KINGSWOOD

INVESTMENT SOLUTIONS

1031 EXCHANGE GUIDE

Rules, Replacement Property & Approved Offerings

2026

DELAWARE STATUTORY TRUSTS

Section 1031 · Rev. Rul. 2004-86 · Section 721 UPREIT

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FOR KINGSWOOD FINANCIAL PROFESSIONALS · NOT FOR CLIENT DISTRIBUTION · OCTOBER 2026

A GUIDE FOR KINGSWOOD ADVISORS

About This Guide

Section 1031 lets a client sell investment or business real estate and reinvest the proceeds in like-kind real property without recognizing the gain, provided every step follows the statute and the Treasury regulations. The rules are mechanical and unforgiving: a missed deadline or a dollar touched by the client can turn a deferral into a taxable sale. This guide sets out the rules an advisor needs to run an exchange conversation in both the RIA and broker-dealer channels, explains how Delaware Statutory Trusts and Section 721 UPREITs fit in, and closes with the 1031 replacement-property offerings currently approved on the Kingswood platform and the sponsor contact for each.

At a Glance

Day 0	The relinquished property closes. Proceeds go directly to a qualified intermediary, never to the client.
Day 45	Deadline to identify replacement property in writing, signed by the client and delivered to the intermediary.
Day 180	Deadline to close on replacement property, or the due date of the client's tax return (with extensions) if earlier.
3 · 200% · 95%	The three identification rules: three properties of any value, any number up to 200% of value, or 95% acquired.
Equal or up	Full deferral requires buying equal or greater value, reinvesting all net equity and replacing any debt paid off.
Form 8824	Reported with the return for the year the relinquished property was transferred; California adds FTB 3840.

Reading the Offering Profiles

Each sponsor profile opens with the firm's category and headquarters, followed by a description of its exchange programs. The shaded panel lists the topics most worth raising with the sponsor and its designated contact. Below each profile, a banded block lists every offering from that sponsor that carries an Active advisor approval on the Kingswood product access platform and can serve as replacement property, with its approval date. Offerings are taken from the platform's advisor-approval export as of October 14, 2026, the same data used in the Conference Series California sponsor guide. DST capacity moves quickly; confirm the current record on the platform and reserve capacity with the sponsor before identifying any offering.

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SECTION 1031 FUNDAMENTALS

How an Exchange Works

A like-kind exchange defers, rather than eliminates, the tax on a sale. The client's gain and the depreciation taken on the old property carry over into the new one through a reduced basis, and come due when the replacement property is eventually sold in a taxable transaction.

What Is Deferred

A properly structured exchange defers federal long-term capital gains tax (up to 20%), the 3.8% net investment income tax, unrecaptured Section 1250 gain on depreciation (taxed at up to 25%), and, in most states, state income tax. Under current law, property still held at death receives a stepped-up basis under Section 1014, which can eliminate the deferred gain for heirs entirely; this is the planning logic behind “swap until you drop.”

What Qualifies

Since the Tax Cuts and Jobs Act took effect in 2018, Section 1031 applies only to real property. Both the property sold and the property bought must be held for business or investment use. Within U.S. real estate, “like-kind” is broad: raw land, an apartment building and a DST interest are all like-kind to one another.

Qualifies	Does not qualify
Rental residential and commercial property	A primary residence (Section 121 applies instead)
Raw land held for investment	Property held primarily for sale, such as fix-and-flip or developer inventory
Net-leased retail, industrial, office and medical property	Stocks, bonds, notes, REIT shares and LLC or partnership interests
Beneficial interests in a qualifying DST (Rev. Rul. 2004-86)	Equipment, vehicles, art and other personal property (since 2018)
Tenant-in-common interests (Rev. Proc. 2002-22 guidance)	Foreign real property exchanged for U.S. real property, or the reverse
Leaseholds with 30 or more years remaining, including renewals	A vacation home, unless it meets the Rev. Proc. 2008-16 safe harbor

Three Structural Rules

- **Same taxpayer.** The taxpayer that sells must be the taxpayer that buys. A disregarded single-member LLC or revocable trust can hold either side. A partnership exchanges as a partnership; partners who want to split up need advance planning with tax counsel.
- **Held for investment.** There is no statutory minimum holding period. Intent at the time of the exchange governs, and many practitioners treat 12 to 24 months on each side as a practical guideline.
- **No receipt of proceeds.** If the client has actual or constructive receipt of the sale proceeds, even briefly, the exchange fails. This is why a qualified intermediary is required in a delayed exchange.

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THE RULES

Timeline & Qualified Intermediary

The two deadlines run concurrently from the day the relinquished property transfers. They are calendar days, weekends and holidays included, and they are not extended for any reason other than federally declared disaster relief.

Deadline	Requirement	Practical point
Before Day 0	Engage a qualified intermediary and assign the sale contract to it before the relinquished property closes.	Once the client receives proceeds, the exchange cannot be repaired.
Day 45	Identify replacement property in a written, signed notice delivered to the intermediary by midnight.	Property actually acquired within the 45 days counts as identified. Changes must also be in writing before midnight of day 45.
Day 180	Acquire the identified replacement property, or the tax return due date for the year of sale, whichever comes first.	For a sale late in the year, file an extension to preserve the full 180 days.
Disaster relief	The IRS can postpone both deadlines for taxpayers affected by a federally declared disaster (Rev. Proc. 2018-58).	Relief applies only when the IRS announces it for the affected area.

The Tax Return Trap

A client who sells on November 1, 2026 has 180 days running to April 30, 2027, but the 2026 return is due April 15, 2027. If the return is filed or due before the 180th day, the exchange period ends on that date. The fix is simple: extend the return. Advisors should raise it with every client who closes after mid-October.

Qualified Intermediary

The qualified intermediary (QI), sometimes called an accommodator or exchange facilitator, takes assignment of the sale and purchase contracts, holds the proceeds and delivers them to the replacement closing. The regulations disqualify anyone who has acted as the client's agent within the prior two years, including the client's attorney, accountant, real estate broker, investment advisor or employee (routine financial services excepted), as well as related parties. Because the QI holds what is often the client's largest single cash balance, advisors should confirm the QI's bonding, insurance, use of segregated or qualified escrow accounts, and whether the client must approve each disbursement.

Related Parties

Exchanges with family members or controlled entities are permitted but restricted. Under Section 1031(f), if either party disposes of the exchanged property within two years, the deferral is lost. Buying replacement property from a related party is generally disallowed unless the related party is also completing its own exchange.

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THE RULES

How Do I Find a Qualified Intermediary?

Intermediaries are not regulated at the federal level and only some states regulate them. The client chooses one, but advisors are often asked first, so know what a sound intermediary looks like before the property goes under contract.

Where to Look

- **Title, escrow and bank affiliates.** Many established intermediaries are subsidiaries of national title insurers or banks, which can bring larger balance sheets, internal audit and established controls.
- **Independent exchange firms.** Specialist firms often handle reverse and improvement exchanges and complex multi-property transactions that general providers may decline.
- **The Federation of Exchange Accommodators (FEA).** The national trade association for intermediaries publishes a member directory, and its Certified Exchange Specialist (CES) designation identifies experienced, tested staff.
- **The client's CPA, attorney and DST sponsors** work with intermediaries routinely; treat a referral as a starting point.

Questions to Ask Before Engaging

Topic	What to ask	What a good answer looks like
Custody of funds	Where are exchange proceeds held, and in whose name?	A segregated, qualified escrow or qualified trust account for each client at an FDIC-insured bank, not a pooled operating account.
Disbursement controls	Who can move the money?	Dual signatures or written client authorization for every disbursement.
Protection	What fidelity bond and errors-and-omissions coverage do you carry?	Coverage stated in writing, sized to the balances held; in California, compliance with the state's exchange facilitator statute.
Track record	Who owns the firm, how long has it operated, and who handles my file?	Clear ownership, audited financials or a SOC report, references, and a named officer, ideally a CES.
Cost and interest	What are the fees, and who earns interest on the funds?	A flat, disclosed fee schedule and a clear statement of how interest is shared or paid to the client.

Red Flags

Commingled accounts, an unwillingness to put custody terms in writing, promises of unusually high interest on exchange funds, and pressure to sign before the client reads the agreement. Failures such as the 2008 bankruptcy of LandAmerica 1031 Exchange Services left clients as unsecured creditors for their own proceeds. The client's advisor, attorney, accountant or broker within the past two years cannot serve as intermediary, and neither can Kingswood or its representatives.

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THE RULES

Identifying Replacement Property

By day 45 the client must commit, in writing, to the properties it may buy. The identification must satisfy one of three tests. Most DST exchanges use the three-property rule, often naming one primary offering and two backups.

Rule	What it allows	Watch for
Three-Property Rule	Identify up to three properties of any value. The client may buy one, two or all three.	The simplest rule and the most common. A fourth property moves the client into the 200% test.
200% Rule	Identify any number of properties, as long as their combined fair market value does not exceed 200% of the relinquished property's value.	Useful for building a diversified DST portfolio. Value is measured at the end of the identification period.
95% Exception	Identify any number of properties of any value, provided the client actually acquires at least 95% of the aggregate value identified.	A last resort. If one property falls through, the entire identification can fail.

Making It Valid

- The notice must be in writing, signed by the client and delivered before midnight of day 45 to the qualified intermediary or another party to the exchange who is not a disqualified person.
- Each property must be unambiguously described: a street address or legal description for real estate, and for a DST the trust's full legal name and the dollar amount or percentage interest to be acquired.
- Revocations and substitutions follow the same formalities and must be completed by the same deadline.
- Identifying a property does not reserve it. A DST can sell out between identification and closing, so capacity should be reserved with the sponsor, and a backup identified, before the notice is delivered.

Exchange Variations

Structure	How it works
Delayed (forward)	The standard exchange: sell first, then buy within 45 and 180 days through a qualified intermediary.
Simultaneous	Both closings happen on the same day. Uncommon today, and still best run through an intermediary.
Reverse	Buy before selling. An exchange accommodation titleholder holds title to one property for up to 180 days under the Rev. Proc. 2000-37 safe harbor, and the relinquished property must be identified within 45 days.
Improvement	Exchange funds pay for construction on the replacement property while an accommodation titleholder holds it. Only improvements in place by day 180 count toward replacement value.

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THE RULES

Boot & Debt Replacement

"Boot" is anything the client receives that is not like-kind property. Boot is taxable up to the amount of the gain, and the exchange still defers the rest. Partial exchanges are allowed; they simply cost tax.

- **Cash boot** is any cash the client keeps or receives, including proceeds used to pay non-transaction costs at closing.
- **Mortgage boot** arises when the client is relieved of more debt on the property sold than it takes on with the property bought. Debt paid off at the sale must be replaced with new debt or with additional cash from outside the exchange.
- **The offsets run one way.** New cash invested can offset debt relief, but taking on more debt cannot offset cash the client keeps.
- **Transaction costs** such as brokerage commissions, intermediary fees, title and escrow charges can be paid from exchange funds. Loan fees, prorated rents, security deposits and repairs generally cannot without creating boot.

A Worked Example

A client sells a rental for $2,000,000. An $800,000 mortgage is paid off at closing, leaving $1,200,000 of net equity with the intermediary (closing costs ignored for simplicity). To defer the entire gain, the client must buy at least $2,000,000 of replacement property, reinvest all $1,200,000 and take on at least $800,000 of debt or add the equivalent in outside cash.

Scenario	Replacement purchase	Boot	Result
A. Full exchange	$2,000,000 of DST interests: $1,200,000 equity plus $800,000 of the trusts' pro rata non-recourse debt	None	All gain deferred
B. Trades down	$1,800,000 of DST interests: $1,200,000 equity plus $600,000 of debt	$200,000 mortgage boot	$200,000 taxable, balance deferred
C. Keeps cash	$1,900,000 of DST interests: $1,100,000 equity plus $800,000 of debt; client keeps $100,000	$100,000 cash boot	$100,000 taxable, balance deferred
D. All-cash DST	$2,000,000 of debt-free DST interests: $1,200,000 equity plus $800,000 of the client's outside cash	None	All gain deferred

DSTs make debt replacement precise. The sponsor arranges non-recourse financing in advance, so the client does not qualify for a loan, and the client acquires its pro rata share of the trust's debt. Pairing a leveraged DST with an all-cash DST lets an advisor dial the blended loan-to-value to the exact amount of debt that must be replaced.

REPLACEMENT PROPERTY

Delaware Statutory Trusts

A Delaware Statutory Trust holds title to one or more institutional properties and sells fractional beneficial interests to investors. Revenue Ruling 2004-86 treats a qualifying DST interest as a direct interest in real property, which makes it eligible replacement property in a 1031 exchange.

The Rev. Rul. 2004-86 Restrictions

To keep that treatment, the trust must be passive. The trustee's powers are limited by seven restrictions, often called the “seven deadly sins.” Once the offering closes, the trust may not:

- accept new capital contributions from current or new investors;
- renegotiate the terms of existing loans or borrow new funds;
- reinvest proceeds from the sale of its real estate;
- make capital expenditures beyond normal repair and maintenance, minor non-structural improvements and those required by law;
- hold cash between distributions in anything other than short-term debt obligations;
- retain cash other than necessary reserves, which must be distributed on a current basis; or
- enter into new leases or renegotiate existing leases, except where a tenant is bankrupt or insolvent.

Because of these limits, most DSTs lease the property to an affiliated master tenant that handles operations, and include provisions allowing the trust to convert to an LLC if a restriction would otherwise threaten the property.

Why Advisors Use DSTs

Advantages	Risks and trade-offs
Institutional-quality, often diversified real estate with no landlord duties	Illiquid: no redemption, with hold periods commonly five to ten years
Interests can be sized to the dollar to match equity and debt	No investor control; the sponsor decides when to sell
Pre-arranged non-recourse financing; no loan qualification	Offering loads and fees reduce the capital actually invested
Fast closings make DSTs a reliable backup identification	Tenant, master-tenant and sponsor credit risk; distributions are not guaranteed
Lower minimums than direct ownership allow diversification across sponsors	Leverage and loan maturity can force a sale at the wrong time
Interests can be exchanged again, or contributed to a REIT under Section 721	Offerings can sell out between identification and closing

DST interests are securities, generally offered under Regulation D Rule 506(b) or 506(c) to accredited investors only. Suitability, accreditation verification where required, and review of the private placement memorandum and the Kingswood due diligence file apply to every recommendation in both channels.

REPLACEMENT PROPERTY

The Section 721 UPREIT Path

Section 721 allows property to be contributed to a partnership in exchange for partnership units without recognizing gain. In an UPREIT, the partnership is the operating partnership of a REIT, and the units it issues can later be converted into REIT shares.

- Many DST programs grant the sponsor's REIT an option to acquire the trust's property for operating partnership units. The investor's deferral continues, now inside the REIT's diversified portfolio.
- The decision is one-way. Once a client holds operating partnership units, further 1031 exchanges are no longer available for that capital, and converting units to REIT shares or redeeming them for cash is a taxable event.
- The appeal is diversification, potential liquidity over time and simpler estate planning: units divide easily among heirs and, under current law, receive a stepped-up basis at death.
- The trade-offs are the REIT's valuation and fee structure, and that the timing and terms of the contribution are usually set by the sponsor, not the investor. Review the option terms in the PPM before identifying the DST.

Advisor Checklist

Stage	Action
Before listing	Confirm the client's cost basis, depreciation taken, debt on the property and estimated gain with the client's CPA. Confirm accredited status if DSTs are in view.
Before closing	Engage the qualified intermediary and assign the sale contract. Calculate the replacement value, equity and debt the client must reinvest.
Days 1–45	Review approved offerings and the Kingswood due diligence file. Reserve capacity with the sponsor. Deliver a signed identification naming primary and backup properties.
Days 46–180	Complete subscription documents, confirm loan assumption and debt allocation, and direct the intermediary to fund each closing. Extend the tax return if needed.
After closing	File Form 8824 with the return. For California property exchanged out of state, file FTB 3840 every year the replacement is held.

California Clients

California conforms to Section 1031 but keeps its claim on California-source gain. When California property is exchanged for property outside the state, including most DSTs, the client must file FTB Form 3840 every year until the deferred gain is recognized, and California taxes that gain when the out-of-state property is eventually sold, even if the client has moved away. The filing obligation follows the gain through later exchanges.

CLIENT FIT

Who Is a 1031 Exchange Right For?

An exchange fits appreciated investment property, an owner who wants to stay in real estate, and a tax bill large enough to justify the cost and constraints of deferring it.

Strong Candidates

- **Long-term owners with large embedded gain**, where federal, recapture and state tax would take a meaningful share of the proceeds.
- **Tired landlords** who want to trade management, tenants and repairs for passive income.
- **Estate-minded investors** who expect to hold for life, where the basis step-up under current law may eliminate the deferred gain.
- **Concentrated owners** who want diversification by tenant, property type or geography without a taxable sale.
- **Owners with debt to replace**, where pre-arranged non-recourse DST financing avoids mortgage boot without a new loan.

When an Exchange May Not Fit

- The client needs liquidity within several years, or the gain is small enough that loads, fees and lost flexibility outweigh the tax deferred.
- The property is a primary residence or dealer inventory, or the client is not an accredited investor and a DST is the intended replacement.
- The client wants to exit real estate entirely, or would rather pay the tax now at a known rate than defer it to an unknown one.
- Concentration in illiquid alternatives would exceed what the client's overall plan can support. Document why the recommendation fits.

The Alternatives

Approach	How it works	Trade-off
Sell and pay the tax	Full liquidity and freedom to reinvest anywhere.	The tax is due now and reduces the capital that stays invested.
Direct 1031 replacement	Exchange into another property the client owns and manages.	Keeps control, and keeps the management burden and concentration.
DST exchange	Exchange into fractional interests in professionally managed property.	Passive and diversifiable, but illiquid, fee-bearing and with no investor control.
Qualified Opportunity Fund	Reinvest the capital gain, not the full proceeds, in a QOF within 180 days under Section 1400Z-2.	Different rules, holding periods and risks; the program was revised by 2025 legislation, so confirm current terms.
Charitable remainder trust	Contribute the property to a CRT, which sells it tax-exempt and pays the client an income stream.	Irrevocable; the remainder passes to charity rather than heirs.

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CLIENT CONVERSATIONS

How Do I Present the 1031 Solution to a Client or Prospect?

Start with the client's goals and numbers, lay out every reasonable option, and introduce a DST only where it solves a problem the client has described.

Step	What to cover
1. Discover	Purchase price and date, depreciation, debt, expected sale price and timing; then goals: income, less management, diversification, legacy, liquidity.
2. Quantify	Estimate, with the client's CPA, what the tax on a straight sale would be. A concrete number is what turns the conversation.
3. Compare	Walk through selling, a direct exchange, a DST exchange and the other alternatives, with their trade-offs, before recommending one.
4. Explain the rules	The 45- and 180-day deadlines, the intermediary requirement, and the need to replace both equity and debt.
5. Disclose	For a DST: illiquidity, hold period, fees and loads, leverage, sponsor and tenant risk, non-guaranteed distributions and the one-way 721 path. Deliver the PPM.
6. Coordinate	Bring in the CPA and the intermediary early, before the property is listed.

An Illustration That Lands

A California client bought a rental for $900,000, has taken $300,000 of depreciation and expects to net $2,000,000 on a sale. The gain is $1,400,000. At top federal rates, that is roughly $75,000 on the $300,000 of recaptured depreciation at 25%, $220,000 on the remaining $1,100,000 at 20%, and $53,200 of net investment income tax at 3.8%, about $348,000 in federal tax. California's top 13.3% rate adds about $186,000, for a total near $534,000, more than a quarter of the proceeds, which a full exchange keeps invested. Hypothetical; assumes top brackets and no other income or losses.

Language to Use, and to Avoid

Say	Avoid
“An exchange can defer the tax if every requirement is met.”	“This eliminates your taxes” or “this is tax-free.”
“The sponsor projects distributions of X%; they are not guaranteed and can be reduced.”	“You’ll earn X% a month.”
“Expect to hold for five to ten years with no way to sell early.”	“You can get out whenever you need to.”
“Let’s confirm the tax treatment with your CPA.”	Giving tax or legal advice yourself.

DSTs are for accredited investors only. A Rule 506(b) DST may be discussed only with prospects who have a pre-existing, substantive relationship; 506(c) allows general solicitation but requires verified accreditation.

REPLACEMENT PROPERTY ON THE PLATFORM

Approved Offerings Directory

1031-eligible offerings with an Active advisor approval on the Kingswood platform as of October 14, 2026, by sponsor, with the designated sponsor contact. Full profiles follow.

Sponsor	Offering	Approved	Contact
ExchangeRight	Net-Leased All-Cash 22 DST	10/13/26	Hanna Dietz hdietz@exchangeright.com
	Essential Income 13 DST	09/15/26	
	Net-Leased All-Cash 21 DST	09/15/26	
	Net-Leased Portfolio 76 DST	08/20/26	
	Essential Income 10 DST	05/05/26	
	Essential Income 9 DST	04/08/26	
Net Lease Capital	NLC Florida Healthcare Sciences DST	09/08/26	Paul Abdow pabdow@netleasecapital.com
	NLC Financial Service HQ DST	05/04/26	
	Government Lease Holdings 2 DST	11/05/25	
Passco Companies	Passco Preston Ridge DST	03/21/26	Stacy Stemen sstemen@passco.com
	Passco Riverside DST	03/21/26	
MCI – Megatel Capital Investment	MCI Exchange Bellagio A Series DST	10/14/26	Derek J. Peterson derek.peterson@mciinvest.com
U.S. Energy Development Corp.	U.S. Property Development – Springfield DST	06/03/26	Katie Coffey kcoffey@usedc.com
	USEDC Mineral Exchange Program I LLC	03/23/23	
Four Springs (FSXchange)	FSX Industrial 36, DST	10/2026	Lyndsey Keller LKeller@4SpringsCapital.com

Offerings reported fully subscribed have been removed. The ExchangeRight Essential Income REIT is approved on the platform as the 721 exchange destination for that sponsor's DSTs; REIT shares are not 1031 replacement property.

REPLACEMENT PROPERTY ON THE PLATFORM

Other Approved DSTs

DSTs from sponsors outside the conference program that also carry an Active advisor approval on the Kingswood platform as of October 14, 2026. Requests for offering materials, capacity checks and sponsor introductions for these programs go through Investment Solutions.

Sponsor	Offering	Approved
Cantor Fitzgerald	CF Cupertino DST	10/09/26
Capital Square	CS1031 Texas Active Living Portfolio II, DST	08/14/26
Capital Square	CS1031 Texas Active Living Portfolio I, DST	04/16/26
Cottonwood Communities	Cottonwood Riverfront DST	06/11/26
Cove Capital Investments	Essential Net Lease Industrial 116 DST	06/02/26
Inland Private Capital	Inland Self-Storage Portfolio XXII DST	04/08/26
Inland Private Capital	Inland NJ Senior Living DST (1031 Exchange)	01/13/25
Peachtree Hotel Group	PG Savannah Industrial DST	05/05/26
Sealy & Company	Sealy Industrial I, DST	05/05/26

Approval on the platform means an offering has cleared Kingswood due diligence for advisor use; it is not a recommendation. Review the private placement memorandum, the Kingswood due diligence file and current capacity before identifying any of these offerings in an exchange.

Not 1031 Replacement Property

The platform export also lists real estate offerings that are funds, REITs, preferred stock or Qualified Opportunity Zone vehicles rather than DSTs, including Capital Square's CSRA Opportunity Zone Fund IX and Blue Horizons BFR, the ExchangeRight Essential Income REIT, Madison's Car Wash & Convenience Opportunity Fund and CEDARst's fund interests. These can serve other planning needs, such as reinvesting capital gains in a Qualified Opportunity Fund under Section 1400Z-2, but they cannot receive 1031 exchange proceeds.

APPROVED OFFERINGS · BY NUMBER OF 1031-ELIGIBLE APPROVALS

ExchangeRight

1031 SPONSOR

REAL ESTATE / 1031 EXCHANGE ◆ Pasadena, CA

ExchangeRight is one of the most active DST sponsors in the country, focused on long-term net-leased properties occupied by investment-grade and necessity-based tenants in grocery, pharmacy, discount retail and healthcare. Its Essential Income and Net-Leased Portfolio series are leveraged; the Net-Leased All-Cash series is debt-free, which makes the two useful together for matching a client's debt replacement. Most series carry a defined path to a 721 exchange into the sponsor's Essential Income REIT, which has been on the Kingswood platform since 2020.

WHAT TO ASK ABOUT

- Leveraged and all-cash series to match debt
- 721 terms and timing into the Essential Income REIT
- Current capacity and reservation process
- Total load and year-one distribution coverage

SPONSOR CONTACT

Hanna Dietz
hdietz@exchangeright.com
626-733-3455

APPROVED ON THE KINGSWOOD PLATFORM	6 offerings · status as of October 14, 2026
ExchangeRight Net-Leased All-Cash 22 DST Real Assets · Real Estate · debt-free	Approved 10/13/26
ExchangeRight Essential Income 13 DST Real Assets · Real Estate	Approved 09/15/26
ExchangeRight Net-Leased All-Cash 21 DST Real Assets · Real Estate · debt-free	Approved 09/15/26
ExchangeRight Net-Leased Portfolio 76 DST Real Assets · Real Estate	Approved 08/20/26
ExchangeRight Essential Income 10 DST Real Assets · Real Estate	Approved 05/05/26
ExchangeRight Essential Income 9 DST Real Assets · Real Estate	Approved 04/08/26

◆ Also approved: ExchangeRight Essential Income REIT (01/30/20), the 721 destination for the sponsor's DSTs. REIT shares are not 1031 replacement property.

Net Lease Capital

1031 SPONSOR

REAL ESTATE / 1031 EXCHANGE ◆ Atlanta, GA

Net Lease Capital specializes in tax-deferred exchange solutions built on long-term net-leased real estate with investment-grade tenants. It is best known for zero-cash-flow and highly leveraged structures that let exchangers replace significant debt with a small equity outlay, alongside conventional DST and direct-ownership programs. Its current approved offerings include a federal-government-leased property, a financial-services headquarters and a Florida healthcare asset. Its team works directly with advisors and clients' tax counsel on exchange timing, boot and estate planning.

WHAT TO ASK ABOUT

- Zero-cash-flow structures for heavy debt replacement
- Tenant credit and remaining lease term
- Government lease renewal and appropriation terms
- Loan maturity against projected hold

SPONSOR CONTACT

Paul Abdow
pabdow@netleasecapital.com
404-357-4241

APPROVED ON THE KINGSWOOD PLATFORM	3 offerings · status as of October 14, 2026
◆ NLC Florida Healthcare Sciences DST Real Assets · Real Estate	Approved 09/08/26
◆ NLC Financial Service HQ DST Real Assets · Real Estate	Approved 05/04/26
◆ Government Lease Holdings 2 DST Real Assets · Real Estate	Approved 11/05/25

Passco Companies

1031 SPONSOR

REAL ESTATE / 1031 EXCHANGE ◆ Irvine, CA

Passco Companies is a national real estate investment firm and a long-standing sponsor of DST offerings for 1031 exchange investors. The firm acquires and manages multifamily and other income-producing properties across the U.S., pairing acquisitions with in-house asset and property management.

WHAT TO ASK ABOUT

- Multifamily DSTs for 1031 exchangers
- In-house asset and property management
- Current DST offering pipeline

SPONSOR CONTACT

Stacy Stemen
Senior Vice President, Strategic Relations
sstemen@passco.com
949-263-7912

APPROVED ON THE KINGSWOOD PLATFORM	2 offerings · status as of October 14, 2026
◆ Passco Preston Ridge DST Real Assets · Real Estate	Approved 03/21/26
◆ Passco Riverside DST Real Assets · Real Estate	Approved 03/21/26

U.S. Energy Development Corporation

1031 SPONSOR

ENERGY / REAL ESTATE ◆ Arlington, TX

U.S. Energy Development Corporation (USEDC) has structured direct energy programs for individual investors since 1980. Two of its approved programs are built for exchange capital: a real estate DST sponsored through its affiliate U.S. Property Development, and a mineral and royalty exchange vehicle designed to accept 1031 proceeds. Mineral and royalty interests can be treated as real property under state law, but the analysis is fact-specific.

WHAT TO ASK ABOUT

- Mineral and royalty interests as replacement property
- Affiliated real estate DST
- Depletion and income profile versus net lease

SPONSOR CONTACT

Katie Coffey
kcoffey@usedc.com
617-710-4127

APPROVED ON THE KINGSWOOD PLATFORM	2 offerings · status as of October 14, 2026
◆ U.S. Property Development – Springfield DST Real Assets · Real Estate	Approved 06/03/26
◆ USEDC Mineral Exchange Program I LLC Real Assets · Natural Resources	Approved 03/23/23

MCI – Megatel Capital Investment

1031 SPONSOR

REAL ESTATE / INCOME ◆ Dallas, TX

Megatel Capital Investment (MCI) is the capital-raising affiliate of Megatel Homes, a Dallas-Fort Worth homebuilder and residential developer. Its approved exchange offering is the Bellagio A Series DST, added to the platform in October 2026, in the same sponsor family as the MCI credit funds on the platform. Note the related-party concentration if a client holds both. Securities are offered through International Assets Advisory, LLC, member FINRA/SIPC.

WHAT TO ASK ABOUT

- Property, lease structure and tenant profile
- Bellagio property and local market
- Overlap with MCI income funds

SPONSOR CONTACT

Derek J. Peterson
Senior Vice President – National Accounts
derek.peterson@mciinvest.com
602-750-7155

APPROVED ON THE KINGSWOOD PLATFORM — 1 offering · status as of October 14, 2026

◆ MCI Exchange Bellagio A Series DST Real Assets · Real Estate	Approved 10/14/26

Four Springs Capital

1031 SPONSOR

REAL ESTATE / NET LEASE ◆ Wall Township, NJ

Four Springs TEN31 Xchange (FSXchange), a subsidiary of Wheelhouse Capital Group, has sponsored DSTs built on single-tenant industrial, medical and necessity retail properties net leased to creditworthy corporate tenants for more than a decade. FSX Industrial 36 is a $58.93 million all-cash DST that owns a 278,670-square-foot cross-dock sortation center in Appling, Georgia, known in Amazon's network as AGS5. The class A facility was completed in 2021 next to Amazon's large AGS1 fulfillment center, and is leased to Amazon.com Services LLC and guaranteed by Amazon.com, Inc. under a long-term net lease with annual rent escalations. Offerings are distributed through Four Springs Capital Markets.

WHAT TO ASK ABOUT

- Remaining lease term and escalations
- All-cash structure: pair with leveraged DSTs to replace debt
- Current capacity in Industrial 36

SPONSOR CONTACT

Lyndsey Keller
LKeller@4SpringsCapital.com
713-206-3580

APPROVED ON THE KINGSWOOD PLATFORM — 1 offering · status as of October 14, 2026

◆ FSX Industrial 36, DST Real Assets · Real Estate · debt-free · Amazon-leased	Added 10/2026

KINGSWOOD US

Contacts

Questions about an exchange, introductions to a sponsor, capacity checks or requests for a sponsor's due diligence materials from the Kingswood platform can be directed to the Investment Solutions team.

Douglas Blake
Managing Director, Investment Solutions
dblake@kingswoodus.com · 347-254-1318

Other 1031 Sponsors

These sponsors run DST or net-lease exchange programs but have no DST currently carrying an Active approval on the platform. Contact Investment Solutions before presenting any of their offerings.

Sponsor	Exchange focus	Contact
Madison Capital Group	Self-storage and multifamily DSTs	Lee Bastidas lbastidas@mcmg-bd.com
CEDARst / Backstory Capital	Multifamily DSTs	Nicole Davis ndavis@backstory-cap.com

IMPORTANT INFORMATION

This guide is provided for the use of Kingswood financial professionals and is not intended for distribution to clients or the public. It is a general summary of Internal Revenue Code Section 1031 and related guidance as of October 2026 and does not constitute tax, legal or accounting advice; clients should consult their own tax and legal advisors before entering into an exchange. Tax law is subject to change, and state treatment varies. Sponsor profiles and offering lists are summaries prepared by Kingswood US Investment Solutions from publicly available sponsor materials, regulatory filings and platform records as of October 14, 2026; they have not been reviewed or approved by the sponsors and may not reflect current terms, availability or performance. Nothing in this guide is an offer to sell or a solicitation of an offer to buy any security, and inclusion does not constitute an endorsement or recommendation of any sponsor or offering. Delaware Statutory Trust interests and other alternative investments are speculative, illiquid and involve substantial risk, including the possible loss of principal; distributions are not guaranteed; and they are suitable only for accredited investors who meet the applicable eligibility standards. There is no guarantee that any exchange will qualify for tax deferral. Advisors should rely on the offering documents, the Kingswood due diligence file and their own analysis before recommending any offering. Securities offered through Kingswood Capital Partners, LLC, member FINRA/SIPC. Advisory services offered through Kingswood Wealth Advisors, an SEC registered investment adviser.

PUTTING IT TO WORK

Your Next Steps

Exchanges are won or lost before the property is listed. Use these steps to turn this guide into conversations, and bring Investment Solutions in as early as you like.

Step	What to do
1. Find the candidates	Review your book for clients who own appreciated investment real estate, mention selling a rental or business property, or are tired of managing tenants.
2. Start the conversation early	Hold the discovery conversation before a listing agreement is signed. Gather purchase price, depreciation, debt and expected sale timing.
3. Bring in the CPA	Ask the client's tax advisor to estimate the tax on a straight sale and confirm that the property and ownership qualify.
4. Line up the intermediary	Help the client choose and engage a qualified intermediary using the questions in this guide, before the sale closes.
5. Confirm eligibility	Verify accredited status where required and document suitability, liquidity needs and concentration.
6. Shortlist offerings	Choose from the approved offerings in this guide. Request the PPM and Kingswood due diligence file, and confirm availability, capacity and the platform record before soliciting.
7. Identify by day 45	Reserve capacity with the sponsor and deliver a signed identification naming a primary offering and backups.
8. Close by day 180	Complete subscriptions, confirm the debt allocation, fund through the intermediary, and remind the client to file Form 8824 (and FTB 3840 for California property).

Need More Information?

Please contact Douglas Blake, Managing Director of Investment Solutions, at dblake@kingswoodus.com or 347-254-1318 if you need more information.

EXCHANGE WORKSHEET

Notes

Client, sale date, day 45 and day 180 dates, equity and debt to replace, and offerings identified.