



2008 TIC DIRECTORY

Only the Strong Survive

Financing hurdles slow tenant-in-common deals,
sidelining a growing number of sponsors.

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By **Beth Mattson-Teig**

Capital constraints and sluggish commercial real estate sales have taken a big bite out of the tenant-in-common (TIC) marketplace. The volume of TIC equity raised has dropped significantly in the past year. Securities-based TIC sponsors raised \$792 million during the first half of 2008, plummeting about 50% from the \$1.6 billion raised during the same period a year ago, according to Omni Research & Consulting.

The sharp decline in deal flow has created a growing divide between TIC sponsors. On one side, the challenging investment market has forced consolidation among some sponsors, while others have suspended their TIC activity as they wait for the market to turn. On the other side sit those sponsors who are reaping the benefits of a less competitive market.

Oak Brook, Ill.-based Inland Real Estate Exchange Corp. is one of the most prolific TIC sponsors in the industry. The firm expects to post a record year for both equity raised and properties purchased in

2008. "Our pipeline of properties is the deepest that it has ever been," says Patricia DelRosso, president of Inland Real Estate Exchange and president of the Tenant-In-Common Association (TICA).

This year, Inland plans to raise between \$200 million and \$250 million in equity compared with \$180 million raised in 2007. Inland expects to deploy that capital by purchasing \$500 million in properties for TIC investors this year.

Sponsor shakeout continues

There have been about 20 active securities-based TIC sponsors so far this year compared with 57 in 2007, according to Omni Research. "There is no question that the choices are fewer, but demand also has been reduced. Therefore, what we're finding is a relative level of equilibrium between supply and demand," says James Shaw, president and CEO of Cap Harbor Real Estate Exchange Solutions in Beverly Hills, Calif.

But the concern is that the volume of sponsors will continue to shrink unless

the financing picture improves. "If the debt markets don't change, I would guess that by the middle of 2009 there may be only 10 legitimate TIC sponsors still functioning," says Daniel Oschin, president of SCI Capital Group and managing director of Los Angeles-based SCI Real Estate.

If the debt market remains constrained until the end of 2009, Oschin speculates that the number of sponsors could fall to five or six. "There are only a handful of TIC sponsors that are getting debt, and the rest of them can't survive," he says.

"Most of them are not diversified companies, and diversification is the key," emphasizes Oschin. Sponsors that are able to draw from a broader base of real estate investment management activity will be better equipped to weather the ups and downs in the TIC industry.

That diversification will be even more important to sponsors in light of continued uncertainty in financial markets in the wake of Lehman Brothers' bankruptcy filing and Bank of America's acquisition of investment bank Merrill Lynch.

Overcoming financing challenges

The biggest hurdle sponsors face is securing debt financing. "There are very few people in the industry, TIC or not TIC, who can get financing right now," says Oschin. Sponsors need to have long-term relationships with lenders, deep pockets, a strong track record in the industry, and a diversified base of operations. "There aren't many companies who fit that profile. So it is very hard to get debt, and it's killing deals," he says.

In the past, TICs have relied heavily on the low-cost capital supplied by the commercial mortgage-backed securities (CMBS) sector. Since that capital source has dried up in the wake of the capital crunch, TIC sponsors have had to pursue new relationships with banks and life insurance companies.

One challenge for sponsors is that the capital provided by banks and life insurers is more expensive than the incredibly low spreads that CMBS lenders were offering just 18 months ago.

A higher cost of capital can be a deal breaker for TICs by making it more difficult to generate returns that warrant the risk. The net cost of capital has increased at least 125 to 150 basis points for most sponsors since mid-2007.

Cash-on-cash returns have dropped slightly as financing has become more

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 – Daniel Oschin, SCI Capital Group

costly. Although higher capital costs have been offset by a slight rise in cap rates, initial cash-on-cash returns ranging from 6% to 6.5% are common today compared with 6.75% to 7.25% a year ago.

Another obstacle for sponsors is that some banks and life companies are reluctant to finance TICs. The chief stumbling block is the TIC structure, which allows for a maximum of 35 individual investors or co-owners. Conservative lenders tend to view that larger ownership pool as a high-risk factor.

Some lenders have solved that problem by offering only recourse loans, while others have agreed to provide financing only if a TIC limits investors to a smaller number, such as 10 to 20 individuals.

Yet shrinking the investor group puts more pressure on the sponsor to raise the minimum investment requirements. The sweet spot for TIC funds is a minimum investment in the \$350,000 to \$500,000

range. Once a TIC exceeds that \$500,000 mark for a minimum buy-in, the syndication time almost doubles.

The big get bigger

Those sponsors that are able to secure financing have been successful in boosting market share. During the first quarter, the top five sponsors accounted for 55% of the TIC offerings compared with 38% in 2007 and 34% in 2006, according to Omni Research.

Oschin admits that SCI benefited significantly when its main rival, Spectrus Real Estate, decided to suspend its TIC activity due to the more challenging financial climate.

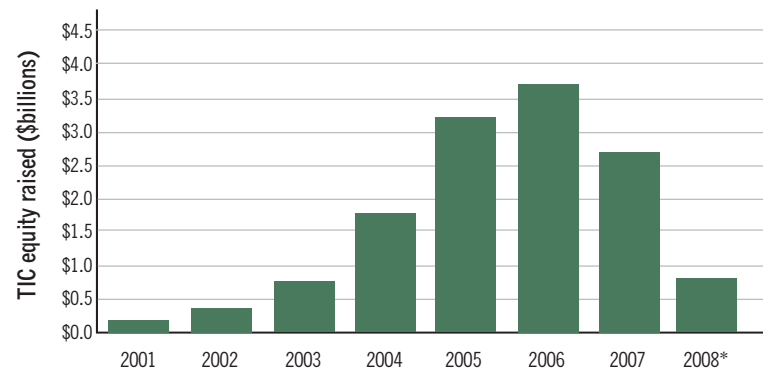
"2008 has been a struggle, but it has gotten better," Oschin says. "As we trended into the third quarter and now into the fourth, we have seen an increase in equity, better deals available, more realistic sellers with more flexibility, and our access to debt is making the deals more attractive."

SCI reports a 40% drop in its business, but that decline is not as severe as the slowdown in the broader commercial real estate industry where sales have plummeted by about 50%. SCI expects to raise between \$125 million and \$150 million in equity in 2008, which would enable the TIC sponsor to purchase about \$300 to \$350 million in properties.

In addition, SCI expects to see business pick up in 2009 with projections for raising between \$225 million and \$250 million to be used for \$600 million to \$700 million in real estate acquisitions. "Our advantage is growing every day, and as that happens, it is better and better for

TIC INDUSTRY HITS A SOFT PATCH

The volume of equity raised by securities-based TIC sponsors peaked at \$3.7 billion in 2006, but dropped 27% in 2007 and is on a pace to reach only \$1.6 billion in 2008.



* Totals for first half of 2008 only

Source: Omni Research & Consulting

us,” says an optimistic Oschin.

SCI also has been taking advantage of its ability to buy quality assets by bidding on properties with all cash — eliminating the financing contingency on which most buyers rely. SCI will put debt on the property after the company closes the sale. After the debt is in place, SCI will package the property as a TIC. “We often are the fifteenth in line in terms of price when we bid, and we are the bid that gets picked because the seller knows that we are going to close,” Oschin says.

Earlier this summer, SCI purchased Campus Park in Stillwater, Okla. The student apartment community sits on 19 acres, about six blocks from Oklahoma State University. The project features 138 units in 10 apartment buildings with a clubhouse, pool and other amenities.

Investor demand slows

The slump in property sales across the commercial real estate industry also has stymied a key supply of equity flowing into the TIC market. Commercial and multifamily property sales during the first two quarters of 2008 totaled \$86.7 billion — about half the \$175.9 billion in properties that traded hands during the same period in 2007, according to Real Capital Analytics. The research firm tracks deals in excess of \$5 million.

Clearly, demand for TICs is slowing

“Right now, I’m standing pat to see how the real estate market is going to filter out before I go diving into anything else.”
— Gary Scott, TIC investor

as activity drops among the core clientele — 1031 exchange investors. Historically, more than 95% of the equity flowing into TICs comes from investors pursuing tax-deferred exchanges.

Still, industry experts say that the same demographic factors that helped drive explosive growth in the TIC industry in recent years are still in place, and continue to push demand for TICs — albeit at a more subdued pace.

TIC investors such as Gary Scott of Danville, Calif., say they are still TIC proponents, even though they have been sidelined by property sales of commercial real estate. Scott owns stakes in 12 separate TIC properties across the country, ranging from an office building in Minneapolis to apartments in Salt Lake City.

“Right now I’m standing pat to see how the real estate market is going to filter out before I go diving into anything else,” Scott says. He is hopeful that com-

mercial real estate sales will start to revive in January.

Ironically, today’s capital constraints are making TICs look even more attractive to investors who are having a difficult time securing financing on their own. “Buyers are finding that financing for residential property with one to four units is close to impossible right now,” Shaw says. The fact that TICs have the leverage to put deals together, obtain the financing and close on deals is still attractive to potential investors, he adds.

Reason for optimism

Once liquidity returns to the market, some of the sponsors that are sitting on the sidelines will likely return to the marketplace. “The key to the TIC industry is that there is no less demand from investors,” DelRosso says.

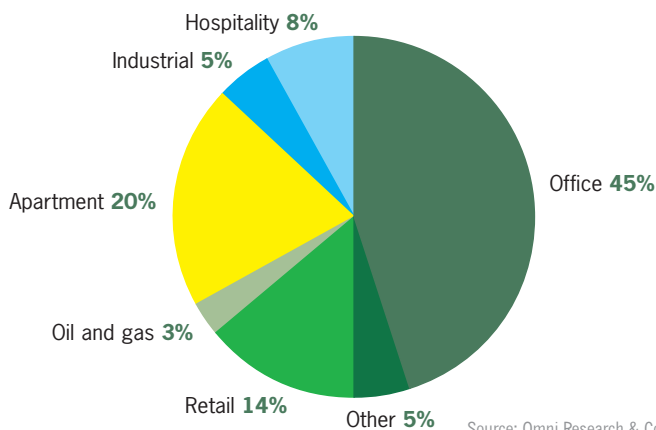
TIC sponsors have long touted the demographic shift in the U.S. as one of the key drivers to industry growth. Aging baby boomers are trading out of properties that require hands-on management in favor of TIC properties that are of institutional quality. Buyers moving into retirement mode like TICs because of their reputation for delivering steady cash returns without the management headaches of a sole ownership.

Aging baby boomers continue to enter into TICs as part of a tax-deferred exchange. So the dynamics that have been fueling the growth in the TIC industry in recent years are still in play. “The investors are there,” DelRosso says. “I think you will see expansion and contraction in the TIC industry based on what happens with the capital markets.”

Beth Mattson is a Minneapolis-based writer.

OFFICE SECTOR IS FAVORITE TARGET OF TIC EQUITY

During the first half of 2008 the office sector garnered 45% of the \$792 billion in TIC equity raised. The apartment market accounted for 20% of total TIC equity raised.



Source: Omni Research & Consulting

TIC Alternative: The Delaware Statutory Trust

The tougher financing climate is prompting some tenant-in-common sponsors to pursue a more “lender-friendly” alternative — the Delaware Statutory Trust.

Both investment vehicles are similar in that they allow for a group ownership structure that can be pre-packaged and sold as securities. Unlike a TIC, investors in a Delaware Statutory Trust do not hold a deed on the property. The deed is held by the trust.

Banks and life insurers prefer the trusts because they are lending to one entity — the trust — rather than up to 35 individual co-owners in a TIC. The downside of the Delaware model is that it comes with more restrictions. For example, the trust cannot enter into new leases or even renegotiate current leases.

“The reason you see more sponsors looking at the Delaware Statutory Trusts now is that lenders are more receptive to

that type of structure, and sponsors are having more success in getting financing,” says Kevin Peay, director of business development at Omni Brokerage in Salt Lake City.

In 2007, there were 15 Delaware Statutory Trusts brought to market and another six have been closed during the first eight months of 2008, according to Omni Brokerage.

Fannie Mae has shied away from TIC deals because of the large number of individual investors involved. “We have had success in selling the Delaware Statutory Trust to Fannie Mae as an alternative structure,” says Patricia DelRosso, president of Inland Real Estate Exchange Corp. and president of the Tenant-In-Common Association.

Inland has completed several Delaware Statutory Trust transactions in the past year, including a four-building office campus occupied by a financial

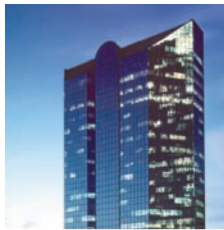
institution with an “A” credit rating. Inland recently purchased the buildings for about \$200 million. “We are very excited about the quality of that property,” DelRosso says.

The Internal Revenue Service issued a 2004 ruling that recognizes the Delaware Statutory Trust for use as a like-kind property in tax-deferred 1031 exchanges. Yet the structure has been overshadowed by the more successful TIC model in recent years.

The reason the trusts have not been widely used stems from restrictions on how the trust operates and manages the property. Industry experts emphasize that a Delaware Statutory Trust is not a good fit for every property owner, even though the trusts are gaining favor with lenders. It’s important for investors to weigh the pros and cons of each vehicle.

— Beth Mattson-Teig

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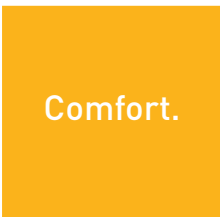
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2008 TIC DIRECTORY

COMPANY	STATE	TYPE	COMPANY	STATE	TYPE
1031 & TIC Investments LLC	MN	Registered Rep	Business Financial Resources Inc	KS	Registered Rep
1031 Advanced Realty eXchange LLC	TX	Registered Rep	Buttonwood Investment Services LLC	CO	Registered Rep
1031 Advisers Inc	CA	Registered Investment Advisor	Cabot Investment Properties	MA	Founding Sponsor
1031 Alternatives Group LLC	FL	Registered Rep	Canyon Creek Financial	OR	Registered Rep
1031 Bridge Funding LLC	NV	Lender	CapHarbor	CA	Registered Rep
1031 Exchange Place	UT	Real Estate Broker	Capital Asset Planners LLC	CA	Registered Rep
1031 ExchAnge Solutions LLC	CA	Reg Rep/RE Broker	Capital Concepts Group	NV	Registered Rep
1031 Exchange Strategies, Inc.	CA	Registered Rep	Capital Financial Services	CA	Registered Rep
1031 Focus Group LLC	CA	Reg Rep/RE Broker	Capital Growth Inc	CA	Registered Rep
1031 Investment Solutions LLC	MA	Registered Rep	Capital Investment Group	NC	Registered Rep
1031 Property Group LLC	SC	Registered Rep	Capstone Financial Consultants LLC	OR	Registered Rep
1031 Property Watch Inc	GA	Registered Rep	Capstone Financial Group Inc	MN	Registered Rep
1031 PropertyWatch	UT	Office of Supervisory Jurisdiction	CapWest Securities	CO	Registered Rep
1031 Retirement Solutions LLC	NY	Real Estate Broker	Carnegie Wealth Management	FL	Registered Rep
1031 Specialists LLC	CO	Registered Rep	CB Richard Ellis - Melody	TX	Real Estate Broker
1031 TIC Solutions	FL	Registered Rep	Centaurus Financial Inc	CA	Broker Dealer
1031 Ventures Inc	OK	Real Estate Broker	Center for Commercial Real Estate	CO	Registered Rep
1031 Wealth Group	NJ	Registered Rep	Century 21 Brasco	MA	Registered Rep
1031FEC-Financial Exchange Corp.	IA	Reg Rep/RE Broker	Chamberlin Financial Group Inc	FL	Registered Rep
ACS Realty & Development Co	CA	Real Estate Broker	ChoicePoint	GA	Services
Advisory Group Equity Services Ltd	MA	Broker Dealer	Christopher Place Management	MI	Class A2 Sponsor
AEI Exchange Services Inc	MN	Class A2 Sponsor	Chrysalis Capital Group LLC	CA	Registered Rep
AFA Financial Group	CA	Registered Rep	Citigroup Global Capital Markets	NY	Registered Rep
Affinity Real Solutions/OMNI Brokerage	CA	Registered Rep	Clark S. Gardner Inc	UT	Registered Rep
Afton 1031 Investments	MA	Registered Rep	Clearview Real Estate Capital LLC	WA	Reg Rep/RE Broker
Alexander Partners	CA	Registered Rep	ClearView Wealth Management LLC	WA	Registered Rep
Alexander S. Vellandi	CA	Real Estate Broker	Clearwater Real Estate Investments	ID	Class A2 Sponsor
Alliance Commercial Properites	NC	Real Estate Broker	CNK Brokers	CA	Registered Rep
Alpha Omega Group Inc	VA	Registered Rep	Coast Village Exchange	CA	Real Estate Broker
Alston & Bird LLP	GA	Law Firm	Cohen Financial	CA	Registered Rep
Alta Exchange Group	WI	Registered Rep	Coldwell Banker Commercial NRT	FL	Real Estate Broker
Alta Investment Group	CA	Registered Rep	Cole Capital Partners	AZ	Founding Sponsor
Alternative Wealth Strategies Inc	MA	Registered Rep	Commercial Property Consultants LLC	CA	Financial Services
AMBAR Financial Group	CA	Registered Rep	Commercial Realty	AL	Real Estate Broker
America 2030 Equity LLC	IL	Class A2 Sponsor	Services of Alabama LLC		
American Capital Group	WA	Class A2 Sponsor	Compass Investments & 1031 Exchange	MA	Registered Rep
American Investment Exchange	CA	Class A1 Sponsor	Comstock Financial Services	MS	Registered Rep
American Realty Capital Markets LLC	VA	Broker Dealer	Concorde ExchangeGroup	MI	Registered Rep
American Wealth Management LLC	AZ	Registered Rep	Congdon-Jeffers Group	CA	Registered Rep
AmeriFlex Financial Services	CA	Registered Rep	Connolly Bove Lodge & Hutz LLP	DE	Attorney
Ameriprise	IL	Registered Rep	CORE Realty Holdings LLC	CA	Class A1 Sponsor
Ameriprise Financial Services Inc	MN	Broker Dealer	Cornerstone Exchange Services	CA	Registered Rep
Anders 1031 TIC Real Estate	CA	Registered Rep	Corporation Service Company	DE	Financial Services
Andrew Titley Inc	CA	Registered Rep	CoStar Group Inc	IL	Real Estate Services
Apex Finanacial LLC	MO	Registered Rep	Cottonwood Capital LLC	UT	Class A2 Sponsor
Archer Investment Advisors	CA	Registered Rep	Covington Realty Partners	IL	Class A2 Sponsor
ArciTerra Group	AZ	Class A2 Sponsor	Crawford Financial	VA	Registered Rep
Arent Fox LLP	DC	Attorney	Creekstone Partners LLC	TX	Class A2 Sponsor
Argus Realty Investors LP	CA	Founding Sponsor	CT	IL	Services
Artesia Mortgage, A Dexia Company	IL	Lender	Cutter Capital LLC	TX	Class A2 Sponsor
Aspire Investment	CA	Registered Rep	DaneVest LLC	WI	Registered Rep
Asset Preservation Inc	CA	Qualified Intermediary	Daniells Phillips Vaughan & Bock	CA	Registered Rep
Averett & Associates PC	UT	Registered Rep	Davis Wright Tremaine LLP	OR	Law Firm
Baker & Associates	WA	Registered Rep	DBSI Securities	ID	Class A1 Sponsor
Baker & McKenzie LLP	IL	Law Firm	Deloitte Tax LLP	CA	Audit-Tax-Consulting- Financial Advisory
Bax Investment Group	NV	Registered Rep	Denis Wong & Associates	HI	Registered Rep
Bayview Financial Exchange Services	FL	Qualified Intermediary	DeSanto Realty Group	PA	Class A2 Sponsor
Bear Stearns & Co Inc	NY	Registered Rep	Direct Capital Securities	CA	Registered Rep
Behringer Harvard	TX	Founding Sponsor	Dividend Capital	CO	Class A2 Sponsor
Benson & Thomas Wealth Management	TN	Registered Rep	DLA Piper US LLP	IL	Law Firm
Berthel Fisher & Co.	IA	Broker Dealer	Don Nelson Team	CA	Registered Rep
BGK-Integrated Group	NM	Class A2 Sponsor	Dynamic Wealth Strategies LLC	CA	Registered Rep
Blue Oak Wealth Management LLC	SC	Registered Rep	East Coast Realty Ventures LLC	MD	Class A2 Sponsor
Blue Square	PA	Real Estate Broker	Eaton Vance Management	MA	Investment Management
Bluerock Real Estate LLC	NY	Class A2 Sponsor	Eliason 1031 Properties Corp	WI	Registered Rep
BNI Equities	ID	Class A2 Sponsor	Ellen Erenstein & Associates	FL	Registered Rep
BPW Realty	UT	Real Estate Broker	Empire Securities Corporation	CA	Broker Dealer
BR Capital Inc	WA	Registered Rep	Englund TIC Properties LLC	AL	Real Estate Services
Breck & Young Advisors Inc	CA	Broker Dealer	Enright Financial LLC	SC	Registered Rep
Breeze Financial Group	OR	Registered Rep	Envisioning Financial Inc	IN	Registered Rep
Brookstone Securities	UT	Registered Rep	Envoy Capital Partners	CA	Registered Rep
Bryan Cave LLP	IL	Law Firm	ePlanning Securities Inc	CA	Broker Dealer
Burch & Company Inc	MO	Broker Dealer	Evergreen Realty Group LLC	CA	Class A2 Sponsor
Business Enterprise Appraisal Co Inc	CA	Real Estate Broker			

2008 TIC DIRECTORY

COMPANY	STATE	TYPE	COMPANY	STATE	TYPE
Exchange Works	UT	Registered Rep	Kendrick Consulting	GA	Registered Rep
ExchangePoint Properties LLC	CA	Class A2 Sponsor	Kittrell Armstrong and Waldrop LLC	NC	Real Estate Broker
FactRight LLC	MN	Due Diligence	Kodiak Capital Partners LLC	TX	Class A2 Sponsor
Fagan & Rawlings Capital Management	TX	Registered Rep	K-One Investment Company	NM	Registered Rep
Faris Lee Investments	CA	Real Estate Broker	Krieger-Campbell Inc	CA	Registered Rep
Fidelity National Title Insurance Company	CO	Services	Kristine DeArmon LLC	NC	Real Estate Broker
Filippini Financial Group, Inc.	CA	Registered Rep	Kutak Rock LLP	NE	Attorney
Financial Design Group LLC	VA	Registered Rep	L J Cooper Capital Management LLC	UT	Registered Rep
Financial Designs Ltd	CA	Registered Rep	L K Allen Inc	NJ	Real Estate Broker
Financial Group of Central Minnesota	MN	Registered Rep	Lambert Investment Group LLC	VA	Registered Rep
Financial Planning Associates Inc	NJ	Registered Rep	Lamont Financial Services	CA	Registered Rep
Financial Risk Mitigation Inc	LA	Due Diligence	LandAmerica Exchange Co	IL	Real Estate Services
Financial West Group	CA	Registered Rep	Latitude Inc	CA	Real Estate Broker
Fintegra Financial Solutions	MN	Broker Dealer	Law Office of Robert L. Firth	CA	Reg Rep/RE Broker
Fintegra LLC	MN	Registered Rep	Legacy Analytics LLC	VA	Registered Rep
First Allied Securities Inc	CA	Registered Rep	Levenfeld Pearlstein LLC	IL	Law Firm
First American Exchange Company	UT	Qualified Intermediary	Lighthouse Capital Corporation	CA	Registered Rep
First California / Welton Street	CA	Registered Rep	Lincoln Park Investment Services	IL	Registered Rep
First Financial Equity Corp	AZ	Reg Rep/RE Broker	LinMar Management Inc	CA	Real Estate Broker
Foley & Lardner LLP	MA	Law Firm	LionShare 1031 Inc	CA	Registered Rep
Ford Mance Company	CA	Real Estate Broker	Little Business Wealth Advisors Inc	CA	Registered Rep
FORT Properties Inc	CA	Class A2 Sponsor	Luce Forward Hamilton & Scripps LLP	CA	Law Firm
Frank Leonards & Frank LLC	NJ	Registered Rep	Ludwig Financial Group	MN	Registered Rep
Freedman Consulting	PA	Registered Rep	M.A. Hill Brokers	DC	Registered Rep
FSC Securities	GA	Registered Rep	MacRo Ltd	MD	Real Estate Broker
Gemini Real Estate Advisors LLC	NY	Founding Sponsor	Madison Avenue Securities Inc	CA	Broker Dealer
Geneos Wealth Management Inc	AZ	Registered Rep	Madison Capital Investments LLC	WI	Registered Rep
Ghirardo Real Estate Group	CA	Registered Rep	Madison Capital Management	CA	Lender
Global Planning Inc ®	CO	Registered Investment Advisor	Madison Title Agency	NJ	Services
Golden Compass Wealth Advisors LLC	CA	Registered Rep	Magellan Investments	CA	Real Estate Broker
Granite Investment Group Inc	CA	Class A2 Sponsor	Mastrogiovanni Schorsch & Mersky PC	TX	Law Firm
Grant Bettingen Inc	CA	Registered Rep	MCL Financial Group Inc	CO	Registered Rep
Greenberg Traurig LLP	FL	Law Firm	MCL Financial Group Inc	CA	Broker Dealer
Gregory Kaplan PLC	VA	Attorney	MDM Energy Inc	TX	Class A2 Sponsor
Griffin Capital	CA	Class A2 Sponsor	Medical Professionals Financial Group	OR	Registered Rep
Grubb & Ellis	MI	Real Estate Broker	Meridian Capital Partners	MA	Broker Dealer
Grubb & Ellis/West Shell Commercial	OH	Real Estate Broker	Meridian Commercial Inc	CA	Registered Rep
Guardian Management LLC	OR	Real Estate Broker	MICG Investment Management LLC	VA	Broker Dealer
GunnAllen Financial Inc	FL	Broker Dealer	Mick & Associates PC LLO	NE	Attorney
H&R Block Financial Advisors Inc	MI	Broker Dealer	Midpoint Financial Services	CA	Registered Rep
Hamilton Zanze & Company	CA	Real Estate Broker	Mitchell Montgomery Inc	CA	Registered Rep
Hankinson Financial Advisors Inc	FL	Reg Rep/RE Broker	MNM Partners LLC	CA	Real Estate Broker
Harbor Financial Services	WA	Registered Rep	Money Concepts	UT	Registered Rep
Harrison Douglas Inc	NC	Registered Rep	MoneyMall USA Corporation	CA	Registered Rep
Harrison Douglas Securities	NC	Registered Rep	Moody National Companies	TX	Class A2 Sponsor
HFF LP	MA	Mortgage Broker	Moran & Company	TX	Real Estate Broker
Hirschler Fleischer	VA	Law Firm	Mueller Investments Inc	ID	Registered Rep
Hodges Ward Elliott	GA	Real Estate Broker	Nagle Danley Real Estate Advisors Inc	CA	Registered Rep
Horizon Investments	CA	Registered Rep	Namco Financial Exchange Corp	CA	Qualified Intermediary
Independent Financial Group LLC	CA	Registered Rep	National Healthcare Properties Inc	CO	Real Estate Broker
Independent Financial Group LLC	CA	Broker Dealer	National Securities Corp	CA	Registered Rep
ING Financial Partners	KY	Registered Rep	Nationwide Exchange Services	CA	Qualified Intermediary
Inland Real Estate Exchange Corporation	IL	Founding Sponsor	Nationwide Planning	NJ	Registered Rep
Intermountain Exchange Group	UT	Registered Rep	Navigar Advisors Inc	FL	Registered Rep
INVERNESS Real Estate Investments	CA	Registered Rep	Neil Financial Group	UT	Registered Rep
Investment Centers of America	MT	Registered Rep	Net Equity Associates	CA	Registered Rep
Investment Concepts Inc	SC	Registered Rep	Network Real Estate Corporation	CA	Real Estate Broker
Investment Property Exchange Services Inc	CA	Qualified Intermediary	Newbridge Securities	FL	Registered Rep
Investment Security Corporation	UT	Registered Rep	Newcomb and Company	MA	Reg Rep/RE Broker
Investor Solutions Inc	WA	Registered Rep	NGAS Securities Inc	TX	Registered Rep
Investors Capital Corporation	PA	Registered Rep	Nixon Peabody LLP	DC	Law Firm
Investors Choice Financial Services Inc	MN	Registered Rep	Noble Royalties Inc	TX	Class A2 Sponsor
IronGate Partners Inc	NC	Reg Rep/RE Broker	Noble Wealth Management	CA	Registered Rep
J.P. Turner & Company LLC	GA	Registered Rep	North Star Investment Services Inc	IL	Registered Rep
Jack F. Ward Co	CA	Registered Rep	Northland Securities Inc	MN	Broker Dealer
James E. Harris, CFP	CA	Registered Rep	NPV/Direct Invest	NJ	Class A2 Sponsor
Jeff Jones Inc	MN	Registered Rep	Oak River Investments	KY	Registered Rep
Jenner & Block LLP	IL	Law Firm	Oakmont Group	AZ	Registered Rep
John Crockett and Associates	WA	Registered Rep	OMNI Brokerage Inc	UT	Broker Dealer
JRW Investments Inc	CA	Registered Rep	Orchard Securities	UT	Broker Dealer
Kelly Accounting & 1031 Exchange Services	MT	Registered Rep	Oregon 1031 Investments	OR	Registered Rep
			ORIX Real Estate Capital Inc	TX	Founding Sponsor
			Oxford Capital Group LLC		Real Estate Broker
			Pacific Income LLC	AK	Registered Rep
			Pacific Southwest Realty Services	CA	Real Estate Broker

2008 TIC DIRECTORY

COMPANY	STATE	TYPE	COMPANY	STATE	TYPE
Pacific West Financial	NY	Registered Rep	Stewart Management Company	DE	Independent Director
Pacific West Securities Inc	WA	Registered Rep	StreamCo LLC	VA	Real Estate Services
Pacific West Securities Inc	WA	Broker Dealer	Sullivan & Worcester LLP	MA	Law Firm
Passco Companies LLC	CA	Founding Sponsor	Sunset Financial Services	MO	Registered Rep
Pence Wealth Management	CA	Registered Rep	Symphony Financial Services	AZ	Reg Rep/RE Broker
Penn Realty Advisors Inc	CO	Real Estate Broker	T.R. Winston & Company LLC	NJ	Registered Rep
Pennbridge Capital	UT	Class A2 Sponsor	T.S. Gibbons, Inc.	CA	Registered Rep
Plotkin Financial Advisors LLC	MD	Registered Rep	TAPCO Development Group Inc	AZ	Real Estate Broker
Point Loma Investment Management Inc	CA	Due Diligence	Target Real Estate Services LLC	WA	Registered Rep
Portfolio Advisors Alliance Inc	CA	Registered Rep	Tax Reduction and	CA	Registered Rep
Portola Financial	CO	Broker Dealer	Investment Strategies Inc		
Powell Goldstein LLP	GA	Law Firm	Teachout Investment Management	MT	Registered Rep
Preferred Capital Management Inc	WA	Real Estate Broker	Texas Energy Holdings Inc	TX	Class A2 Sponsor
Presidio Exchange Advisors	CA	Registered Rep	The 1031 Group-K-One	CA	Registered Rep
Principle Equity Management	TX	Class A2 Sponsor	Investment Company		
Private Asset Group Inc	CA	Registered Rep	The 1031 Investment Source	CA	Registered Rep
Private Capital Management	CA	Registered Rep	The Concord Equity Group	NJ	Registered Rep
Private Consulting Group Inc	OR	Broker Dealer	The Crown Companies	TX	Oil & Gas Producer
Private Equity Group	CA	Registered Rep	The Financial Consultants	MA	Registered Rep
ProEquities Inc	AL	Broker Dealer	The Financial Team Inc	CA	Registered Rep
Professional Asset Management	MI	Registered Rep	The Foundation Group	WA	Registered Rep
Professional Investment Advisors	NY	Registered Rep	The Geneva Organization	MN	Class A2 Sponsor
Professional Mortgage Company Inc	SC	Real Estate Broker	The Shafe Group Inc	FL	Registered Rep
ProVisions LLC	MI	Real Estate Broker	The Sherer Group LLC	CA	Registered Rep
QA3 Financial Corp	CA	Registered Rep	The Shopping Center Group	GA	Real Estate Broker
QFN Midwest	NE	Reg Rep/RE Broker	Thomas Rutherford Inc	VA	Services
Questar Capital Corporation	MN	Broker Dealer	Thompson & Knight LLP	TX	Law Firm
R & L Properties	CA	Real Estate Broker	TIC 1031 Advisors	CA	Registered Rep
R.L. Johnson Investments LLC	OH	Registered Rep	TIC Advisors	MN	Real Estate Broker
Rainier Capital Management LP	TX	Class A2 Sponsor	TIC Properties LLC	SC	Founding Sponsor
RD Marketing LLC	CO	Registered Rep	TIC Resources Group Ltd	MA	Real Estate Broker
Real Estate Investment Strategies LLC	MN	Registered Rep	TIC Specialists Inc	WA	Real Estate Broker
Real Estate Oil Gas Exchange	CA	Registered Rep	TICinc	CO	Registered Rep
Real Estate Value Advisors LLC	VA	Class A2 Sponsor	Tim Couch P.C. CPA	GA	Registered Rep
Real Property Systems Inc	CA	Property Manager	TM 1031 Exchange Inc	CA	Registered Rep
RealNet Investments	OR	Real Estate Broker	Trade Up 1031 Inc	PA	Registered Rep
RealSource Brokerage Services	UT	Real Estate Broker	Transwestern	IL	Real Estate Broker
Realty Group of Irvine	CA	Real Estate Broker	TREC Investment Realty	NV	Class A2 Sponsor
Red Door Group Inc	AZ	Real Estate Broker	Triad Advisors	GA	Registered Rep
Reed B. McClintock & Associates	CA	Registered Rep	Triple Net Properties LLC	CA	Class A1 Sponsor
Reeden Real Estate Inc	IL	Real Estate Services	Triplenet Investment Exchange Inc	CA	Registered Rep
Regent Capital Group	CA	Registered Rep	Triton Group LLC	CA	Registered Investment Advisor
Renfro & Associates	ID	Registered Rep	Trowbridge and Associates	CA	Real Estate Broker
Resource Horizons Group LLC	GA	Broker Dealer	Tryon Equities	NM	Registered Rep
Resource Real Estate Inc	PA	Class A2 Sponsor	TSG Real Estate LLC	IL	Class A2 Sponsor
Retirement Solutins Inc	GA	Registered Rep	Turner Investment Corporation	NE	Reg Rep/RE Broker
REventures Realty	UT	Real Estate Broker	Turnkey 1031s	CA	Registered Rep
Rick Brown & Associates LLC	MD	Real Estate Broker	Tweed Financial Services Inc	CA	Registered Rep
RISnet LLC	AL	Real Estate Broker	U.S. 1031 Exchange Services Inc	FL	Registered Rep
Ringgold & Associates	FL	Registered Rep	Union Bank of CA	CA	Financial Services
RK Properties	CA	Class A2 Sponsor	Upland Real Estate Group, Inc.	MN	Services
RM Crowe	TX	Class A2 Sponsor	US Advisors LLC	CA	Founding Sponsor
Robert A. Stanger & Co Inc	NJ	Broker Dealer	Vanclef Financial Group	CA	Registered Rep
Robert Faust Mortgage Company	TX	Real Estate Broker	VanDenburg Financial	CA	Registered Rep
Robert L. Boggess Inc	WA	Registered Rep	Vertex Investments	CA	Registered Rep
Rockwell TIC	UT	Real Estate Broker	vFinance Investments Inc	NY	Broker Dealer
Royal American Financial Advisors LLC	CA	Registered Rep	W.B. Moore Inc	IL	Registered Rep
Rubin Real Estate	FL	Real Estate Broker	Wangard Advisors, LLC	WI	Real Estate Broker
Schindler Financial Group	CA	Registered Rep	Warren Wedepohl Financial Services LLC	WI	Registered Rep
SCI Real Estate Investments LLC	CA	Founding Sponsor	Wealth Exchange Solutions LLC	MA	Broker Dealer
Senior Capital LLC	FL	Registered Rep	Welton Street Investments LLC	CO	Registered Rep
Sequoia 1031 Companies LLC	CO	Class A2 Sponsor	West Advisors LLC	MT	Registered Rep
SGI Investments Inc	MA	Registered Rep	Western America Equities LLC	WA	Founding Sponsor
Shawmut Financial Services LLC	MA	Registered Rep	White Cap Real Estate LLC	WI	Class A2 Sponsor
Sigma Financial Corp	MI	Registered Rep	White Pacific Securities	CA	Broker Dealer
Silver Oak Real Estate	MN	Real Estate Services	Wildwood Wealth Management	MN	Registered Rep
Snyder Kearney LLC	MD	Attorney	Wilkinson 1031 LLC	WA	Class A2 Sponsor
Sonny Todd Real Estate/OMNI	MT	Registered Rep	Willis S. Cole III	WA	Registered Rep
Sourcenet Financial Corp	MA	Real Estate Broker	Wilson-Davis & Co.	UT	Registered Rep
Spagnoli Financial Group	CA	Registered Rep	Wincopin Realty Advisors LLC	MD	Real Estate Broker
Specialized Properties	CA	Registered Rep	WMS Financial Planners Inc	WA	Registered Rep
Spectrum Realty Services LLC	VA	Real Estate Services	Yegen Financial Group LTD	MD	Registered Rep
Standard & Poor's	NY	Services	ZenhanceFinancial.Com	CA	Registered Rep
Sterling Savings Bank	WA	Registered Rep	Zink Realty Advisors	OR	Registered Rep
Sterling Wealth Management Inc	WA	Registered Rep			
Steve Senior and Associates	CA	Registered Rep			

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A CHAMPION OF EXCELLENCE

Awarded To Passco in October 2007 by the Tenant in Common Association (TICA), for accomplishments that exemplify the vision of TICA and for promoting the highest ethical standards in the industry.

ALLIANCE

Commercial Investments

Alliance Commercial Investments LLC

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Robin Tyler, Vice President

Our property investment division, Alliance Commercial Investments, LLC acquires and arranges capital for the acquisition of commercial real estate investment properties within growth markets throughout the Southeast. Our transaction history represents our desire to provide stable, conservative investments that deliver competitive long term alternatives to equity and bond markets.



Cabot Investment Properties

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Cabot Investment Properties ("Cabot") structures investments in high QUALITY commercial real estate across the United States. Investors are provided with the opportunity to invest in properties that offer VALUE with the potential for appreciation. A Cabot investment provides investors with the COMFORT of stable tenancy, conservative underwriting, and strong market fundamentals in order to look after the hard-earned wealth and invested capital of investors.



CORE Realty Holdings LLC

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Contact: Aaron G. Cook, Exec. Vice President/
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CORE Realty Holdings, LLC and its owner affiliates, own and professionally manage more than fourteen million square feet of urban and commercial properties. The company acquires and manages well-located commercial properties in urban CORE markets and provides Co-Ownership of Real Estate replacement properties for 1031 exchange investors using the increasingly popular Tenant-in-Common ownership structure.



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Contact: Craig Kolasinski,
EVP Chief Lending Officer

FBBH provides flexible terms on property financing for Tenant-in-Common (TIC) transactions. We are a bank portfolio lender focused on transactions that are \$1 million to \$10 million in loan size. FBBH provides fixed rate permanent loans as well as and bridge/reposition structured transactions. Also, our documents provide for easy TIC Assumptions.



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As one of the nation's leading real estate investment firms, specializing in tenant-in-common programs for 1031 exchangers and real estate investors, FORT Properties delivers results through strategic investing and in-depth knowledge gained over 100 years of management experience. Real estate investors turn to FORT Properties for expertise, exceptional properties and reliable results. FORT Properties is a pre-capitalized real estate investment firm, demonstrating our high level of commitment both to the property and to our clients. For more information, please visit www.fortproperties.com.



Griffin Capital

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Griffin Capital is a privately-owned real estate investment company specializing in the acquisition, financing and management of institutional-quality property throughout the United States. Headquartered in Los Angeles, Griffin Capital currently manages a portfolio of 8.3 million square feet of space located in 12 states and representing approximately \$1 billion in asset value. Even given the size of its portfolio, Griffin Capital remains a small boutique firm, offering its investors the highest level of service and due diligence. Additional information is available at www.griffincapital.com.



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IPX1031, the nation's leading §1031 exchange Qualified Intermediary, specializes in every type of exchange transaction and provides quality services through its nationwide network of 46 offices and its specialized divisions for reverse and improvement and mass asset program exchanges. IPX1031 has top security with a third party guarantee of funds, a \$100 million bond and \$30 million in errors and omissions insurance. To find the nearest IPX1031 location visit www.ipx1031.com.

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Jenner & Block LLP is a leader in representing sponsors in successfully offering fractionalized interests in real estate, through private placements of securities, for those investors desiring to complete tax deferred exchanges pursuant to Internal Revenue code Section 1031. We possess extensive experience with the use of Tenant-in-Common ("TIC") structures as well as the Delaware Statutory Trust ("DST"), offering a unique combination of skills in the securities, real estate and tax areas.



LandAmerica Commercial Services

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Since 2003, the Richmond TIC Transactions Group ("RTTG") of LandAmerica Commercial Services has fulfilled the unique title, escrow, due diligence and settlement needs of the real estate syndication community while providing superior customer service. In 2007, RTTG closed and insured titles on over \$1.5B worth of securitized real estate for 24 different

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Mariner Asset Management, LLC

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Mariner is a sponsor of real estate investment programs. The Company uses a variety of investment vehicles to capitalize its offering such as tenant-in-common programs, real estate funds and participating note offerings. The principles are seasoned real estate professionals with more than 50 years combined knowledge and over \$1.1 billion of institutional real estate transaction experience.



OMNI Brokerage Inc

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Since 2001, one out of every ten dollars invested in real estate 1031 tenant-in-common securities offerings has been transacted through OMNI Brokerage. OMNI registered representatives have completed over 4,000 TIC transactions representing real estate valued at over \$3,900,000,000. If you are interested in learning more about opportunities with OMNI please contact us today!



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Contact: William H. Winn, President;
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Since its formation in 1998, Passco Companies, LLC has prided itself on offering innovative ideas and products to the tenant in common industry. In addition to being widely recognized as the originator of the securitized structure now in use, Passco has delivered many other groundbreaking events to the industry including the first truly large offering – the \$56 million raise for the Puente Hills Mall in 2003; and the first loan assumption by a tenant in common group in 2004. This year, Passco has once again forged new ground by stepping into a transaction as a replacement master tenant for a troubled regional mall.

Moving forward, as we are celebrating our 10th Anniversary this past May, we remain committed to our Company's core value of always doing what is in the best interests of our investors, their advisors and our industry as a whole.



Thompson National Properties

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Thompson National Properties, LLC provides value-added real estate investment opportunities and asset management to high net worth domestic, foreign and institutional investors. The company's goal is to capitalize on extensive industry experience to achieve high investor returns proportionate to risk.



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Specializing in 1031 Exchanges and TIC Properties, White Cap Real Estate is a boutique sponsor of professionally managed, turnkey real estate investment products. We are a small, highly-skilled group of real estate professionals with over three decades of expertise in property acquisitions, finance, and management. From offices in Wisconsin and Virginia, our team reviews hundreds of properties prior to any purchase, seeking investments that offer stability, positive monthly cash flow, and protection of principle. This focus on higher returns with lower risk is an indication of our desire to be the best—not the biggest—real estate investment choice for our clients.