

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[signature page follows]

S-1

(signature page to Assignment)

ASSIGNEE

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

By: _____
Its: _____

STATE OF _____)
) ss
COUNTY OF _____)

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

Notary Public

(signature page to Assignment)

GUARANTOR:

EXCHANGERIGHT ASSET MANAGEMENT,
LLC, a California limited liability company

By: _____
Its: _____

STATE OF _____)
) ss
COUNTY OF _____)

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

Notary Public

(signature page to Assignment)

CITY:

CITY OF WATERTOWN, WISCONSIN

By: _____

Its: _____

By: _____

Its:

[illegible]

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

Notary Public

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

Exhibit A

Legal Description

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

Parcel 1:

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

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

Parcel 2:

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

Tax Key No. 291-0815-0432-012

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