



THE BENEFITS OF DST INVESTING The Internal Revenue Service issued Revenue Ruling 2004-86 that sets out the guidelines for the Delaware Statutory Trust (DST). This revenue ruling created a safe harbor for DSTs as "like kind" for purposes of a 1031 exchange. Investors in DST properties enjoy all the tax advantages of owning traditional real estate with less work and less liability. There are many additional benefits of DST ownership that are unavailable with traditional property ownership.

Freedom From Management Responsibilities



Our DSTs are managed by professional, third-party firms. For investors transitioning from actively managing properties to passive ownership, our ownership structure alleviates the burden of day-to-day management and replaces it with the freedom of time for travel and leisure. Ownership distributions from cash flow are paid monthly. Investors receive monthly operating reports and a year-end tax package directly from the management firm.

Ease of Financing (Debt Replacement in a 1031 Exchange)



The first mortgage for the DST property is obtained by the Sponsor and is recorded on the property prior to the investors taking ownership of the DST. DST investors are allocated their portion of the debt based on their pro rata share of ownership interests. The DST eliminates the need for investors to obtain individual financing on their own, as the DST is the sole borrower. Many DST investors appreciate having "in-place" financing that is set and secured with established fixed rates and terms.

No Personal Liability



The debt financing for each property is non-recourse to the DST investors. The Sponsor is the guarantor of all recourse obligations under the loan agreement. DST investors have no liability to their personal assets due to the bankruptcyremote provisions of the DST. These provisions provide that any potential creditors of the Trust, including the lender, are prohibited from reaching any of the DST investors' individual or other assets. Additionally, because an LLC is not required to hold the DST interests, investors do not have to incur annual state filings and the fees associated therewith.

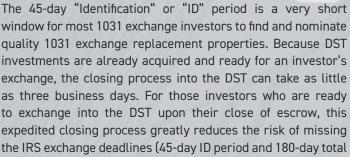


Because a DST Private Placement Offering is allowed by the IRS to have up to 499 investors, the minimum investment amounts are typically much lower than if an investor were to individually purchase a solely-owned property. Most of our DST investments have a minimum equity investment requirement of just \$100,000, which makes it easy for DST investors to diversify their portfolio.

Higher-Value Properties

A DST is a "pooled-equity" investment that allows investors to collectively purchase a property of higher value by aggregating their equity together. More combined equity means more buying power, and with that comes the opportunity to purchase properties that might otherwise be out of a single nvestor's reach. These higher-valued properties may also be more attractive and better suited to an investor's individual preferences.

1031 Exchange Protection



quality 1031 exchange replacement properties. Because DST investments are already acquired and ready for an investor's exchange, the closing process into the DST can take as little as three business days. For those investors who are ready to exchange into the DST upon their close of escrow, this expedited closing process greatly reduces the risk of missing the IRS exchange deadlines (45-day ID period and 180-day total exchange period). For those investors who are nearing the end of their 45-day ID period and have not yet found an investment property to their liking, the DST can offer an immediate and simplified solution. For this reason, DSTs also make great "back-up properties"... in other words, using a DST as one of your nominations in case of a problem with a sole-property nomination.

is brochure is not an offer to sell, or a solicitation of an offer to buy, securities. Offers can only be made through the Private Placement Memorandum. DST Units may be sold only to "accredited inve defined in Regulation D under the U.S. Securities Act of 1933, as amended (the "Securities Act"), which, for natural persons, refers to investors who meet certain minimum annual income or net worth thresholds. DST Units are being offered in reliance on an exemption from the registration requirements of the Securities Act and the laws of any U.S. State or non-U.S. jurisdiction, and are not required to comply with specific disclosure requirements that apply to registration under the Securities Act. Neither the U.S. Securities and Exchange Commission nor any other regulatory authority has passed upon the merits of an investment in the DST Units, has approved or disapproved of the DST Units or passed upon the accuracy or adequacy of the offering materials describing the securities. The securities are subject to legal restrictions on transfer and resale in accordance with the governing documents of the Delaware Statutory Trust and applicable securities laws, and investors may be unable to sell or transfer their DST Units. In addition, there is no public market for the DST Units and no such market is expected to develop in the future. Investing in the DST Units involves risk, and investors should be able to bear the loss of their investment. This brochure does not purport to be complete and should be viewed in conjunction with the Private Placement Memorandum. An investment of this sort is speculative and involves a high degree of risk. Projections of future performance contained herein are based on specific assumptions discussed more fully in the Private Placement Memorandum and do not constitute a guaranty of future performance.





/ Diversification Strategy



Financial advisors utilize diversification as a strategy to reduce investment risk. DST investing can provide the same opportunity to real estate investors due to the low minimum investment requirements. This allows investors to easily make multiple, smaller investments rather than purchasing a single, solely-owned property. It can be a daunting task for individual investors to make multiple property purchases on their own while meeting all the timing requirements under Section 1031 of the Internal Revenue Code.

Enjoy All the Tax Benefits of Real Estate Ownership



DST Investors have direct ownership in the real estate through a Trust Agreement with the Trust. The benefits of direct ownership in the real estate, such as mortgage interest deductions and depreciation, flow through to the individual investors on a pro rata basis. Investors can, therefore, reduce their individual tax liability on the distributions they receive from their DST interests.

Defer Capital Gains Taxes Indefinitely



Investing in DST properties, unlike a 721 Exchange (UPREIT), allows investors to continue to exchange properties over and over again until the investor's death. Upon the death of the investor, under current tax laws, the heir(s) receive a "step up" in basis, thereby avoiding capital gains taxes on the original exchange, as well as all subsequent property exchanges.

Pre-vetted Properties



Investors wishing to perform a 1031 exchange for tax purposes have a short window of only 45 days to identify three potential exchange properties. It can be difficult for individual investors to perform thorough investigations on their own, let alone within the ID timeframes allowed under 1031 regulations. The implications of "going down the road" — investigating a property during the ID period — only to ultimately uncover things about the property you didn't know or didn't like, can make the exchange process potentially precarious. With a DST property, the purchasing process commences with an abundance of information at your fingertips. The Sponsor provides financial information about the DST property(ies) which typically includes leases, appraisate, property condition reports, and financial projections. Having access to information early in the process allows you to make investment decisions without undue pressure.

No Add-On Costs



All transaction costs are included in the total DST offering price. Costs for legal, financing, title, escrew, appraisals, third-party reports, commissions, loan reserves, and closing costs are part of the total DST offering price.

Great for Estate Planning



As investors begin to think about bequeathing investments to their heirs, real estate investments can be tricky, especially if the heirs are not experienced in owning and managing commercial real estate. We all want the transition to be as easy for our heirs as possible. DST investing eliminates the opportunity for heirs to argue over what to do with inherited investment property. Heirs may receive distributions on a pro rata basis and, upon the sale of the DST investment, each heir may individually choose what to do with his or her inherited portion of any proceeds. For example, one heir can continue to exchange property interests, while another may sell and receive cash proceeds.

For more information:



