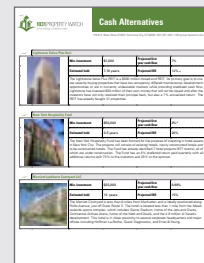







TIC MARKET WATCH

1st Quarter Newsletter '08



The image shows a thumbnail of a table titled "Cash Alternatives" from the newsletter. The table has columns for "Property", "Status", "Investment", and "Contact". It lists several properties with their respective details.

Property	Status	Investment	Contact
	Active	\$1,200,000	John Doe
	Active	\$800,000	Jane Smith
	Active	\$1,500,000	Bob Johnson

We Now Offer:
Cash Investments



1031 PROPERTY WATCH
providing a better view



John Temple
President & Founder
1031PropertyWatch

Will DSTs Provide a Solution to the Lending Crisis?

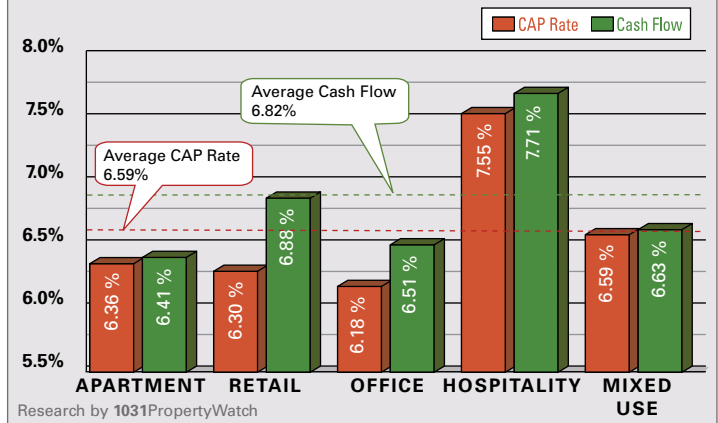
The market is still recoiling from the sub-prime mortgage crisis. Although the general consensus with the Fed stepping in to keep Bear Stearns Companies Inc. (NYSE: BSC) solvent is positive, lenders are still gun shy about lending on large commercial properties and financing new deals. I recently listened to a debate on the merits of a DST (Delaware Statutory Trust) presented by the top attorneys in the industry (e.g.; Arnie Harrison from Jenner & Block, Kevin Thomson from Thomson & Knight, and Darryl Steinhouse from Luce, Forward, Hamilton & Scripps). The discussion focused on whether the DST structure could provide alternative financing sources to the Tenant-in-Common (TIC) industry. A DST is simply another way to buy real estate in fractional interest. One reason lenders generally prefer the DST structure is because they work with only one trustee rather than up to 35 separate TIC owners.

Currently only about 5% of the properties available in the market are a DST (Research by 1031PropertyWatch), however that may change in the future. In my opinion, the potential concerns with a DST structure have not been totally resolved and I am hesitant to offer an open-ended recommendation. My main concern with its current structure is that if the DST fails, the investor would not be able to do another 1031 exchange and their tax liability would become due at the sale of the property.

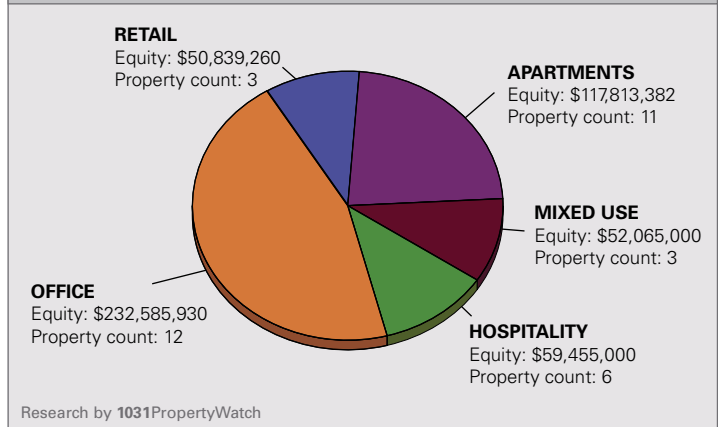
However, the DST structure may be evolving and it is possible that some of the more troublesome features may be worked out. If that happens, DSTs may become the operating standard for the industry. The advantage to this is that getting financing would be easier, syndication costs should come down, and closing costs and annual LLC maintenance fees should be eliminated. Minimum investments should also drop to as low as \$100,000, facilitating greater diversification and potentially lowering general investment risk.

If the DST structure is worked out and it becomes the standard for the industry, the whole process of buying fractional interest in real estate would become easier. However, as the DST structure is offered today, it is still problematic and more work needs to be done. For more information on the merits and risks of a DST, give me a call at 1-877-337-1031.

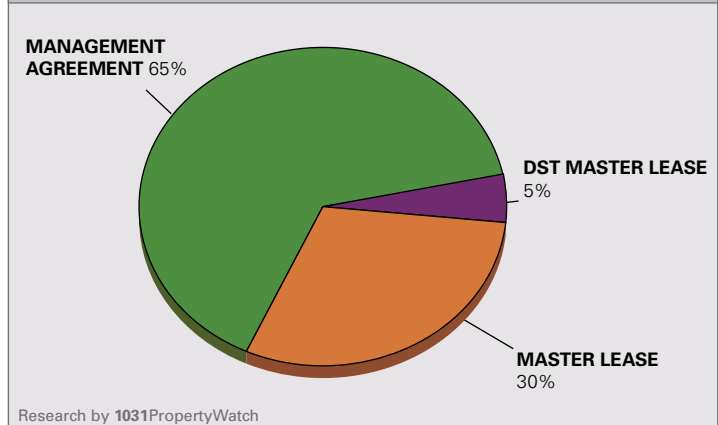
CAP RATE & CASH FLOW COMPARISON – 1ST QTR '08



ASSET ALLOCATION – 1ST QTR '08

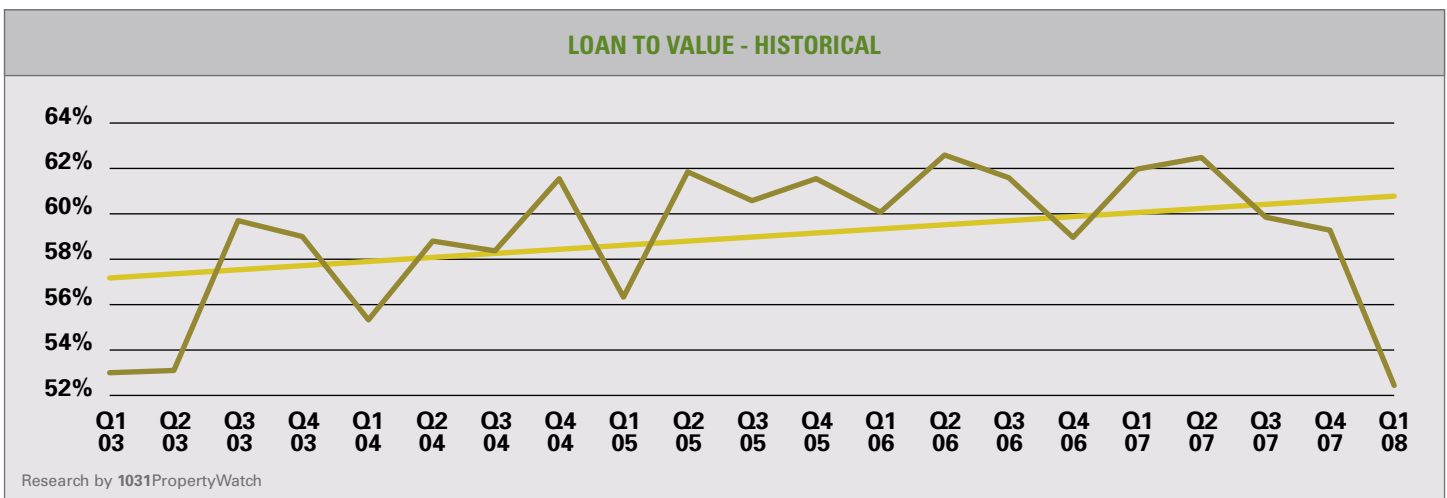
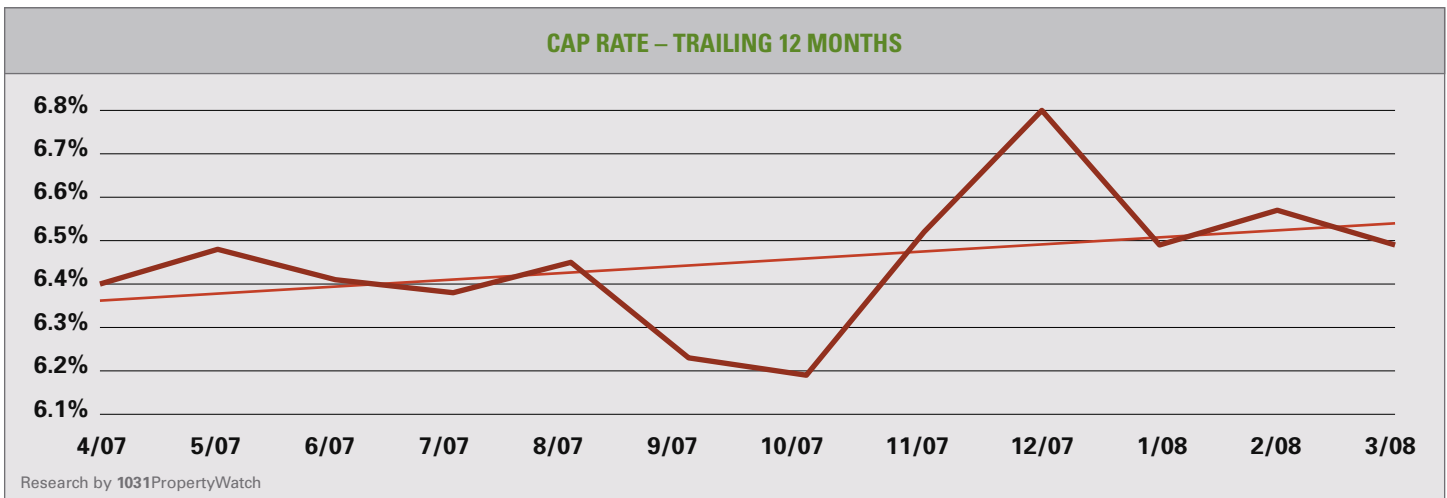
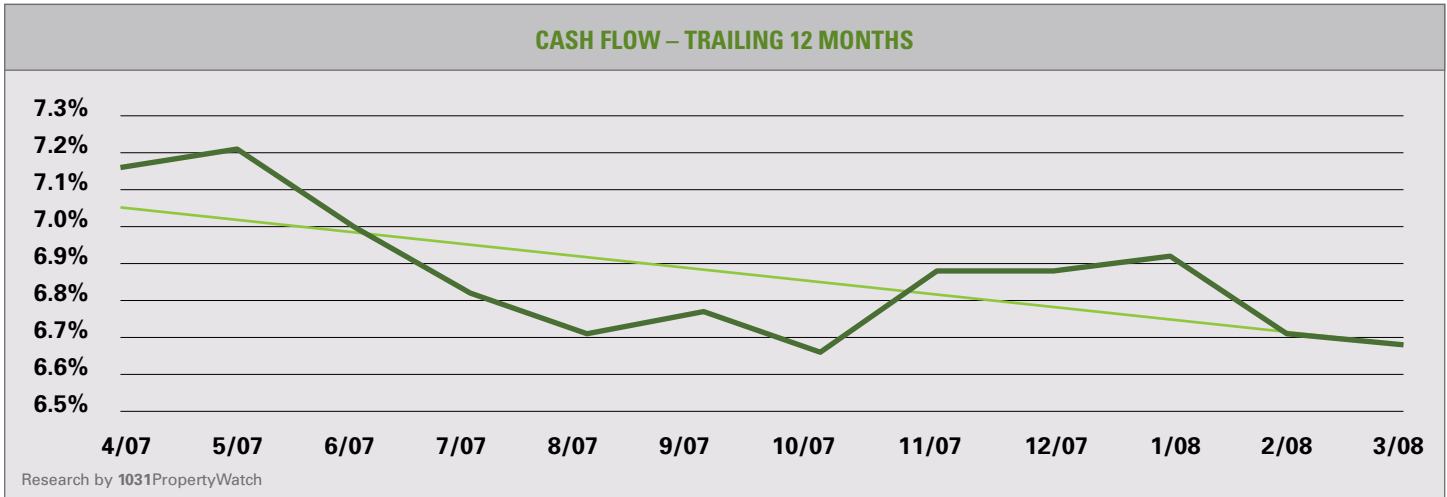


MANAGEMENT STRUCTURE – MARCH 31ST, 2008



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To receive a list of available TIC properties, give us a toll free call at 877-337-1031



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