the Property's value given that it is a chemical manufacturing facility housing equipment affixed to the property valued at over $65,000,000. To replace the Property would likely require extensive environmental and zoning approvals and zoning. As such, the "as vacant per sf" may not be reflective of its true market value as it is the only domestic manufacturer of Isolex.

- The Appraiser considers the Property's location to be below average due to its distance from Interstate-85. This may limit its attractiveness for future industrial users/tenants.

Environmental Site Assessment

ESA Findings	
Prepared By	Blew & Associates, P.A (Blew & Associates)
Date of Assessment	March 29, 2024
Assessment Type	Phase I
Reliance	WWP Property Holdings LLC c/o US Medical Glove

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Opinion	Based upon Partner's reviews, there was no evidence of a current Recognized Environmental Condition (REC)[11] at the Property
RECs	None noted
HRECs[12]	None noted
Asbestos	Yes (1)
Underground Storage Tanks	Yes (2)
Above Ground Storage Tanks	Yes (3)
Lead Paint	None noted
Radon	Radon testing indicates that the Property exhibits an indoor average level of less than 4 pCi/L, which is below the action level required by the Environmental Protection Agency (EPA)
Mold	None noted
Other Environmental Issues	Possible (4)

Note 1: Permits for asbestos removal were issued at various times in 2004, 2005, 2010, and 2018. Blew & Associates does not consider these previous abatement efforts to be a REC.
Note 2: The plant historically utilized six 18,000-gallon USTs to contain latex material. These are located along the southeast corner of the main building. The tanks were decommissioned and partially filled with concrete in 2017 and 2018. There is no official closure documentation or registration required by the State of South Carolina as these tanks were not used to store either gasoline or diesel fuel.
Note 3: Three 30,000 above ground storage fuel oil tanks were utilized until 2006, when they were removed. Soil contamination was identified and required subsequent remediation efforts.
Note 4: The previous owner was considered a Resource Conservation and Recovery Act (RCRA) large quantity generator of waste generated or managed including: ignitable waste, numerous spent non-halogenated solvents, benzene, and methyl- (or) toluene. The facility has also been listed since 1987 as a facility that recycles, treats, and transfers hazardous waste.

- Based on the nature of these listings, and the lack of reported spills, releases, and open/active violations, Blew & Associates does not consider this a REC.

BW Based upon the findings and conclusions of this assessment, Blew and Associates **does not recommend** that any additional investigation at the Property is warranted. The Property maintains an industrial stormwater permit (Permit No. SCR000000) through the South Carolina Department of Health.
  - A prior Phase II Environmental Assessment was issued on November 27, 2006. This occurred during the expansion of the Property when three above ground storage tanks were removed. Soil samples were collected and tested for various contaminants, which indicated the presence above acceptable levels. Soil excavation was undertaken as was the installation of three monitoring wells.

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[11] **Recognized Environmental Conditions**: A recognized environmental condition (REC) refers to 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.
[12] **Historical Recognized Environmental Conditions**: A historical recognized environmental condition (HREC) refers to 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.

- The South Carolina Department of Health issued a final letter in February 2009 stating that the property owner had adequately addressed the contamination and that no further investigation was required.

BW There are two abandoned USTs remaining on the Property: a 10,000-gallon tank historically containing a hazardous substance (presumable latex), and one 20,000-gallon diesel tank.
- The South Carolina Department of Health lists both tanks the tanks as abandoned. As there are no known releases associated with these tanks, Blew & Associates does not consider this a REC.
- Given their current uses, distance, and the groundwater gradient, Blew & Associates does not consider possible contamination of neighboring sites to be an issue.

Zoning

Current Zoning: I-Industrial District

The Sponsor has received a Zoning Compliance Report prepared by Blew & Associates, P.A. and dated June 25, 2024. The report indicates that the Property's use is conforming and that there are no known open code violations, including fire violations. The intent and purpose of the Industrial District is to promote the development and continued use of land for industrial purposes which involve manufacturing, processing, or assembly operations; and to preserve underdeveloped sizable tracts of land with potential for industrial uses. Adjacent properties are zoned MHP (Mobile Home Park), RM (multifamily residential), and single-family residential.

Easements

The Property is subject to certain utility, access, and maintenance easements.

BW Though considered a minor risk, presence of these easements could limit operations and/or development at the Property, which also could have an adverse financial impact on the Trust and the Beneficial Owners.

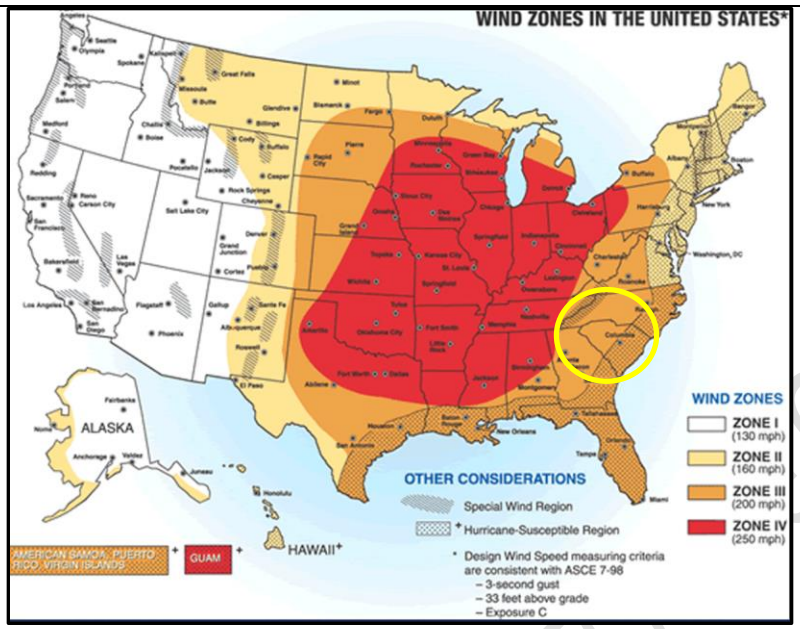
Flood, Wind and Seismic Zones

Flood: Zone X - The Property is outside of the 100-year flood plain.

BW Separate flood insurance will not be required. No wetlands were observed on the Property.

Wind: The Property is in Wind Zone 3, susceptible to winds up to 250 mph based on FEMA's Map of Wind Zones in the United States.

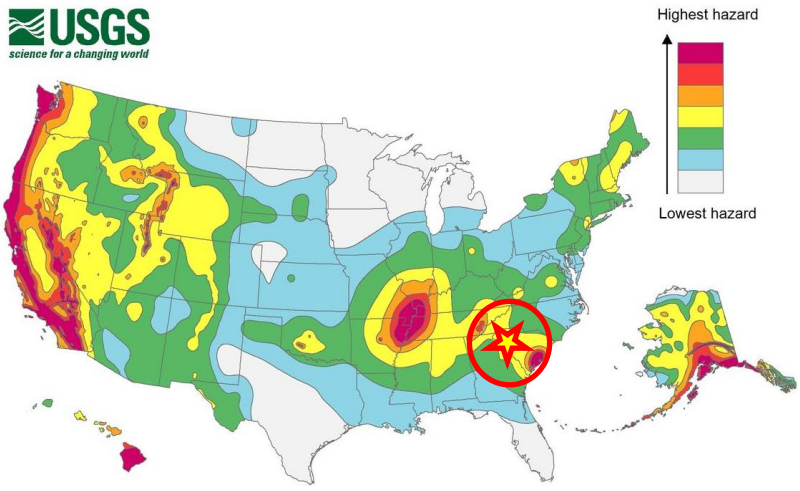
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Management has confirmed to Buttonwood that wind coverage is in place.

Seismic: The Property is in seismic zone 2A, an area with medium hazard probability of peak ground acceleration (0.08g to 0.16g) according to the most current earthquake hazard map for the U.S.

The Trust will likely not obtain separate seismic insurance for the Property.



Property Condition Report (PCR)

Blew & Associates was also contracted to perform a property condition and capital needs assessment for which it issued a PCR, dated May 21, 2024. The PCR recommended the following:

	Recommended Immediate Repairs	Short Term Estimate (< 1 Year)	Year 1-12 Estimate (1)
Property	**$393,800**	**$37,233**	**$454,416**

Note 1: Total inflated at an annual inflation factor of 2.5%.

Immediate recommendations include:

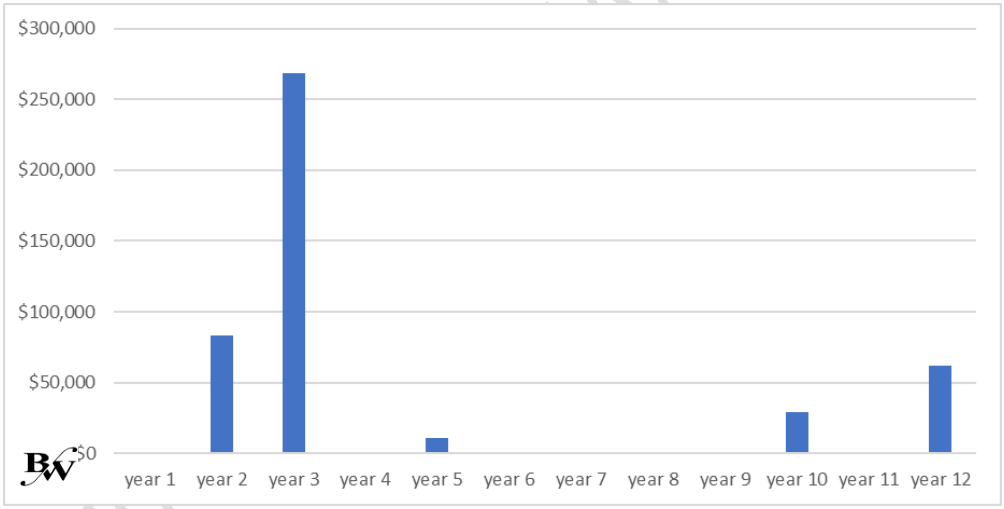
- Parking and walkway repairs: $5,000;
- Minor electrical repairs: $900;
- Framing: $117,800; and
- Roof system: $265,100.

Short term recommendations include:

- Parking and walkway repairs: $37,223.

Per Management, the Tenant is preparing to undertake the recommended immediate and short-term repairs as of the writing of this report.

The chart below provides a break-down of the anticipated long-term repairs and replacements:



Over the anticipated hold period of the Trust, the PCR projects that annual repairs and replacements will average $92,638 annually between Year 2 and through Year 10. Over the full 12-year period of the analysis, significant items (inflated at 2.5% annually) include:

- Sealing, caulking, and other minor replacements in Year 2 ($83,540);
- Roof replacement in Year 3 ($268,435); and
- Asphalt sealing and restriping and other miscellaneous replacements and repairs in Years 5, 10, and 12 ($102,775).

The roof is in fair condition and is anticipated to reach the end of the expected useful life during the reserve term and will require replacement.

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- Pursuant to the terms of the Lease, the Tenant is responsible for making all necessary repairs to the Property, including the immediate and short-term repairs recommended by the PCR.
  - In the event the Tenant fails to make the necessary repairs, the Trust and/or Master Tenant may be required to do so, which may adversely impact both the Trust and the Beneficial Owners.

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Master Tenant/Lease Overview

Master Tenant Overview

Simultaneously with the Trust's acquisition of the Property, the Trust leased the Property to the Master Tenant, a Delaware LLC and affiliate of the Sponsor.

Master Tenant Capitalization	
Master Tenant	Manufacturing Essential Asset II Master Lessee, LLC
Trust funding from offering	$0 – Capitalized by cash flow from rents only
Demand note from Sponsor	$0 – Capitalized by cash flow from rents only
Master Tenant Capital Reserve	$0
Total MT Capital including Reserve	**$0**
Master Tenant Funding from Offering	**0.00%** of max offering proceeds

- Similar to the Sponsor's previous DST programs reviewed by Buttonwood, the Master Tenant should be considered undercapitalized. Buttonwood would prefer to see a sponsor-backed demand note or other reserve in place to backstop any unexpected cash demands at the Master Tenant level. The Sponsor will have no obligation to provide additional capital to the Master Tenant at any time in the future. Per the PPM,

> "The Sponsor believes that, in light of the expected rent to be received under the Lease, the Master Tenant has been sufficiently capitalized for its business purposes; however, there can be no guarantee that the Master Tenant has been adequately capitalized…"

Master Lease Overview

The section below summarizes the primary details of the Master Lease as reviewed by Buttonwood.

Master Lease Term

The Master Lease will be for an original term of 25 years commencing on August 5, 2024.

- The Master Tenant will have the right, at its sole discretion, to exercise four successive renewal terms of 5 years each. However, the Master Tenant cannot exercise a Renewal Term if it is then in default of the Master Lease.

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Termination of Master Lease

The Master Lease may be terminated prior to the end of a term in the following circumstances:

- By the Trust in the event of a default by the Master Tenant; or
- By the Master Tenant, in the event of a default by the Trust, but only if a person not affiliated with the Master Tenant is the Signatory Trustee of the Trust,

BW The Master Lease also terminates automatically upon the Property's sale. Termination of the Master Lease **may cause the Trust to be converted into an LLC**, which would be likely to cause adverse tax consequences to the Beneficial Owners.

Property Expenses:

Between the Master Tenant and the Trust, Property obligations will be split. All expenses considered capital expenses will be the responsibility of the Trust, while all other expenses will be the responsibility of the Master Tenant.

- The Master Tenant is financially responsible for all costs and expenses incurred in connection with the Property that are not Capital Expenses. These include real estate taxes, insurance, utilities, HVAC equipment, water heaters, plumbing fixtures, electrical fixtures and repairs and replacements of personal property that are normally not capitalized under GAAP or related to restoration after casualty or condemnation.
- The Trust is financially responsible for casualty and condemnation restoration and all of the Property's Capital Expenses. These are incurred in connection with the Property that are normally capitalized under GAAP and will include, but are not limited to, repairs and replacements to roofs, chimneys, parking lots, paving, balconies, porches, patios, foundations, exterior walls and all load bearing walls, exterior doors and doorways, windows, elevators, and exterior painting, to the extent not paid by Tenant in accordance with the Lease.

BW If the Master Tenant is unable to fund its maintenance obligations, the Trust may be required to convert into an LLC, which may have adverse consequences to the Beneficial Owners

  - The Master Tenant is responsible for causing the Tenant to pay for Capital Expenses to the extent the Tenant is required to pay them under the Lease.

BW 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, including all-risk and terrorism coverage, to the extent Master Tenant elects or is required by Lender to obtain terrorism coverage.

  - Repair costs following a condemnation or casualty until the last 2 years of the term Master Lease will be shared by the Master Tenant and the Tenant.

Property Management

The Master Tenant has entered into a management agreement with Silver State Realty & Investments, Incorporated, an affiliate, which will serve as the initial property manager (Property Manager).

- The Master Tenant shall be responsible for payment of all property management fees payable under any such commercial management agreement.

BW The Master Tenant may replace the Property Manager at Master Tenant's sole discretion.

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Master Lease Rent

During the Hold Period of the Trust, the Master Tenant is obligated to pay Base Rent and Annual Rent as described below.

Rent

The amount paid to Beneficial Owners after payment of the Base Rent, the DST and Administrative fee, the Asset Management Fee and the Trust's operating expenses.

Lease Period	Base Rent	Annual Rent	% Increase in Annual Rent	DST Expenses (1)	Distributable Cash Flow to Beneficial Owners	MT Profit
1	$818,500	$818,500	-	($75,480)	($1,559,292)	$2,228
2	834,870	834,870	2.00%	(76,890)	(1,590,622)	2,228
3	851,567	851,567	2.00%	(78,326)	(1,622,580)	2,228
4	868,599	868,599	2.00%	(79,791)	(1,655,178)	2,228
5	885,971	885,971	2.00%	(81,284)	(1,688,429)	2,228
6	903,690	903,690	2.00%	(82,805)	(1,722,347)	2,228
7	921,764	921,764	2.00%	(84,356)	(1,756,943)	2,228
8	940,199	940,199	2.00%	(85,937)	(1,792,233)	2,228
9	959,003	959,003	2.00%	(87,549)	(1,828,229)	2,228
10	978,183	978,183	2.00%	(89,192)	(1,864,947)	2,228
Total	**$8,962,346**	**$8,962,346**	**19.51%**	**(821,610)**	**($17,080,800)**	**22,280**
Average	**$896,235**	**$896,235**	**2.00%**	**(82,161)**	**($1,708,080)**	**2,228**

Note 1: Includes initial DST and Administrative fees of $10,000 annually, which will increase 1.0% per year thereafter, and the initial annual Asset Management fee of 1.0% of effective gross revenues, which will increase by 2.0% per year thereafter.

- The average annual rent increase of 2.00% is above average for DST programs of this type recently reviewed by Buttonwood, which have typically been annual rent increases of 1.0% for programs where the underlying rent payments to the Master Tenant grow over time.
  - Again, the Master Tenant will retain operating revenues from the Property that exceed Rent due to the Trust under the Master Lease, out of which the Master Tenant will pay a Property Management Fee.

- Phantom Income**:** In the event the Master Tenant accrues a portion of the rent, the Trust may be unable to pay full distributions to the Beneficial Owners.
  - Nevertheless, income allocated to Beneficial Owners will be taxable to them regardless of whether such income is actually distributed.
  - Thus, a Beneficial Owner may not receive distributions from the Trust equal to its tax liability.

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Master Lease Projected Profitability

Lease Period	MT Net Income After Costs	MT Profit Margin %
1	$2,228	0.14%
2	2,228	0.14%
3	2,228	0.14%
4	2,228	0.13%
5	2,228	0.13%
6	2,228	0.13%
7	2,228	0.13%
8	2,228	0.13%
9	2,228	0.13%
10	2,228	0.13%
Total / Avg	**22,280**	**0.13%**

- Similar to the Sponsor's recent DST programs reviewed by Buttonwood, the Master Tenant will essentially be operated as a break-even entity with little projected profitability. As is shown, incoming cash will essentially cover its rent payments.

- The limited profitability at the Master Tenant level is potentially a positive for Beneficial Owners as all profit will remain with the Trust; however, Buttonwood would prefer to see a Sponsor-backed demand note or some form of profitability flowing through to the Master Tenant to provide an additional source of cash if any costs deviate from projections.
    - The Master Lease does provide the Trust with certain protections. For example, though Tenant may sue for injunctive relief or to recover damages for any loss directly resulting from the breach, it will **not be entitled to terminate the Lease or withhold, offset, or abate any sums due**. In no event will the Trust be liable to the Tenant for any consequential or punitive damages.

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Master Lease Cash Flow Durability

As noted, the Master Tenant will operate with minimal net income provided by the cash flows from the Property.

BW Note the lower section of the table where Master Tenant capitalization is effectively $0.

Master Tenant Cash Flow Durability:										
$ in 000s	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**
Gross Revenues	1,637	1,670	1,703	1,737	1,772	1,807	1,844	1,880	1,918	1,956
Rent Under Master Lease	(1,635)	(1,668)	(1,701)	(1,735)	(1,770)	(1,805)	(1,842)	(1,878)	(1,916)	(1,954)
Expenses	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Cash Flow to MT	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
MT Net Income	0	0	0	0	0	0	0	0	0	0
MT Capitalization - Beg Balance	0	0	0	0	0	0	0	0	0	0
Projected MT Reserve Spend	0	0	0	0	0	0	0	0	0	0
MT Capitalization Draw	0	0	0	0	0	0	0	0	0	0
MT Capitalization –End Balance	0	0	0	0	0	0	0	0	0	0

Deferral of Rent Payable

The Master Tenant may defer payment of up to **one-half** of the Annual Rent payable each month as long as all property expenses are timely paid by the Master Tenant, and all other Master Tenant cash flow received during such period is applied to the Annual Rent.

- Any deferred Base Rent would bear interest at 3.0% annually and must be paid on the next succeeding due date to the extent of available cash flow. Outstanding amounts are payable in full no later than 91 days after the Loan is repaid in full, or the end of the applicable Master Lease Term.
- Any deferred amounts are to be paid on the next succeeding due date for Annual Rent to the extent of available cash flow.

BW This rent deferral provision, including the interest rate paid on deferred rent, is typical for similarly structured DST programs reviewed by Buttonwood.

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Financial Projections

Forward Looking Statements

The tables below include forward looking statements, which are based on certain assumptions, describe future plans, strategies, and expectations. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance, or achievements to be materially different from the results of operations or plan expressed or implied by these forward-looking statements. Accordingly, this information should not be regarded as representations that the results or condition described in these statements or objectives and plans will be achieved.

Financial Forecast

Assumptions

The following assumptions were utilized by the Sponsor/Manager when projecting the Property's future operational performance.

Assumption		
Transaction Assumptions		
Acquisition Cap Rate (Syndicated)	7.35%	
Exit Cap Rate	8.97%	
Operating Assumptions	**Range Years 1-10**	**10 Year Average**
Rent Growth	2.00%	2.00%
Effective Gross Revenue Growth	2.00%	2.00%
Operating Expense Growth	-	-
NOI Growth	2.00%	2.00%
Economic Occupancy	100.00%	100.00%
Physical Occupancy	100.00%	100.00%
Physical Vacancy	0.00%	0.00%
Operating Cost as % of EGR	0.00%	0.00%

- The Sponsor's assumptions for rent and NOI growth are in line with its recent NNN DST offerings. This is single-tenant property with a long-term lease, which explains the assumption of 100% occupancy over the 10-year hold period with the Tenant being responsible for all Property operating expenses. NOI growth therefore matches rent growth.
  - The Sponsor has utilized similar assumptions for its previous DST programs, including Manufacturing Essential Asset, DST, which commenced its offering in April 2023.
  - Buttonwood has calculated hypothetical alternative returns based on a potential reduction in rent growth rates coupled with a modest increase in expense growth rates. See the Sensitivity of Investor Returns section below for more detail.

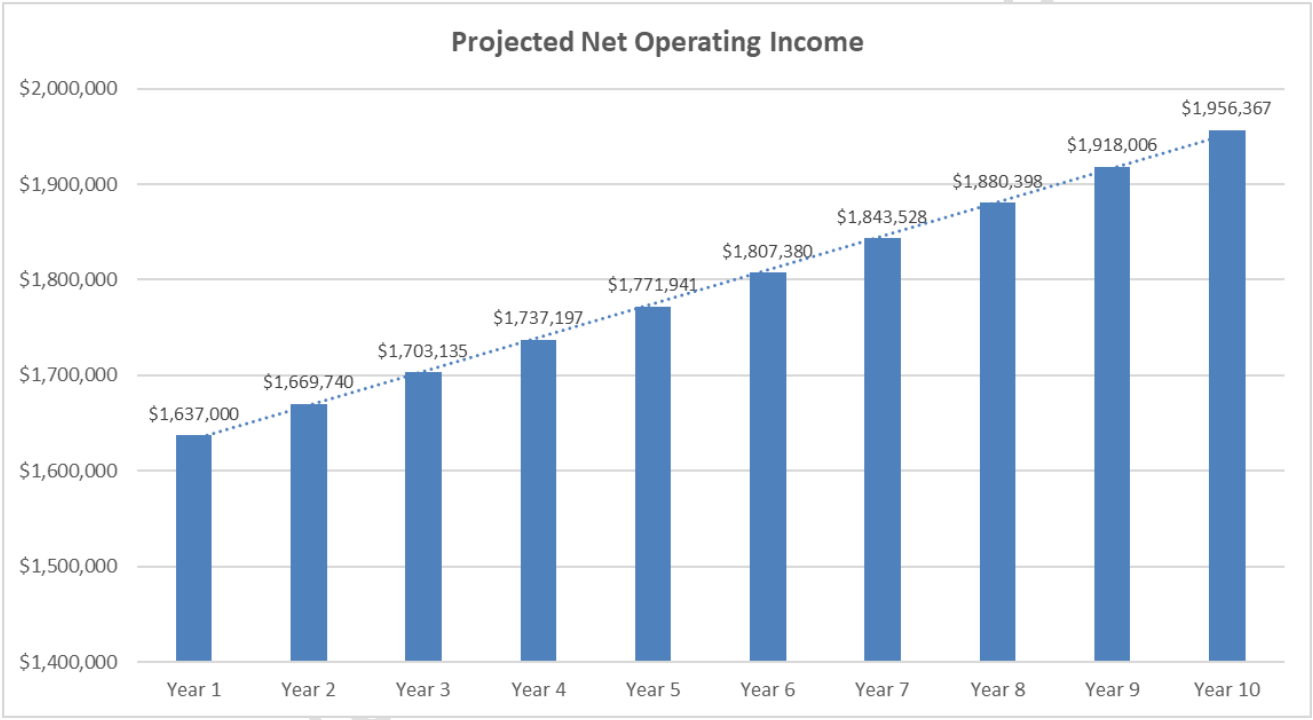
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As context, the Appraiser assumed an acquisition cap rate of 9.0%. Its conclusion was based upon:

- An analysis of recent industrial property sales in the central South Carolina region, which indicates that cap rates ranged from 5.93% to 8.80% with an average of 7.24%;
- National averages for industrial properties as compiled by RealtyRates.com and by PWC, which indicate cap rate ranges 4.00% to 13.19%, with overall range of 8.50% to 9.50%; and
- A blend of current mortgage interest rates, which are averaging 6.75%, and an assumed equity dividend rate of 9.5%, which indicate an average cap rate of 9.30%.

Operational Projections – Property Level

The table and chart below provide additional detail regarding the Manager's projected income and expenses for the Property.



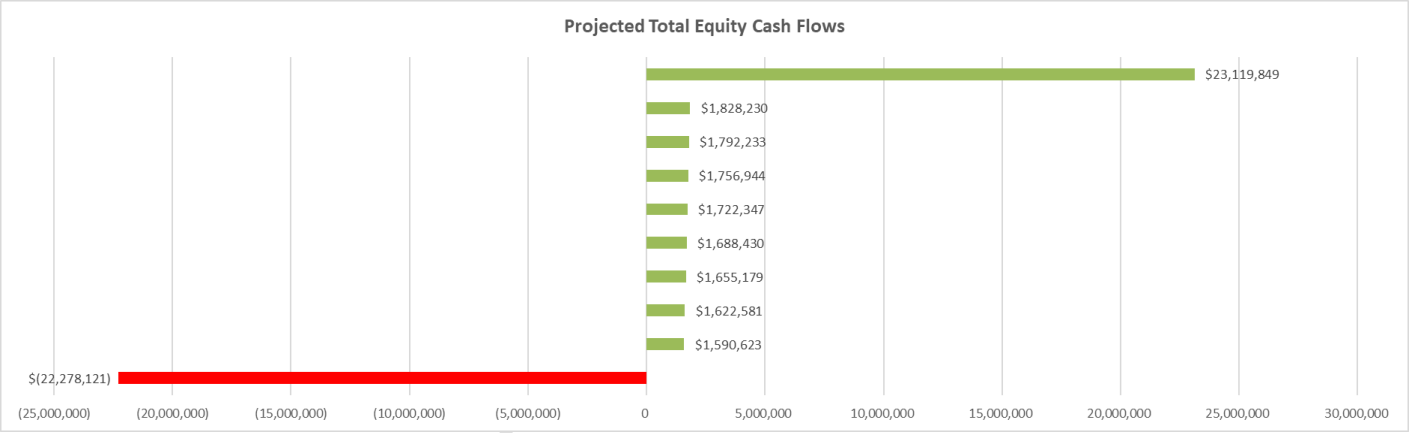
Year	Effective Gross Revenue	Total Operating Expenses	Net Operating Income	Net Operating Income Growth
1	$1,637,000	$ -	$1,637,000	-
2	1,669,740	-	1,669,740	*2.00%*
3	1,703,135	-	1,703,135	*2.00%*
4	1,737,197	-	1,737,197	*2.00%*
5	1,771,941	-	1,771,941	*2.00%*
6	1,807,380	-	1,807,380	*2.00%*
7	1,843,528	-	1,843,528	*2.00%*
8	1,880,398	-	1,880,398	*2.00%*
9	1,918,006	-	1,918,006	*2.00%*
10	1,956,367	-	1,956,367	*2.00%*

Total	17,924,693	-	17,924,693	-
Average	1,792,469	-	1,792,469	*2.00%*

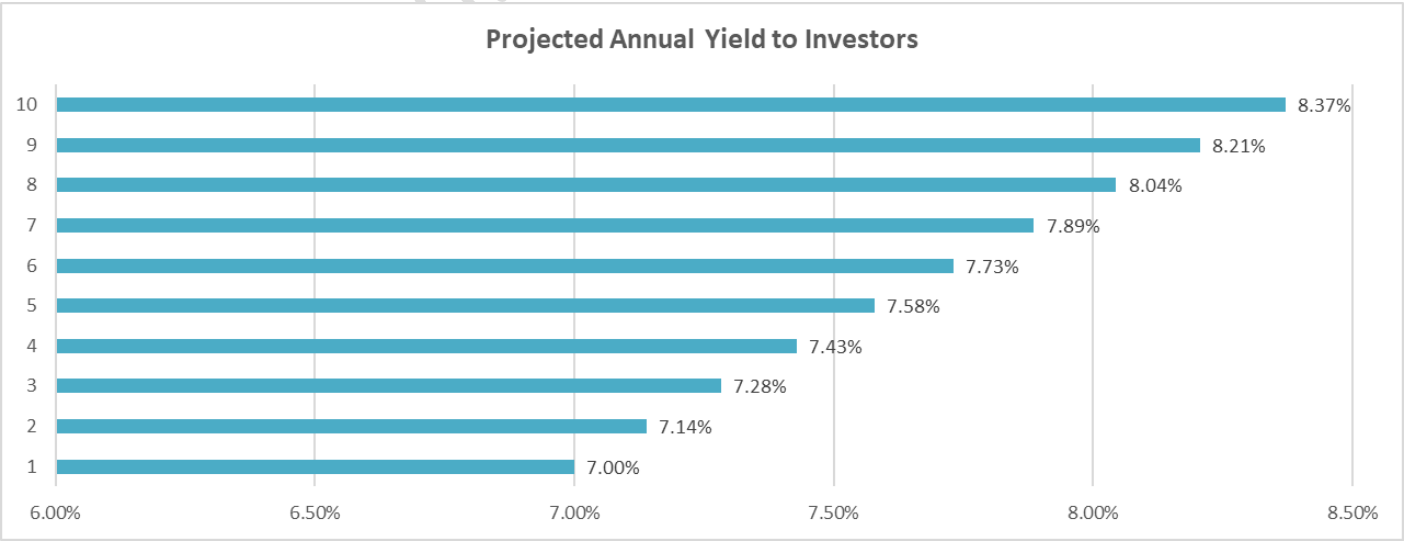
- As is shown, the projections assume steadily growing NOI's driven by the growth of effective rents, which increase 2.0% annually. The Sponsor projects that the average rent per square foot during the anticipated hold period will grow from $16.70 in Year 1 to $19.96 in Year 10, or an aggregate increase of 19.5% over the hold period.
    - Operating costs as a percentage of the Property's annual EGI are projected to be 0.00% throughout the hold period.

Projected Yield to Beneficial Owners

The following charts and table present the Sponsor's projected cash flows and yields to Beneficial Owners given a 10-year hold period, a sale of the Property at the end of year 10 and **an assumed 8.97% cap rate at exit**.



**Yield is on invested capital, values shown do not include the return of investor capital.*



Year	Investor Cash Flows	Yield to Beneficial Owners
1	$ 1,559,292	7.00%
2	1,590,623	7.14%
3	1,622,581	7.28%
4	1,655,179	7.43%
5	1,688,430	7.58%
6	1,722,347	7.73%
7	1,756,944	7.89%
8	1,792,233	8.04%
9	1,828,230	8.21%
10	23,119,849	8.37%
Return on Investment[13]		**$16,057,587**
IRR		**7.25%**
Average Annual Yield to Members[14]		**7.66%**

- The projected IRR and average annual yield to Beneficial Owners are slightly higher than certain of the Sponsor's previous DSTs reviewed by Buttonwood. The Investor IRR above is contingent upon the Sponsor achieving an exit projected sales price of the Property in Year 10, which assumes a Year 11 NOI at an exit cap rate of 8.97%.
  - As noted in this report, this assumed NOI is above market. Should a lower sales price be achieved at the end of the Trust's hold period, Beneficial Owner returns will be reduced, perhaps significantly.
  - See "Sensitivity of Returns" below for more detail on potential investor returns.

- Rent will be distributed to the Beneficial Owners, net of any reserves established by the Signatory Trustee and payments of other liabilities of the Trust under the Trust Agreement. All net cash from capital transactions (including the sale or refinancing of the Property) will be distributed 100% to the Beneficial Owners.
- Overall, the projected returns to Beneficial Owners (i.e., 7.25% IRR at the assumed exit cap) after the aforementioned adjustments are higher than industry averages.

Sensitivity of Investor Returns

Variable Cap Rate Projected Return to Beneficial Owners: Manager's Projected NOI Growth

In the table below, Buttonwood has calculated projected property sale and return information based on several potential exit cap rates utilizing the Manager's projected operating information and its assumed exit cap rate of **8.97%** for purposes of return calculations. To test the sensitivity of returns, Buttonwood has assumed exit cap rates ranging from 8.47% to 9.47% in 25 bps increments.

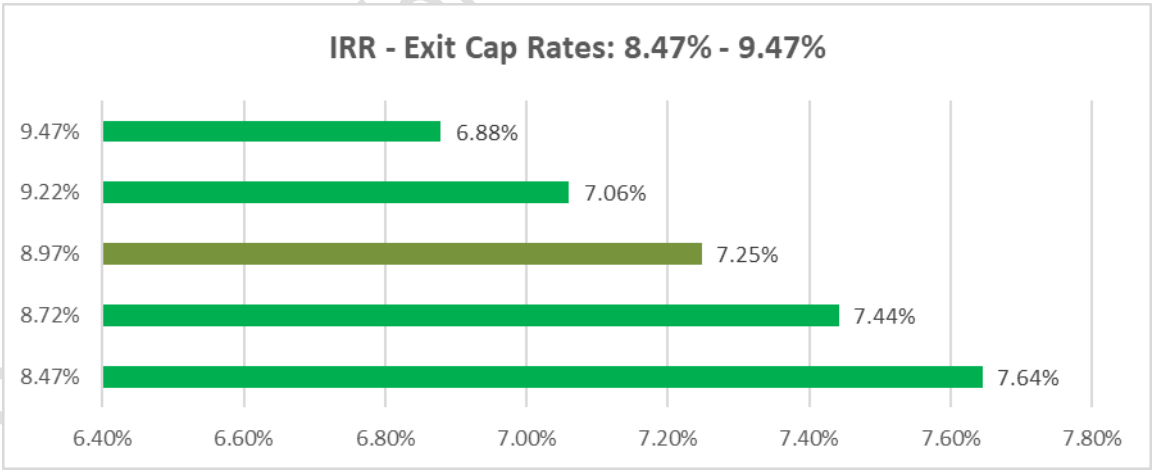
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[13] Includes total distributions and gain on sale of the property, **does not include return of invested capital**.
[14] **Distributions only**, the calculation of this average **does not include gain on sale of the property**.

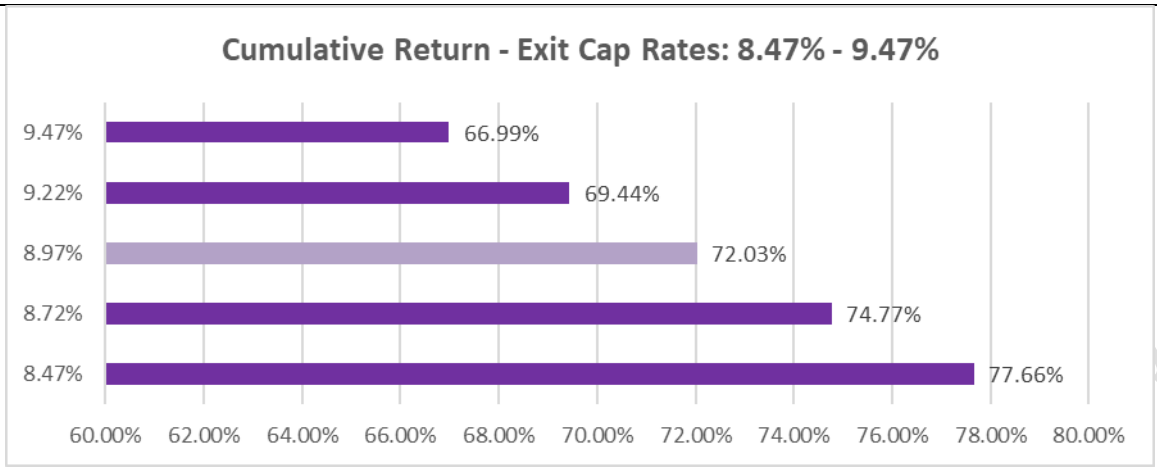
Projected Returns to Members: Manager's Projected Operating Results[15]					
	8.47% Exit Cap Rate	**8.72% Exit Cap Rate**	***8.97% Exit Cap Rate***	**9.22% Exit Cap Rate**	**9.47% Exit Cap Rate**
Projected NOI for Terminal Year Value	$1,995,494	$1,995,494	$1,995,494	$1,995,494	$1,995,494
Terminal Cap Rate	8.47%	8.72%	8.97%	9.22%	9.47%
Projected Terminal Sales Price	23,570,915	22,894,827	22,256,442	21,652,692	21,080,832
Less:					
Disposition Fee – Sponsor (1.50%)	353,564	343,422	333,847	324,790	316,212
Broker Fees (2.00%)	471,418	457,897	445,129	433,054	421,617
Closing Costs (Estimated at 1.00%)	235,709	228,948	222,564	216,527	210,808
Return of Reserves	-	-	-	-	-
Terminal Loan Balance	-	-	-	-	-
Net Sales Proceeds	22,510,224	21,864,560	21,254,902	20,678,321	20,132,195
IRR	**7.64%**	**7.44%**	**7.25%**	**7.06%**	**6.88%**
Cash Multiple	1.78x	1.75x	1.72x	1.69x	1.67x

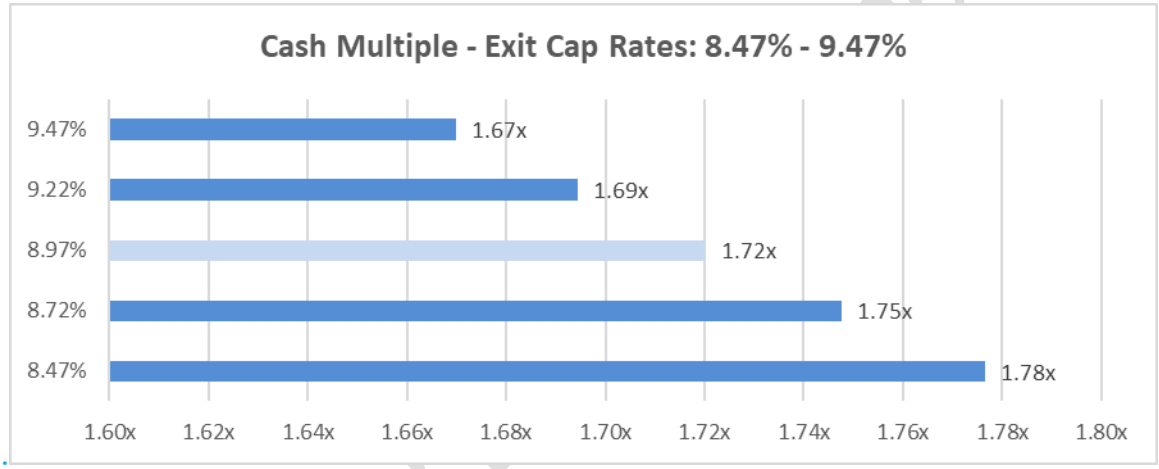
BW Given the Master Tenant structure in place for this program, Beneficial Owner returns will not be sensitive to fluctuations in operations at the Property as the Tenant pays a set rent amount (with small annual rent bumps) and the Master Tenant pays a set amount of total rent on to the Trust. As such, when testing the sensitivity of returns to Beneficial Owners, Buttonwood has focused predominantly on varying the cap rates on exit as these cap rates will potentially significantly impact returns.

The charts below present this information graphically.



[15] The returns shown assume that the Trust reserves are **not** returned to the Beneficial Owners. Per the PPM, these reserves belong to the Master Tenant.





- The Beneficial Owner syndicated acquisition cap rate is 7.35%. Should the Property sell at the end of the hold period at this same cap rate, the projected Member IRR would be 8.66%.
  - In addition, there is a long-term (22-year) lease in place with the Tenant who additionally has the option to purchase the Property beginning 2 years following the Offering commencement for a minimum of $24,750,000. If the Tenant were to exercise its purchase right at the end of year 10 of the Hold Period, the IRR to the Beneficial Owners would be 7.99%.

- In general, sales of the Property at cap rates equal to or higher than the Sponsor's exit cap rate projection of 8.97% will result in net sales proceeds that are less than the Maximum Offering raise.
  - Despite the risk of rising interest rates, net leased industrial properties with significant remaining lease terms, such as the Property, remain much in-favor with investors. If further compression occurs during the Trust's hold period, the IRRs to Beneficial Owners could exceed those projected by the Sponsor.
  - **However**, this Property is currently valued based upon the rent due under the Lease, **which again is considered well above market.**
  - At the end of the projected Hold Period, if the Trust were forced to sell the Property at the current market rate of $4.50/sf at the Sponsor's assumed exit cap rate, the IRR to the Beneficial Owners would be (3.99%).

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No assurance can be given that any of the assumptions in the financial projections are accurate or that they will prove to be applicable to an investor. The projections are forward-looking statements and represent only a projection as to what the Sponsor or its affiliates estimates the returns may be.

Yield Enhancement Measures

Rationale

Inflation, rising interest rates, recessionary pressures, and supply-demand imbalance, just to name a few, often conspire to drive down cap rates, creating pressure on DST program sponsors to enhance the yield generated by their DST programs. This pressure is particularly notable in year one, or the early years of a program when a higher yield on investment can make a significant difference when raising capital.

Yield Enhancements Measures

The following measures have been compiled by Buttonwood as those potentially utilized to enhance program yield:

Yield Enhancement Measures		
- Aggressive financial projection assumptions		Sales price contingent upon forward (Year 11) NOI that is well above current market
- Interest rate buy down		Not employed
- Waiver or deferral of Management fees		Not employed
- Prepayment of and/or reserving for standard expenses		Not employed
- Supplementing cash flows with reserves		Not employed

Analysis:

Aggressive financial projection assumptions:

BW The Sponsor does not appear to be employing overly aggressive operating assumptions in its financial model.

- The Master Tenant's projected average rent growth in annual Total Rent (Base Rent + Annual Rent) is 2.00% matches that of the Tenant Lease. At the Master Tenant level, distributable cash to the Beneficial Owners will be net of an annual DST administrative fee ($10,000 per year and growing at 1% annually) and the asset management fee (1.5% of annual gross income and growing at 2.0% annually).
- However, given the above-market lease rates due under the Lease, an assumption that the Trust will be able to successfully sell the Property at the amounts projected should be considered overly optimistic. Per Management, several factors suggest that its exit assumptions will hold (including a likelihood that the Tenant will exercise its purchase option):
  - This facility uniquely manufactures Isolex;
  - Relocating the Property's manufacturing capability to another location would be expensive, time consuming, and require extensive environmental and zoning approvals; and

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- Were another facility with similar manufacturing capability to be available, its lease rate would likely be reflective of the equipment, approval, and other set-up costs necessary and be above the "as vacant per sf" rate then present in the market.

BW Given the set Master Tenant lease payment to the Beneficial Owners, their yield will not be directly impacted by the operating assumptions. However, if the Property's realized expenses exceed projections, its NOI will be negatively impacted, lowering its disposition price. A lower disposition price will negatively impact the overall yield to investors.

Interest rate buy down:

BW Not applicable.

Waiver or deferral of Management fees:

BW Based on Buttonwood's review of the financial projections, fees do not appear to be waived or deferred (which would artificially enhance yield in the early years of the hold period). Property management fees are assessed as expected and the projections do not show the assessment of an additional asset management fee. The Asset Management Agreement does not specify that the fee may be waived or deferred.

Prepayment of and/or reserving for standard expenses:

BW The financial projections show payment of standard expenses with operating cash flows as incurred.

Supplementing cash flows with reserves:

BW The Sponsor is not projecting enhancing Beneficial Owner yields with any reserve accounts. As noted above, the limited profitability at the Master Tenant level, which includes no on-going funding for a reserve account, is potentially a positive for Beneficial Owners as all profit will remain with the Trust.

BW Buttonwood has tested the Sponsor's financial projections utilizing a different set of revenue and expense assumptions; see Financial Projections.

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Fees, Expenses and Sponsor Compensation

Fees and Expenses

Use of Proceeds
The table below presents the anticipated uses of the proceeds from this offering.

Use of Proceeds	Amount	% Of Offering Proceeds	% Of Syndicated Price
Property Acquisition	$ 18,000,000	80.77%	80.77%
Acquisition Fee	540,000	2.42%	2.42%
Real Estate Broker Fees (1)	1,041,877	4.67%	4.67%
Bridge Financing Costs (2)	12,276	0.06%	0.06%
Third Party Diligence, Legal, and Closing Costs (3)	250,000	1.12%	1.12%
Offering Fees and Expenses	2,440,129	10.95%	10.95%
Lender Required Reserves	-	0.00%	0.00%
Total:	**22,884,282**	**100.00%**	**100.00%**

Note 1: Includes a real estate broker fee and a leasing broker fee payable to the affiliated Property Manager in the amount of $537,877 and of $504,000, respectively.
Note 2: The Trust closed on its acquisition of the Property in part through proceeds of a preferred equity investment in the Depositor by the Property Seller. It is anticipated that this amount will be distributed to the Property Seller in its capacity as a preferred member of the Depositor as Interests are sold in this Offering.
Note 3: Includes due diligence costs of $25,000, closing costs of $25,000, and legal fees of $200,000.

- 7.09% of total Offering proceeds, or roughly $1,582,000, will be paid to the Sponsor and its affiliated property manager in the form of the Acquisition Fee and brokerage fees. These are calculated on the Property acquisition price, which per the Appraiser is substantially above market.
  - These entities will recognize a significant gain in the sale of the Beneficial Interests to the Beneficial Members.

- The portion of proceeds utilized in the Property's actual acquisition (80%) by the Trust is in the range Buttonwood observes in similar DST offerings, which typically require approximately 80% to 85% of total proceeds.
  - There will be no required lender reserves as part of this program. For example, in one of the Sponsor's recent programs, CAI Investments Healthcare Products I, DST, these fees comprised 10.50% of the total sources (equity and debt proceeds).

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Fees and Expenses

Offering Expenses

Offering Fees and Expenses	Amount	% Of Offering Proceeds	Notes
Selling Commissions	$ 1,337,057	6.00%	(1)
Due Diligence Allowance	222,843	1.00%	(2)
MBD Fee	267,411	1.20%	(2)
Wholesaling Fee	389,975	1.75%	(2)
Organization and Offering expenses	222,843	1.00%	(3)
Total	**2,440,129**	**10.95%**	(4)

Note 1: Offers and sales of Interests will be made on a "best efforts" basis by broker-dealers by the Selling Group who are members of FINRA. Emerson Equity, LLC, a member of FINRA, will act as Managing Broker-Dealer for the Offering. Selling Commissions, which will either be paid to affiliates of the MBD or may be re-allowed to the Selling Group, including employees and contractors of the Sponsor.

- The Signatory Trustee, at its sole discretion, may accept purchases of Beneficial Interests net (or partially net) of the Selling Commissions and Expenses and other items of compensation due to the Sponsor or an affiliate, including by way of illustration, but not limitation, from purchasers who are affiliates of the Signatory Trustee or a member of the Selling Group.

Note 2: With respect to the MBD Fee, the Due Diligence Allowance, and the Wholesaling Fee, the MBD reserves the right to reallocate each of these into different positions at its full discretion.
Note 3: To be paid to the Sponsor or an affiliate. This is non-accountable.
Note 4: The total aggregate amount of the Selling Commissions and Expenses will not exceed 10.75% of the Gross Proceeds.

BW When compared with other similarly structured DST offerings reviewed by Buttonwood, the Trust's offering fees and expenses are at the higher end of the Buttonwood-observed average range of 9.5% to 11.5%.

Front End Load vs. Capital

The table below presents a calculation of the anticipated front-end load as well as a comparison of that load versus the offering amount and syndicated amount[16]. The front-end load is calculated as the sum of all offering-related fees and expenses, any amounts paid to the Sponsor or affiliates as compensation and any other fees paid to third parties. This calculation focuses on up-front fees such as acquisition and financing fees and does not include expenses such as legal fees, title fees, etc. or on-going considerations such as asset management fees, property management, etc. or reserves.

Investment Program Overview	
Front End Load to Equity	19.22%
Front End Load to Syndication	19.22%

[16] When no debt is utilized, the offering amount will match the syndicated amount.

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- The front-end load shown in the table above accounts for offering fees, and expenses, acquisition fees, and the real estate and loan broker fees. The total of 19.22% of total proceeds would be considered above current averages when compared to other similar single-property DST offerings reviewed by Buttonwood. Industry averages for front end loads are currently ranging between approximately 12.0% and 18.0%.
    - Buttonwood often sees higher percentages in programs that include either a notable component of bridge debt service and/or reserves. Neither of these are present in this Offering.

Overall Fees and Expenses

Pre-Operating Fees	
Organization and Offering	10.75% of equity - Break down included in the Offering Expenses section above
Acquisition fee	2.42% of equity
Broker and Leasing Fees	4.83% of equity
Bridge Financing Costs	0.07% of Equity
Third party fees	1.18% of equity

Operating Fees	
Administrative and Accounting Fee	Paid to the Signatory Trustee or an affiliate. Projected to be $10,000 or the first year, subject to a 1.0% increase each year thereafter
Asset Management Fee	4.0% of gross annual revenues and paid to the Asset Manager. Projected to range from $65,480 in Year 1 up to $78,255 in Year 10
Master Lease Operating Profit and Master Tenant Reserve	The Master Tenant will retain operating revenues from the Property that exceed Rent due to the Trust under the Master Lease, out of which the Master Tenant will pay a Property Management Fee to an affiliate. BW Amount not estimated in the PPM
Property Management Fee	The Master Tenant will retain operating revenues from the Property that exceed Rent due to the Trust under the Master Lease. Out of this, the Master Tenant will pay a Property Management Fee to the Property Manager. BW Amount not estimated in the PPM

- Known operating fees are projected to range from approximately 4.6% to 5.45% of annual property revenues. These fees are in the range for similarly structured offerings where fees are typically in the range of 2.0% to 5.0%. The Master Tenant will retain operating revenues from the Property that exceed Rent due to the Trust under the Master Lease, out of which the Master Tenant will pay a Property Management Fee to the affiliated Property Manager.

- The annual asset management fee is equal to the Sponsor's prior DST program, Manufacturing Essential Asset, DST. As a percentage of the maximum raise the annual fee averages 0.31%, which is in the range of other similarly structured programs.

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Post-Operating Fees	
Disposition Fee	1.5% of the gross sale price of the Property • Payment of this fee is subordinate to the return of investor capital • Any third-party broker fees will be in addition to this amount
Sales Commissions	The Sponsor reserves the right to cause an affiliate to collect a real estate commission upon the sale of the Property in line with fees that would be payable to a third-party broker

BW The disposition fee falls below the standard range of 3.0% to 4.0% often in place for similarly structured DST offerings. Note that the Disposition Fee **is subordinate** to the return of all Beneficial Owner capital. Buttonwood considers this an industry best practice in programs where a disposition fee is charged.

Other Considerations

Agreements and Conflicts of Interest

Purchase Agreement

Provisions of the Purchase Agreement include, but are not limited to:

Rescission Rights

- The Purchase Agreement contains a provision allowing each prospective Beneficial Owner may rescind their subscription if they receive, subsequent to the date the Purchase Agreement was submitted, an appraisal, environmental assessment, engineering report or the Loan Documents for the financing of the Property or modifications or amendments of any of such documents from the Signatory Trustee that, in such prospective Beneficial Owner's sole discretion, contains information that indicates that the purchase of the Interests is no longer appropriate for such person.

Indemnity

- The Subscription Agreement contains an indemnity provision whereby each Beneficial Owner will be required to indemnify, defend and hold harmless the Sponsor, the Signatory Trustee, the Depositor, the Property Manager and certain other parties 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 the Beneficial Owner's failure to fulfill all of the terms and conditions of the Purchase Agreement or untruth or inaccuracy of any of the representations, warranties, covenants or agreements contained therein.

BW Each prospective Purchaser should review page 4 of the Subscription Agreement prior to subscribing for the Beneficial Interests.

Trust Agreement

Provisions of the Trust Agreement include, but are not limited to:

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Signatory Trustee

- The Signatory Trustee has the power and authority to manage the investment activities and affairs of the Trust as permitted under the Trust Agreement.
- The Signatory Trustee has the primary responsibility for performing the administrative actions set forth in the Trust Agreement, including collecting rents and making distributions. The Signatory Trustee may, at its election, enter into one or more service agreements with third parties, including its Affiliates, to assist it in providing such services.
- The Signatory Trustee has **the sole power** to determine when it is appropriate to sell the Property. Even though the Beneficial Owners may be canvassed prior to the Signatory Trustee entering into a binding contract to sell the Property, and even though the Signatory Trustee may take the opinions of the Beneficial Owners concerning such prospective sale into account in good faith, the Signatory Trustee is **under no obligation** to make its decision with respect to such prospective sale in accordance with the wishes of the Beneficial Owners.
- The Beneficial Owners will indemnify the Signatory Trustee for all actions taken by the Signatory Trustee on behalf of the Trust, except for willful misconduct, bad faith, fraud, and gross negligence of the Signatory Trustee.
- The Signatory Trustee may resign at any time by giving written notice to the Delaware Trustee, provided the Lender provides consent to do so.
- The Delaware Trustee may remove the Signatory Trustee at any time, but only for the willful misconduct, bad faith, fraud, or gross negligence of the Signatory Trustee.

Delaware Trustee

- The Delaware Trustee shall take (or refrain from taking) such actions as may be directed in writing by the Signatory Trustee, provided that the Delaware Trustee is not permitted or required, however, to take (or refrain from taking) any action if the Delaware Trustee believes, or shall have been advised by counsel, that such performance is likely to involve the Delaware Trustee in personal liability or to result in personal liability to the Delaware Trustee or is contrary to the terms of the Trust Agreement or of any document contemplated thereby to which the Trust or the Delaware Trustee is or becomes a party or is otherwise contrary to law.
- The Beneficial Owners will indemnify the Delaware Trustee for all actions taken on behalf of the Trust except for willful misconduct, bad faith, fraud, and gross negligence of the Delaware Trustee.
- The Signatory Trustee may remove the Delaware Trustee at any time, but only for the willful misconduct, bad faith, fraud, or gross negligence of the Delaware Trustee.

Limitations on Power

The Trust Agreement expressly prohibits the Delaware Trustee and the Signatory Trustee from taking a number of actions, including the following:

- Selling, transferring, or exchanging the Property, except as required or permitted under the Trust Agreement;
- Reinvesting any monies of the Trust, except to make permitted modifications or repairs to the Property or in short-term liquid assets;
- Entering into new financing;
- Entering into new leases, except in the case of one or more Tenant's bankruptcy or insolvency;
- Making modifications to the Property (other than minor nonstructural modifications), unless required by law;
- Accepting any capital from any Beneficial Owner (other than capital contributed by the Depositor in connection with the original contribution of the Property or the right of the Trust the Property and capital from an Investor in connection with the purchase of the Interests that will be distributed to redeem the Beneficial Interests of the Depositor or to fund reserves or pay fees and expenses related to the Offering); or

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- 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 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 applicable tax law.

BW The above restrictions are in place to ensure the Trust does not violate DST requirements that would potentially disqualify investors from utilizing section 1031 for tax purposes.

Distributions

The Signatory Trustee will distribute all available cash to the Beneficial Owners on a monthly basis, after paying or reimbursing the Signatory Trustee for any fees or expenses paid by the Signatory Trustee on behalf of the Trust and retaining such additional amounts as reserves which the Signatory Trustee determines are necessary to pay anticipated ordinary current and future Trust expenses.

LLC Agreement (Springing LLC):

Provisions of the Agreement include, but are not limited to:

- The Manager will have the sole and exclusive right to manage, control and conduct the affairs of Springing LLC. However, consent of majority of the Beneficial Owners will be required before the Springing LLC can:
  - Enter into any agreement for the sale, transfer, or exchange of all or any substantial portion of the Property;
  - Modify, extend, renew, or cancel the Master Lease;
  - Modify, extend, renew, or cancel any indebtedness secured by the Property;
  - Admit new members to the Springing LLC;
  - Dissolve or wind up the Springing LLC; and/or
  - Amend the LLC Agreement.

BW If the Trust were forced to spring to an LLC structure, the 1031 tax status of the Beneficial Owners would be significantly impacted.

  - However, no Beneficial Owner will be liable for the Springing LLC's debts or other obligations, except to the extent of such member's share of undistributed profits, if any, and the amount of any distributions made to such member by the Springing LLC constituting a return of such member's capital contribution.

Management

- The Springing LLC will be formed upon the occurrence of a Transfer Distribution and the Signatory Trustee, or an entity controlled by the Signatory Trustee, will become the manager of the Springing LLC upon a Transfer Distribution. The manager will have exclusive discretion in the management and control of the business and affairs of the Springing LLC. The LLC Agreement will grant the manager broad authority in the exercise of the management and control of the Springing LLC. The manager will have complete power to do all things necessary or incident to the management and conduct of the Springing LLC's business.
- Subject to certain conditions, the Springing LLC will indemnify the manager against certain claims or lawsuits arising out of the Springing LLC's activities or operations. The foregoing notwithstanding, the manager will not be relieved from liability resulting from any act or omission of the manager due to willful misconduct, intentional wrongdoing, or gross negligence.

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Member Rights

Member rights include, but are not limited to:

- The Beneficial Owners will not have the right to take part in the management or control of the business or affairs of the Springing LLC, to transact any business for the Springing LLC, or to sign for or bind the Springing LLC. The Beneficial Owners, however, will have the right to receive information required for federal income tax reporting and certain other financial information and to inspect certain Springing LLC records. Following satisfaction of the loan, the Beneficial Owners will be entitled to vote on the following matters, and the vote of a majority interest shall be required to undertake any such actions:
    - Entering into an agreement to sell the Property;
    - Entering into an agreement to modify, amend, extend, or terminate the Master Lease;
    - Entering into an agreement to borrow additional funds;
    - Admitting new to the Springing LLC;
    - Dissolving or winding up the Springing LLC; or
    - Amending the LLC Agreement of the Springing LLC (other than with respect to the admission of a new member or the resignation or withdrawal of an existing member.)

Reporting

The Trust does not intend to obtain an audit of the Property's annual operations. On or before the end of the first quarter following the end of each calendar year, the Signatory Trustee will provide the Beneficial Owners with an operating statement and a grantor tax information letter reporting the proportionate share of gross rents and Property operating expenses.

BW Each Beneficial Members will need to calculate its own depreciation deduction for tax purposes.

Removal of Manager

The Manager **may not be removed** by the members. The Manager may, at its election, resign as the Manager.

Conflicts of Interest

The Signatory Trustee and its affiliates may act, and are acting, as the manager of other trusts or limited liability companies, or as the general partner of other partnerships. The Signatory Trustee, the Master Tenant, and their affiliates may form and manage additional limited liability companies or other business entities. These entities have existing responsibilities and, in the future, may have additional responsibilities to provide management and services to several other entities. As a result, conflicts of interest between the Trust and the other activities of the Signatory Trustee and Master Tenant may occur from time to time.

These conflicts include, but are not limited to, the following:

The Signatory Trustee and the Master Tenant are affiliates

The Signatory Trustee is an affiliate of the Master Tenant. Therefore, there will be a conflict of interest with the Signatory Trustee's management of the Master Lease and Master Tenant on behalf of the Trust.

- Should the Master Tenant default under the Master Lease, the Signatory Trustee will be responsible for deciding **whether to pursue any remedies** available to the Trust against the Master Tenant.

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- Beneficial Owners do not have the authority to act on behalf of the Trust. **Only the Delaware Trustee** has the power to replace the Signatory Trustee and may do so only in the case of the willful misconduct, bad faith, fraud, or gross negligence of the Signatory Trustee.
- There is no stated mechanism to resolve these or any other conflicts.

Potential Competition from Affiliated Entities

It is possible that Affiliates of the Signatory Trustee could acquire other multifamily real estate properties that are located within the Property's market area. In such a case, the other properties and the Property will compete for tenants, service providers, employees, etc.

BW This potential conflict is not highly likely; however, if it occurs, the potential issues would be most applicable if each Property were individually held by a separate Trust.

Obligations to Other Entities

Conflicts of interest will occur with respect to the obligations of the Signatory Trustee, the Master Tenant and their affiliates to the Trust and similar obligations to other entities. These parties will face conflicts in equitably allocating their time, services, and functions among the Property, the Trust, and other existing companies and businesses, as well as any companies or business entities that may be organized in the future.

Legal Representation

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

Resolution of Conflicts

The Sponsor, the Trust, the Depositor and the Signatory Trustee and the Master Tenant have not developed, nor do they expect to develop, any formal process for resolving conflicts of interest.

Please refer to the PPM for additional details and additional notable risks and conflicts of interest.

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Management Overview

Sponsor Management Overview

Overview

The Sponsor was founded in 2011 and is headquartered in Las Vegas. The Sponsor is focused on providing secure, attractive investment returns through the strategic acquisition and asset management of distressed real estate

based assets in strengthening U.S. Markets of stability and growth. In addition, it finances, develops, and manages properties across key markets in the United States. The Sponsor and the Signatory Trustee are part of a family of companies with approximately 20 employees that manage the entire real estate development process.

BW Buttonwood has not been engaged to perform an operational due diligence (ODD) review of the Sponsor.

Management Team:
The following individuals are the key management personnel:

Name	Age	Title – Company
Christopher Beavor	50	Founder, CAI

Bios

Christopher Beavor: Christopher Beavor is the founder of the Sponsor, which manages and controls the Manager. The Sponsor has acquired and completed over 200 real estate transactions over the past five years. In addition, Mr. Beavor operates a real estate brokerage firm, SSRI, which is engaged to lease, sell, and manage the Property. Over the past decade, SSRI has completed over 8,000 transactions of properties for a range of clients, including institutional investors and private family wealth platforms. In addition, SSRI has developed approximately over $300 million in projects within the United States and Europe and approximately 1,000 real estate assets for over 150 clients.

- Some of these developments include the Scardona Bay Resort in Croatia, Lofts at Brian Head in Brian Head, Utah, and the Wyndham Baypoint Resort in Panama City, Florida.

BW The PPM does not include any detail regarding the Tenant's Management team. Buttonwood has found the following biographical information:

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Prior Performance

Prior Sponsor Programs

The following results are Sponsor provided. These results have not been independently audited by a third party or by Buttonwood.

The Sponsor has raised over $264 million through its 13 prior programs.

Program	Capital Raised	Targeted Annual Yield	Status
Development Programs			
CAI Investments income Fund I	$20,000,000 (Fully Raised)	9% simple	Management suspended distributions for this program in September 2022 pending the launch of the program. Distributions resumed in May 2023 with accrued distributions being paid first. The fund is scheduled to go full cycle in 2025 with no distributions missed and full return of capital
CAI Tempe Hotel Partners, Tempe, AZ	$35,500,000 (Fully raised)	None	The Hotel opened in October 2021. The construction loan has recently been extended to June 2025, with a 1-year extension
3883 Flamingo Center, LLC, Las Vegas, NV	$10,000,000 Fully raised	10% simple	Development of Wahoo's, Del Taco and Chick-fil-A restaurants and a Walgreen's Pharmacy. **Full Cycle** -- 100% of investor equity returned with an annual return of 20%.
CAI Las Vegas Hotel Partners, Las Vegas, NV (Preferred Interests)	$14,690,551 (84.9% of max $17,300,000) raised)	12.0% simple	Development of a high-end Delta Hotel on the 3883 Flamingo Center site. Construction is planned for Q1 2025. No distributions made to date
CAI Reno OZ Fund and Hotel Partners, Reno, NV	$17,918,569 (27.6% of max $65,000,000 raised)	8.0% simple	Development of a Kimpton-branded hotel in a designated opportunity zone near downtown Reno. No distributions made to date
Total Capital Raised:	**$98,109,120**		
DST Programs			
CAI Investments Daytona DST, Daytona, FL	$6,440,235 (Fully raised)	N/A	**Full cycle** - Property sold January 31, 2022. Average annual return was

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			approximately 7.65% with investors retrieving all their capital
CAI Investments Coatesville DST, Coatesville, PA	$18,645,494 (Fully Raised)	N/A	100% leased to logistics company Martin-Brower. Currently up to date with all monthly distributions to investors
CAI Investments Lake Forest Global HQ, DST, Lake Forest, IL	$22,795,814 (Fully Raised)	N/A	Class A office building that serves as headquarters for Pactiv Evergreen, LLC (Nasdaq: PTVE). Currently up to date with all monthly distributions to investors
CAI Investments Kansas City, DST, Kansas City, Kansas	$16,925,019 (Fully Raised)	N/A	Retail building with approximately 164,105 total square feet NNN leased to Cabela's Wholesale, LLC. Currently up to date with all monthly distributions to investors
CAI Investments Reno-Tahoe, DST, Reno, NV	$26,163,412 (Fully Raised)	N/A	Retail building with approximately 127,087 total square feet NNN leased to Cabela's Wholesale, LLC. Currently up to date with all monthly distributions to investors
CAI Investments Healthcare Products I, DST	$25,758,433 (Fully Raised)	N/A	Industrial property, comprising 8 separate buildings and 638,595 total sf. In Q1 2024, the tenant (VVF) vacated the premises. Distributions are suspended. The Sponsor has relisted the property and is working to re-tenant the property
CAI Investments Medical Products I, DST	$18,093,416 (Fully Raised)	N/A	Industrial property, comprising 3 separate buildings and 416,299 total square feet. The property is net leased to Kewaunee Scientific Corporation (NASDAQ: KEQU, Tenant). Currently up to date with all monthly distributions to investors.
CAI Investments Healthcare Products II, DST	$31,439,236 (Fully Raised)	N/A	Industrial property, comprising 462,251 total square feet. Property is net leased to VVF Illinois, LLC (Tenant), a subsidiary of VVF Limited. Currently up to date with all monthly distributions to investors.
Manufacturing Essential Asset DST	182,117,607 (Approximately $75,000,000 raised, or 41% of		Offering ongoing.

	maximum)		
Total Capital Raised:	**$348,378,079**		

- Outside of the CAI Reno OZ Fund and the CAI Las Vegas Hotel Partner's programs, the Sponsor has a history of fully subscribing its programs.
  - The offering period of the Manufacturing Essential Asset, DST has been extended.
  - Buttonwood has implemented its ongoing due diligence (AIM) for this program. Its reports can be found here.

Past Performance is NOT a Guarantee of Future Results.

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Compliance Considerations

Compliance with DST Restrictions

The following information has been provided to assist Buttonwood's clients in determining whether this program appears to be in compliance with the primary DST restrictions. Note that the following information is based on Buttonwood's review of offering and organizational documents as well as on discussions with management.

Are the following activities permitted?	
Trust Agreement allows for variation in the investment	No
Additional contributions of cash or property can be accepted post offering?	No
Real estate leases can be renegotiated[17]	No
Real estate loans can be modified	No
Real estate can be sold, and proceeds reinvested	No
Property can be modified beyond minor, non-structural modifications[18]	No
Assets other than short term investments can be purchased[19]	No
Retention of distributable cash, other than for reasonable reserves	No

The above answers are based on a point-in-time assessment completed at the time this report was prepared. Buttonwood strongly recommends that the reader of this report monitor these topics on an ongoing basis for the life of this program as a violation of any one of the above may result in the investor losing their 1031 exchange rights.

[17] Except for situations involving bankruptcy or insolvency of tenant.
[18] Unless required by law.
[19] Any short-term investments must be limited to short term obligations of the United States, or any agent thereof, and certificates of deposit of a bank or trust company and must mature prior to the next distribution date. The Trustee is required to hold such investments until maturity.

FINRA 13-26 Compliance

The following information has been provided to assist Buttonwood's FINRA member clients in meeting their obligations regarding the filing of the updated Private Placement Filer Form implemented by FINRA on May 22, 2021.

Issuer Name	Manufacturing Essential Asset II, DST
Is the Issuer a Reporting Company	No
Issuer Address	9325 W. Sahara Avenue, Las Vegas, Nevada 89117
Offering Maximum Raise Amount	Equity: $22,284,282 Debt Allocation: $0
Offering Start Date	August 5, 2024
Type of Security Offered	DST Interests
Maximum Sales Commission	6.0%
Minimum Investment Amount	$100,000 Equity
Can minimum be waived	Yes
Does the Offering doc provide an actual or target rate of return	Yes – Financial Model indicated 7.67% average annual return
What exemption from Securities Act of 1933 is being relied on	506(c)
Form D filing date	Not filed as of the writing of this report
Has Issuer raised capital in last 12 months from any source	Yes
Is this a Contingency Offering	No
Does Issuer intend to use offer proceeds to make or repay loans to, purchase assets from, or otherwise direct investor proceeds to any officer, director, or executive management of the Issuer, Sponsor, GP, Manager, advisor, or any of the Issuer's affiliates?	No; see Fees and Expenses section
Has the Issuer, any officer, director or executive management of the Issuer, Sponsor, GP, manager, advisor, or any of the issuer's affiliates been the subject of FINRA, SEC or other federal agency, or state disciplinary actions or proceedings or criminal complaints within the last 10 years?	No

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Legal and Regulatory Review

Legal Matters

Sponsor Level

The Sponsor is not currently involved in, nor is it anticipating any involvement in any significant legal matters that would potentially impact the Trust.

Buttonwood's background review of the Sponsor, its affiliates and its principals did not reveal any notable legal matters or "bad actor" concerns, or any other significant matters that may materially impact the Sponsor or its sponsored investment offerings.

Litigation: Program

Per discussions with Management and the PPM, there are no legal actions pending against the Trust nor, to the knowledge of the Trust, are any such actions contemplated that would have a material effect on the Trust's business, financial condition, or operations.

As of the date of the PPM, the Trust, the Depositor, the Signatory Trustee, and the Master Tenant are newly formed entities and do not have any litigation pending against them.

Blue Sky Memorandum

Not ordered or issued. The Interests have not been registered under the Securities Act or certain applicable state "Blue Sky" or securities laws, and the Interests cannot be sold unless they are subsequently registered or an exemption from such registration is available.

Tax Opinion

Prepared By: McQuade Johnson, P.C. (MJPC)
Prepared: August 20, 2024

MJPC was tasked with rendering an opinion as to whether:

- The Trust should be treated as an investment trust described in Section 301.7701-4(c) of the Treasury Regulations that is classified as a "trust" under Section 301.7701-4(a) of the Treasury Regulations;
- The owners (Beneficial Owners) of the Interests should be treated as "grantors" of the Trust;
- The Interests should not be treated as a Security under Section 1031 of the Code; and
- As "grantors," the Beneficial Owners should be treated as acquiring and owning a direct interest in real property for federal income tax purposes.

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Opinion Rendered

- The Trust should be treated as an investment trust described in Section 301.7701-4(c) of the Treasury Regulations that is classified as a "trust" under Section 301.7701-4(a) of the Treasury Regulations and not a business entity;
- The Beneficial Owners should be treated as "grantors" of the Trust;
- The Interests should not be treated as a "security" under Section 1031 of the Code; and
- As "grantors," the Beneficial Owners should be treated as acquiring and owning an undivided fractional interest in the Property for federal income tax purposes.

BW Buttonwood considers the tax opinion to be consistent with similar offerings in that it provides a "should"-level opinion. Prospective Beneficial Owners should consult their own tax counsel.

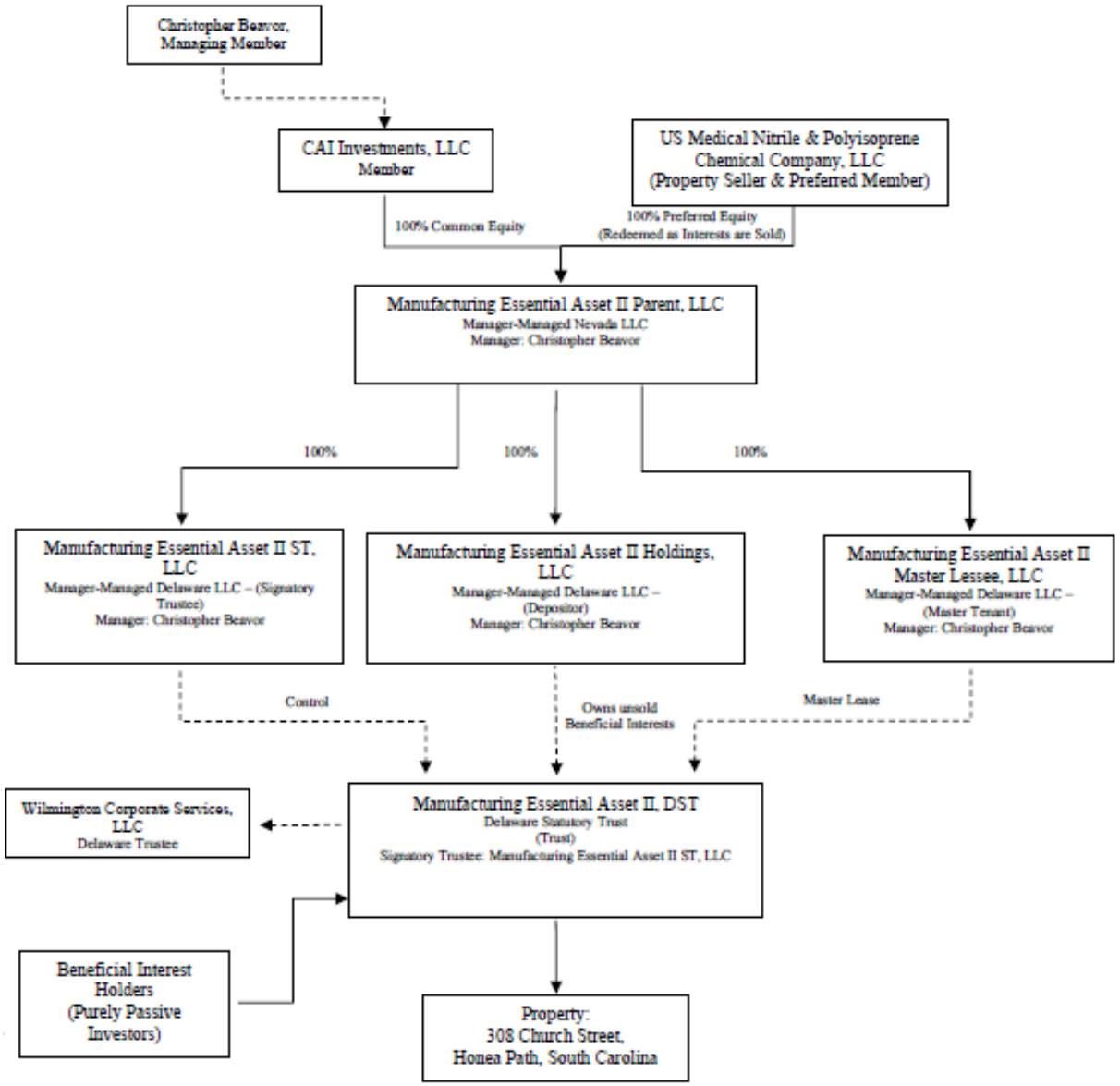
Contact Information

Manufacturing Essential Asset II ST, LLC
c/o CAI Investments, LLC
9325 W. Sahara Avenue,
Las Vegas, Nevada 89117
Telephone: (888) 488-2441

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Appendix A: Organizational Chart

Organizational Chart



Appendix B: Documents Reviewed

Documents Reviewed

The following items were reviewed in the course of preparing this report. This list is a sampling of some of the primary documents reviewed and is not necessarily inclusive of all sources utilized.

- Private Placement Memorandum, August 5, 2024
- Trust Agreement, August 2, 2024
- Certificate of Trust, State of Delaware, July 24, 2024
- Master Lease, August 2, 2024
- LLC Agreement, Master Lessee
- LLC Agreement, Depositor
- PSA, US Medical Polyisoprene Chemical Company LLC and Manufacturing Essentia Asset II Holdings, LLC, undated draft
- Assignment of PSA, Manufacturing Essential Asset II Holdings, LLC and Manufacturing Essential Asset II, DST, LLC, August 2, 2024
- Settlement statement, Manufacturing Essential Asset, DST, August 2, 2024
- Environmental Site Assessment – Phase 1, Blew & Associates, P.A., March 29, 2024
- Zoning Report, Blew & Associates, P.A., June 25, 2024
- Property Condition Report, Blew & Associates, P.A., March 21, 2024
- Appraisal, CBRE, July 31, 2024
- Tax Opinion, McQuade Johnson, P.C., August 20, 2024
- LLC Agreement, US Medical Glove Manufacturing, March 22, 2023
- Claritas Spotlight Demographic information – Population - City, County, State
- Claritas Spotlight Demographic information – Income - City, County, State
- Claritas Spotlight Demographic information – Employment - City, County, State
- Soliciting Dealer Agreement
- Purchaser Questionnaire
- Pro forma financial projections
- Marketing Brochures
- Google maps images, distances
- Google Earth images

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Appendix C: Background Checks

	Chris Beavor	Manufacturing Essential Asset II DST	Manufacturing Essential Asset II Master Lessee, LLC	CAI Investments, LLC	US Medical Glove Company, LLC
Database Searches – *Potentially Adverse*					
Criminal Records	✓	✓	✓	✓	✓
Lawsuits	✓	✓	✓	✓	✓
Bankruptcies	✓	✓	✓	✓	✓
Judgements	✓	✓	✓	✓	✓
Liens	✓	✓	✓	✓	✓
Property Foreclosures	(1)	✓	✓	(2)	✓
Property Evictions	✓	✓	✓	✓	✓
Global Watch Lists	✓	✓	✓	✓	✓
UCC Filings	✓	✓	✓	(3)	✓
Database Searches - *Confirmatory*					
Previous Employers	✓	✓	✓	✓	✓
Professional Affiliations	✓	✓	✓	✓	✓
Professional Licenses	✓	✓	✓	✓	✓
Business/Corporate Affiliations	✓	✓	✓	✓	✓
Search					
FINRA Review	✓	✓	✓	✓	✓
SEC Review	✓	✓	✓	✓	✓
Internet Search					
Google, Edge Searches	✓	✓	✓	✓	✓
Social Media	✓	✓	✓	✓	✓

Note 1: Multiple rental properties (primarily in the Las Vegas area) previously owned by Mr. Beavor were foreclosed upon. As the owner of a real estate brokerage and property management firm, Silver State Realty and Investments, Incorporated (Silver State), Mr. Beavor was engaged by Fannie Mae to acquire certain of these properties. In this arrangement, he would front fees on mortgage purchases and refinances to the banks who were underwriting the loans and then be reimbursed by them within 90 days. Mr. Beavor entered into a $6,000,000 commercial loan with China Trust Bank that was collateralized by the rental properties.

- Amidst the mortgage/banking collapse in 2008, Nevada law changed such that property owners had to inform tenants if the property was over encumbered because the risk to the tenant was eviction if the property went into foreclosure. Per Management, this prevented Mr. Beavor from being able to rent any of his properties to cover the first mortgage due to the China Trust Bank loan which technically encumbered all of his properties.
- Several bank failures then occurred, including China Trust Bank, which not only eliminated the possibility of recouping the fees and expenses due Mr. Beavor (approximately $1 million), but also created a scenario in which he could not to refinance the loan. He consulted with his lawyers and those with Fannie Mae (since he represented them) and they advised Mr. Beavor to let the properties go into foreclosure and then Fannie Mae would take them back.

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- Prospective Selling Group Members are encouraged to discuss these previous foreclosures with Management.

Note 2: Two affiliated LLC's have previously had properties foreclosed upon.

- CAI Investments Series 50 LLC – a single family residence located at 11441 Valentino Lane, Las Vegas, NV, on July 29, 2015, with a transfer value of $358,580; and
- CAI Investments Series 44 LLC – a condominium located at 8101 West Flamingo Road, Las Vegas, NV, on November 15,2005, with a transfer value of $164,000.

Note 3: A UCC filing is a notice utilized by lenders when securing a borrower's loan with an asset or group of assets.
Ten such filings have been made by lenders associated with the Sponsor's previous private programs

Background Check Reporting Policy Summary: At Buttonwood, we conduct background checks on senior management of the sponsor, the program, the advisor or manager and the sub-advisor (if any). We also conduct entity background checks on the sponsor, the program, the operating partnership, the manager, and the managing dealer, as well as any other principally involved entities (if applicable). In conducting our background checks, we apply a filter similar to the disclosure questions on Form U4 and Form BD. We generally report items that are at or above our reporting threshold, but we reserve the right, but are not obligated, to report on matters falling outside of our filter. In our reports, a check mark indicates that a source was reviewed and there was nothing to report per the Buttonwood Background Check Reporting Policy as of the date of the respective report. When we do report an item, it is noted in the background check grid.

Appendix D: Buttonwood Profile and Engagement Summary

Buttonwood Profile and Engagement Language

Buttonwood Due Diligence, LLC has been engaged to provide a due diligence review of **Manufacturing Essential Asset II, DST**. The purpose of this report is to assist Broker/Dealers, RIAs, and Family Offices in their due diligence responsibilities in determining whether to offer Interests in **Manufacturing Essential Asset II, DST** and to help them establish criteria to determine suitability requirements both for their firm and the individual client. As such, Buttonwood has taken care to provide a "reasonable investigation" as defined in Section 11 and Section 12 of the Securities Act of 1933.

Buttonwood was founded in 2004 to provide investment research and due diligence services to the Broker/Dealer, RIA, and Family Office communities. Buttonwood has grown to include a staff of professionals with advanced degrees or credentials comprising extensive combined experience in the financial services industry.

Buttonwood provides concise and prompt program and sponsor reviews that allow for a thorough understanding of a program's merits to over 1000 Broker/Dealers, RIAs, and Family Offices.

This report is intended to be part of the Broker/Dealer's, RIA's, or Family Office's review. It is not intended to cover all facets of the due diligence that they may require. It should be noted that the NASD (now FINRA) NTM 05-48 addresses the responsibilities of the individual broker/dealer, suggesting they may not rely exclusively on the efforts of a third-party provider. Regarding RIAs, the SEC has advised that when a service provider is utilized, the investment advisor still retains its fiduciary responsibilities for the delegated services. While this report is designed to assist the Broker/Dealer, RIA, and Family Office in their due diligence efforts, it is not designed to replace it. It should also be noted that Buttonwood is not involved in any decisions made by the individual Broker/Dealer, RIA and Family Office and makes no recommendations regarding specific programs.

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While several points mentioned herein were independently verified, it should be noted that Buttonwood did not engage any independent experts to advise it in its review, except where specifically referenced. Furthermore, Buttonwood has relied upon management for the veracity of the comments made, both verbally and in written form, per the documents reviewed. However, to satisfy the need for independent verification, many documents were cross-referenced to other sources, both internal and external, to test their accuracy.

On January 28, 2014, the SEC issued a Risk Alert (Volume IV, Issue 1), in which their Office of Compliance Inspections and Examinations (OCIE) observed the due diligence practices of certain investment advisers that manage and/or recommend alternative investments to their clients. The alert described current industry trends and practices in advisers' due diligence, noting that advisers are:

- Seeking more information and data directly from the managers of alternative investments;
- Using third parties to supplement and validate information provided by managers of alternative investments; and
- Performing additional quantitative analysis and risk assessment of alternative investments and their managers.

Additionally, the SEC staff noted certain deficiencies in several of the advisory firms examined, including:

- Omitting alternative investment due diligence policies and procedures from their annual reviews;
- Providing potential misleading information in marketing materials about the scope and depth of due diligence conducted; and
- Having due diligence practices that differed from those described in the advisers' disclosures to clients.

FINRA NTM 10-22 was released in April 2010 to remind Broker/Dealers of their obligation to conduct a reasonable investigation of the issuer and the securities for each Regulation D offering the Broker/Dealer considers. In order to ensure that it has fulfilled its suitability responsibilities, a Broker/Dealer should, **at a minimum,** conduct a reasonable investigation concerning:

- The issuer and its management;
- The business prospects of the issuer;
- The assets held by or to be acquired by the issuer;
- The claims being made; and
- The intended use of proceeds of the offering.

The scope of the investigation will necessarily depend upon several factors, including the Broker/Dealer's affiliation with the issuer, its role in the transaction and other factors and circumstances of the offering. Each investigation must be tailored to the specific Regulation D offering and cannot rely on a generic "checklist" for review. A Broker/Dealer can engage third party experts to assist in the due diligence process, and it is incumbent upon each broker/dealer to satisfy themselves regarding the qualifications of any third-party expert it may use. The Broker/Dealer must note any information that it encounters that could be considered a "red flag" and must follow up on any "red flags" presented in a third-party due diligence report.

The scope of Buttonwood's analysis included a review of internal reports, legal documents, and financial information.

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Risk Comments

PURCHASE OF THE UNITS INVOLVES SIGNIFICANT RISKS. PROSPECTIVE INVESTORS MUST READ AND CAREFULLY CONSIDER THE PRIVATE PLACEMENT MEMORANDUM INCLUDING THAT PORTION ENTITLED "RISK FACTORS." PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR OWN LEGAL, TAX AND FINANCIAL ADVISORS PRIOR TO PURCHASING THE UNITS. PURCHASE OF THE UNITS IS SUITABLE ONLY FOR PERSONS OF SUBSTANTIAL MEANS WHO HAVE NO NEED FOR LIQUIDITY IN THEIR INVESTMENT. IT IS NOT THE INTENTION OF THIS REPORT TO OFFER A RECOMMENDATION TO APPROVE/DISAPPROVE THIS OFFERING, BUT RATHER TO PROVIDE THE BROKER/DEALER/RIA WITH THE INFORMATION NECESSARY TO ASSIST IN THEIR DUE DILIGENCE PROCESS.

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