
1031 EXCHANGE



PROGRAM

DEFER CAPITAL GAINS TAX

Section 1031 of the Internal Revenue Code provides an alternative 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, bonds and indirect investments in real estate.



ADDITIONAL REASONS TO PARTICIPATE

- Relieve the burden of active real estate ownership
- Exchange a non-cash flow producing property for a cash flow producing property
- Obtain ownership in shopping centers, multi-residential and/or triple net lease property in good locations
- Diversify your real estate portfolio by geography and property type
- Facilitate estate planning
- Consolidate many properties into a single, more manageable parcel

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.

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.



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.

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.



OTHER 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. Contact Inland Private Capital Corporation at 888.671.1031 for more information on this program.

1031 EXCHANGE INVESTMENT OPTIONS

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.

Tenant-in-Common Ownership:

Up to 35 accredited investors can purchase an undivided fractional interest in the replacement property. These exchange properties are offered to a small group of accredited investors who meet the minimum investment amount.

PROGRAM STRUCTURE

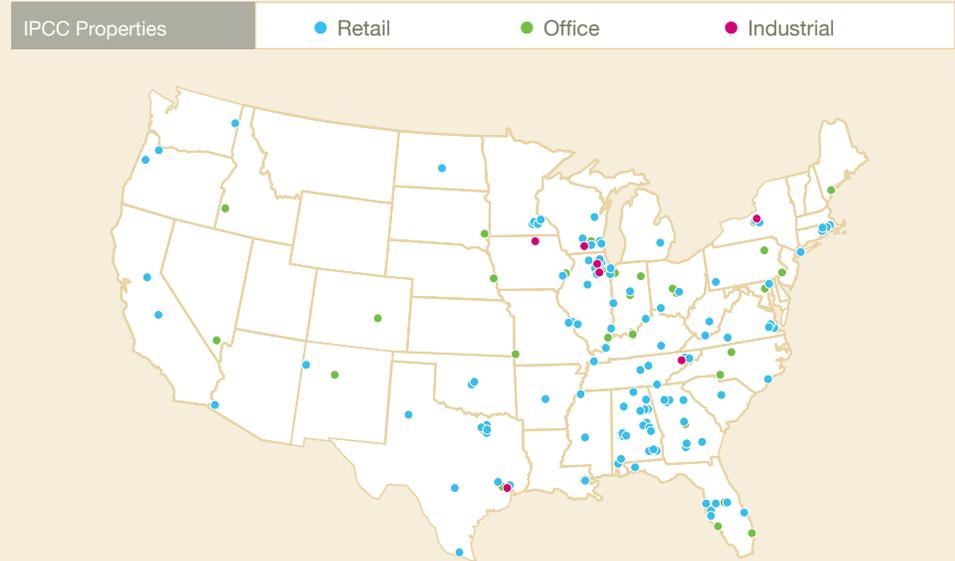
There are three basic steps in any 1031 exchange:

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





INLAND PRIVATE CAPITAL CORPORATION



- Offered more than **115** private placements
- Approximately **\$1.2 billion** in equity collected
- Assets under management of more than **\$2.4 billion**
- Average portfolio yield of **7%***
- Comprehensive investor communications program
- Has never had a Capital Call**
- More than **204** properties in **43** states
- Offerings include many sectors, including retail, office, industrial, apartments and senior living

* Yield is calculated by dividing the amounts distributed to investors over the indicated period plus any principal pay-down on existing debt divided by such investors' capital invested in the deal, less any proceeds returned in a refinancing. The calculation uses the first mortgage only and does not take into account the principal paid on the Inland Private Capital Corporation ("IPCC") advances, if any. Certain programs sponsored by IPCC have experienced adverse developments. Past performance is not a guaranty of future results. No assurance can be given regarding any particular program's ability to achieve comparable yields.

** IPCC has never required investors to make additional contributions of cash in excess of such investors' original investments to cure a cash flow shortfall at a property. In all cases where a property's cash flow needs could not be resolved solely through budget adjustments, IPCC has loaned all funds needed to satisfy such cash flow needs, and all such loans and required interest payments have been satisfied solely out of the property's operating cash flow or proceeds upon sale or refinance. There can be no assurance that IPCC will provide such loans in future programs.

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 more than 40 years of industry experience, Inland has raised more than \$18 billion from 350,000 investors, and is a Better Business Bureau Torch Award Winner for Ethics in the Marketplace.

Past performance is not indicative of future results. No assurance can be given regarding the payment of distributions, or that distributions will increase over time. There are many factors that can affect distributions to Investors. There is no guarantee investors will receive a return of their capital.

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 must be preceded or accompanied by a Private Placement Memorandum, which fully discloses the potential benefits and risks of the investment. There can be no assurance that the investment objectives of any particular program will be achieved. These types of investments are subject to significant risks including the real estate risks associated with the operation and leasing of retail, residential, industrial and office properties, as applicable. Prior performance is not a guarantee of future results. Certain programs sponsored by IPCC have experienced adverse developments.** This material has been distributed by Inland Securities Corporation, dealer/manager for Inland Private Capital Corporation. Inland Securities Corporation, member FINRA/SIPC.

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The Inland Real Estate Group of Companies, Inc.
Torch Award Winner for Ethics in the Marketplace
Better Business Bureau of Chicago and Northern Illinois