



Four Springs Capital Trust

Property Exchange Program (PXP)[™]



About Four Springs Capital Trust

Four Springs Capital Trust (FSCT) is a fully integrated real estate investment trust (REIT) focused on acquiring and managing a diversified portfolio of single-tenant retail, industrial/warehouse, medical and other office properties that are subject to long-term triple net and double net leases, with investment-grade and other creditworthy tenants.

FSCT has a long track record of acquiring net leased properties. It is a reliable buyer that responds quickly and moves professionally through due diligence to closing.

FSCT is also seeking to acquire net leased properties from owners in tax-deferred UPREIT transactions for certain non-cash consideration, cash or a combination of the two.



How an UPREIT Works



An UPREIT (Umbrella Partnership REIT) is a structure that allows real estate investors to exchange their real estate for REIT interests (OP Units).



The investor contributes his property to the REIT. The transaction is called an UPREIT and is considered a tax deferred contribution of property for partnership interest under Section 721 of the Internal Revenue Code.



The investor's interest in the partnership (OP Units) is convertible into REIT shares at a future date.

In other words, through the UPREIT structure, real estate owners can exchange their property for operating partnership units in a REIT without paying any tax at the time of the transaction. After a holding period, the OP Units can be converted to REIT common shares, which would trigger a tax. The timing of the conversion and tax consequences are controlled by the investor.

Note that Section 721 of the Internal Revenue Code of 1986, as amended, contains specific requirements that must be met in order to qualify for the tax deferral provided by such provision. Nothing contained in this brochure constitutes tax advice, and individuals should consult their own tax and other advisors when considering such transactions.



FSCT Highlights

- Attractive current dividend with potential for capital appreciation
- Diversified portfolio of net lease properties leased to investment grade and other creditworthy clients
- Well-developed network of relationships across the US to source and finance net lease acquisition opportunities

UPREIT Features

- Investors receive monthly dividend distributions
- Portfolio diversification
- Potential for capital appreciation
- Relief from recourse obligations
- Professional management
- No property management responsibilities
- Tax/estate planning flexibility

Experienced Management Team

Fully integrated platform led by an experienced management team with a long track record in net lease real estate and public REITs.



Over 30 years of collective experience serving in senior acquisition, property management, finance and accounting roles of publicly traded net lease REITs.



Successfully built acquisition platforms at publicly traded REITs, acquiring in excess of **\$2 billion of net lease** real estate over the last five years.

Our Acquisition Criteria

FSCT has a proven track record of acquiring net leased properties for its own account. We are a reliable buyer that responds quickly, moves rapidly through due diligence to closing and has the ability to pay all cash. We are active and flexible buyers, so please contact us with acquisition opportunities that meet the criteria below.

Property Type: Single Tenant - Retail, Medical/Office, Industrial/Warehouse

Lease Type: Triple Net, Double Net and Bond Leases

Lease Term: 10 years or longer

Tenant Credit: Investment and sub-investment grade. We will consider private companies that have strong balance sheets and operating history.

Location: Nationwide

Development: We will commit to acquiring built-to-suit properties that are in the development process. We offer development financing for select built-to-suit projects.

Price/Size: \$5,000,000 to \$30,000,000 (single asset) - up to \$100,000,000+ (portfolios)

Transaction Types: Cash and tax-deferred UPREIT transactions





Potential Benefits

- **Diversification**
Spread risk over a diversified portfolio of properties rather than one or a few properties
- **Additional Upside Potential**
If price of REIT shares increase, seller may experience additional capital appreciation
- **Tax Deferral (similar to 1031 transaction)**
The exchange is not a taxable event. Seller taxed when, and to the extent, seller converts OP Units into REIT shares
- **Additional Tax/Estate Planning Flexibility**
 - Seller can convert and sell a portion of OP Units and recognize gain on only the portion sold rather than entire gain, deferring gain on unsold portion
 - Seller can transfer OP Units to multiple beneficiaries as part of estate planning and each beneficiary can choose to hold or sell
- **Professional Management**
Our management team has substantial experience in acquisition and management of net leased real estate
- **No Property Management Responsibilities**
Hand over management responsibilities and simply receive your monthly distributions

This brochure is neither an offer to sell nor a solicitation to purchase interests in Four Springs TEN31 Xchange, LLC programs and is intended solely for information purposes. Investments in real estate are subject to known and unknown risks, uncertainties and other factors, and should be considered only by sophisticated investors who can bear the economic risk of their investment for an indefinite period and who can afford to sustain a total loss of their investment. Specific offerings can only be made through a Private Placement Memorandum ("PPM"). Prospective investors should carefully review the "Risk Factors" section of any PPM.

We are committed to providing customized tax deferred exchange solutions for real estate investors to meet their individual tax, estate planning and investment objectives. For more information on how we can help you or your client, please contact us:

FOUR SPRINGS CAPITAL TRUST

 1901 Main Street, Lake Como, NJ 07719  www.fsctrust.com

 Info@fsctrust.com  877.449.8828  732.676.7759

Disclaimers and Risk Factors

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