

Inland Private Capital Corporation

1031 Exchange



www.inland-investments.com

> The Inland Real Estate Group of Companies, Inc.

The 1031 exchange is a great tool to defer capital gains, but equally important is choosing a company with the experience to maximize your investment return.

Inland Private Capital Corporation is part of the Inland Real Estate Group of Companies, Inc. which is comprised of a group of independent legal entities, some of which may be affiliates, share some common ownership or have been sponsored and managed by Inland Real Estate Investment Corporation or its subsidiaries, some or all of which are herein referred to as "Inland." Inland participates in all aspects of the real estate industry, including construction, development, auctions, land and property acquisitions, property financing, real estate legal and accounting services, property and asset management, and other financial services.

With 47 years of industry experience, Inland companies cumulatively employ more than 1,400 people nationwide and own and manage, in total, over 65.1 million square feet of diversified commercial real estate in 49 states, Inland has raised more than \$20.0 billion from 480,000 investors, and is a 2009 and 2014 Better Business Bureau Torch Award Winner for Ethics in the Marketplace (as of 6/30/14).

IMPORTANT RISK FACTORS TO CONSIDER

- No public market currently exists, and one may never exist, for the interests of any IPCC-sponsored program. The purchase of interests in any IPCC-sponsored program is suitable only for persons who have no need for liquidity in their investment and who can afford to lose their entire investment.
- IPCC-sponsored programs offer and sell interests pursuant to exemptions from the registration provisions of federal and state law and, accordingly, those interests are subject to restrictions on transfer.
- There is no guarantee that the investment objectives of any particular IPCC-sponsored program will be achieved.
- The actual amount and timing of distributions paid by IPCC-sponsored programs is not guaranteed and may vary. There is no guarantee that investors will receive distributions or a return of their capital.
- Investments in real estate are subject to varying degrees of risk, including, among other things, local conditions such as an oversupply of space or reduced demand for properties, an inability to collect rent, vacancies, inflation and other increases in operating costs, adverse changes in laws and regulations applicable to owners of real estate and changing market demographics.
- IPCC-sponsored programs depend on tenants for their revenue, and may suffer adverse consequences as a result of any financial difficulties, bankruptcy or insolvency of their tenants.
- IPCC-sponsored programs may own single-tenant properties, which may be difficult to re-lease upon tenant defaults or early lease terminations.
- Continued disruptions in the financial markets and challenging economic conditions could adversely affect the ability of an IPCC-sponsored program to secure debt financing on attractive terms and its ability to service that indebtedness.
- The prior performance of other programs sponsored by IPCC should not be used to predict the results of future programs.
- The acquisition of interests in an IPCC-sponsored program may not qualify under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code") for tax-deferred exchange treatment.
- Certain of the programs previously sponsored by IPCC have experienced adverse development in the past.

The companies depicted may have proprietary interests in their trade names and trademarks. Nothing herein shall be considered to be an endorsement, authorization or approval of Inland Private Capital Corporation, or the investment vehicles they may offer, by the aforementioned companies. Further, none of the aforementioned companies are affiliated with Inland Private Capital Corporation in any manner. This material is neither an offer to sell, nor the solicitation of an offer to buy any security, which can be made only by a Private Placement Memorandum (the "Memorandum"), and sold only by broker/dealers authorized to do so. All potential investors must read the Memorandum, and no person may invest without acknowledging receipt and complete review of the Memorandum. Investments are suitable for accredited investors only. This material has been distributed by Inland Securities Corporation, placement agent for Inland Private Capital Corporation. Inland Securities Corporation, member FINRA/SIPC.

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> Defer Capital Gains Tax

Section 1031 of the Internal Revenue Code provides an effective strategy for deferring the capital gains tax that may arise from your business/investment property sale. By exchanging the property for like-kind real estate, property owners may defer their tax and use all of the proceeds for the purchase of replacement property. Like-kind real estate includes business/investment property, but not the property owner's primary residence. Section 1031 does not apply to the exchange of stocks or bonds.

> Additional Reasons to Participate

- Relieve the burden of active real estate ownership
- Obtain ownership in shopping centers, multifamily residential and/or triple-net lease property in good locations
- Diversify your real estate portfolio by geography and property type
- Invest in single asset and/or multiple asset offerings
- Choose from highly leveraged, moderately leveraged, or no leverage offerings
- Facilitate estate planning
- Choose from many sectors, including retail, office, industrial and multifamily

Getting Started

Your registered representative will provide you with all of the information you will need to best utilize the Inland 1031 Exchange Program.

The actual amount and timing of distributions is not guaranteed and may vary. There is no guarantee investors will receive distributions or a return of their capital. The photographs shown in this brochure are representative of the kinds of properties which may be available through the Inland 1031 Exchange Program. The properties shown may or may not be available for 1031 exchange purposes.

> Cash Investment Option

Our Multiple Owner Real Estate (MORE) program makes it possible for every accredited investor, even those without a property to exchange, to participate in the ownership of commercial real estate. Investors may make a cash investment in the interests offered by Inland Private Capital Corporation.

1031 Exchange Investment Option

Delaware Statutory Trust:

In accordance with the Internal Revenue Service's Revenue Ruling 2004-86, and subject to specified conditions, investors may purchase a beneficial interest in the Delaware Statutory Trust which holds the replacement property.

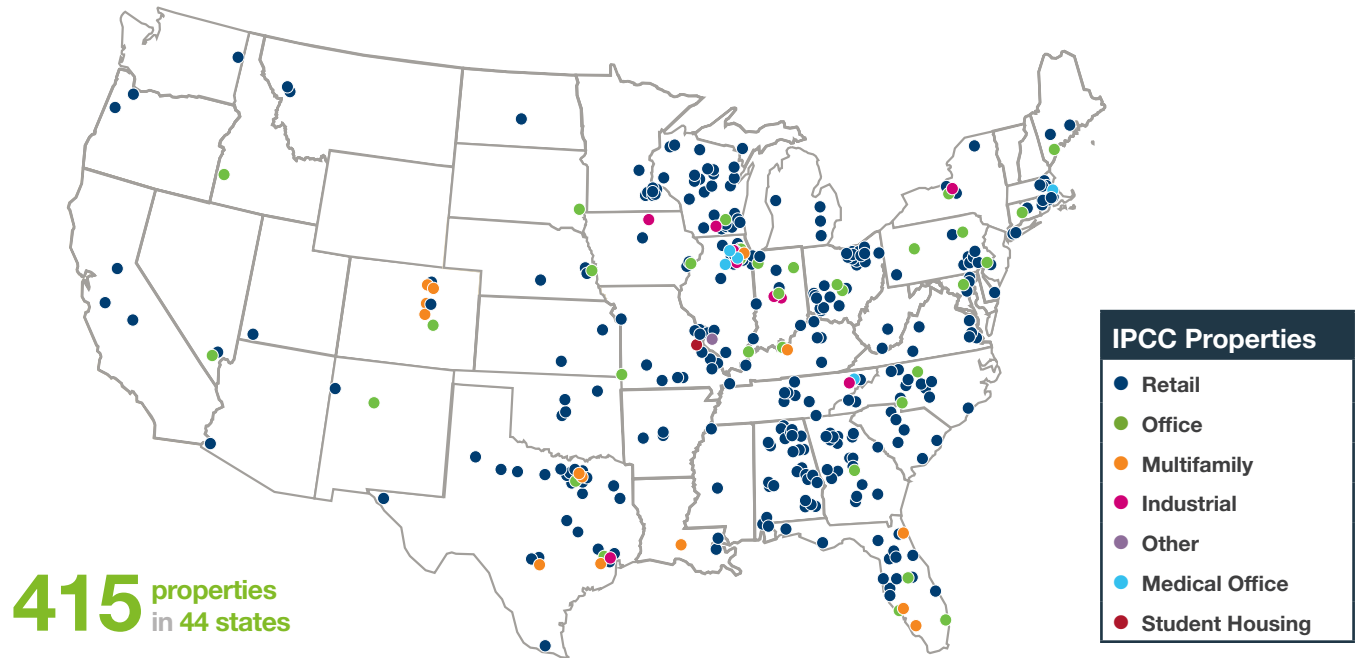
Program Structure

There are three basic steps in any 1031 exchange:

- Exchanger sells property and proceeds are escrowed with a Qualified Intermediary.
- Qualified Intermediary transfers funds for purchase of replacement property.
- Exchanger receives beneficial interest in the Delaware Statutory Trust.



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Track Record Since Inception

(Through November 30, 2014)

#1 in
Market Share*

Sponsored
165
private placement programs

Offered more than
\$2.02
billion in equity

\$4.19 billion
of assets acquired

31.05 million
square feet
of gross leaseable area

Tax reporting for DST
offerings via Substitute
1099/1098, not K-1

* Source: OMNI Real Estate Services, Inc.



> GUIDELINES TO REMEMBER FOR 1031 EXCHANGES

- Seller should have the contract specify that the sale may be structured as a 1031 exchange.
- Seller cannot receive or control the net sale proceeds – the proceeds must be deposited in a qualified escrow.
- Replacement property must be like-kind to the relinquished property.
- The replacement property must be identified within 45 days from the sale of the original property.
- The replacement property must be acquired within 180 days from the sale of the original property.
- In a reverse exchange the taxpayer acquires the replacement property prior to disposing of the relinquished property.
- Generally, the cash invested in the replacement property must be equal to or greater than the cash received from the sale of the relinquished property.
- The debt placed or assumed on the replacement property must be equal to or greater than the debt relieved with regard to the relinquished property.

The reasons to participate in a 1031 exchange are numerous. There are specific timelines and procedures that must be followed to take advantage of the benefits of this program.

This is a brief and general description of certain 1031 guidelines, and is not meant to include all relevant provisions of a 1031 exchange. Prospective investors should consult with their own tax advisors regarding a 1031 exchange.