

Inland Private Capital Corporation

Brighton Multifamily DST



Private Placement Memorandum

www.inlandprivatecapital.com

The Date of this Private Placement Memorandum is December 7, 2016

CONFIDENTIAL

Investing in DST Interests involves a high degree of risk. Before investing you should review the entire Private Placement Memorandum including the “*Risk Factors*” beginning on page 18.



> Brighton Multifamily DST

Brighton Multifamily DST (the Trust), a newly formed Delaware statutory trust (DST) and an affiliate of Inland Private Capital Corporation (IPCC), is hereby offering (the Offering) to sell to certain qualified, accredited investors (Investors), pursuant to this Private Placement Memorandum (the Memorandum), 99.5% of the beneficial interests (Interests) in the Trust. **You should read this Memorandum in its entirety before making an investment decision.**

The Trust owns 100% of the real estate and improvements located at 1287 S. 8th Avenue in Brighton, Colorado, commonly known as Solaire Apartments (the Property). The Trust acquired the Property, consisting of approximately 16.38 acres of land, on November 10, 2016.

Total Apartment Units	252
1-Bedroom Units	114 (810 Avg. Sq. Ft./Unit)
2-Bedroom Units	108 (1,113 Avg. Sq. Ft./Unit)
3-Bedroom Units	30 (1,350 Avg. Sq. Ft./Unit)
Year Built	2013-2014
Parking Spaces	483



> Offering Benefits

An investment in Brighton Multifamily DST may offer the following benefits:

- **Strong Location** – The Property is located within the northeast sector of the Denver metropolitan area, approximately 20 miles northeast of the central business district of Denver. The Denver metro area is home to nine 2015 Fortune 500 companies. Employment in the Denver metro area increased 1.2% on a year-over-year basis in January 2016, primarily driven by growth in the Education and Health Services and Leisure and Hospitality sectors, according to the Colorado Labor Department and Employment. In addition, in January 2016, the Denver metro area experienced the lowest unemployment rate in the nation among metropolitan areas with populations that exceed 1.0 million. See “*Market Analysis and Overview*” for additional information about Denver.
- **Experienced Property Management** – Inland’s management team has experience in all aspects of acquiring, owning, managing and financing real estate, including multifamily properties. As of September 30, 2016, Inland had acquired and managed over 72,000 multifamily units throughout the United States, for an aggregate purchase price of approximately \$4.2 billion.
- **Long-term, Fixed Rate, Amortizing Loan** – The Loan has a term of 10 years and bears interest rate at a fixed rate equal to 3.54% per annum. Additionally, for the final five years of the Loan term, the Trust is required to make monthly payments of principal and interest, with principal amortizing on a 30-year schedule. See “*Financing Terms*” in the Memorandum.
- **Master Lease Structure** – The master lease structure used by the Trust allows the master tenant, an affiliate of IPCC, to operate the Property on behalf of the Trust and to enable actions to be taken with respect to the Property that the Trust would be unable to take due to tax law-related restrictions, including, but not limited to, a restriction against re-leasing the Property. See “*Summary of the Leases – Master Leases*” in the Memorandum.

> The Property

Solaire Apartments

Recently completed in 2014, the Property is comprised of 11 separate residential buildings. With 253,116 rentable square feet, the Solaire Apartments have a best-in-class amenity package. There is an array of spacious one-bedroom, two-bedroom and three-bedroom floor plans to choose from, with a total of 252 apartment units. In addition, there are 483 parking spaces available to residents and guests. The Property sits on one of the largest geothermal energy systems in the nation, saving residents on heating and cooling charges compared to other communities.



Unit Features	Community Amenities
<ul style="list-style-type: none"> ✓ Modern black appliance package ✓ Satin nickel-finished hardware ✓ Full-size washer and dryer ✓ 9-foot ceilings ✓ Wood-style flooring* ✓ Private balcony or patio ✓ Fireplace* ✓ Water-wise fixtures ✓ Geothermal technology ✓ External storage* 	<ul style="list-style-type: none"> ✓ Outdoor BBQ grilling stations and fire pit ✓ Heated swimming pool with hot tub ✓ Spa and sun deck ✓ Resident clubhouse ✓ Business center and computer room ✓ 24-hour fitness center ✓ Community kitchen ✓ Solar lighting at mailbox kiosks ✓ Wind turbines with solar panels ✓ Wi-Fi throughout
<p>*Select units</p>	

Solaire Apartments was awarded the National Association of Home Builders' (NAHB) 2015 Multifamily Pillars of Industry Award for the best example of green building concepts of the year and received Two Green Globes from the Green Building Initiative.



> The Location



Highlights of the Denver and Northeast Denver market include:

- **Denver ranked #1** on Forbes' list of The Best Places for Business and Careers¹
- **Denver ranked #4** on Forbes' list of America's Cities of the Future²
- The Northeast Denver submarket is growing rapidly with **more than 41%** employment growth since 2009³
- Brighton has enjoyed a healthy **5% rent growth** over the past 12 months⁴

The Northeast Denver Market

Residents at the Property enjoy having a grocery store within walking distance and shopping, dining and entertainment options only three miles away. Platte Valley Medical Center, a 287,000 square-foot medical center that is home to over 120 physicians representing more than 45 specialties, is a short four miles from the Property. Brighton and the Northeast Denver submarket are growing rapidly. Many major employers in the immediate area – such as Vestas, Halliburton and Baker Hughes, employing more than 4,500 in total in Colorado – have multi-billion dollar investments planned over the next 15 years. Colorado's number one economic engine and the fifth busiest airport in the nation, Denver International Airport, which employs more than 30,000 people, is less than 20 miles from the Property.

¹ Forbes. The Best Places for Business and Careers. 2016.

² Forbes. America's Cities of the Future. January 14, 2016.

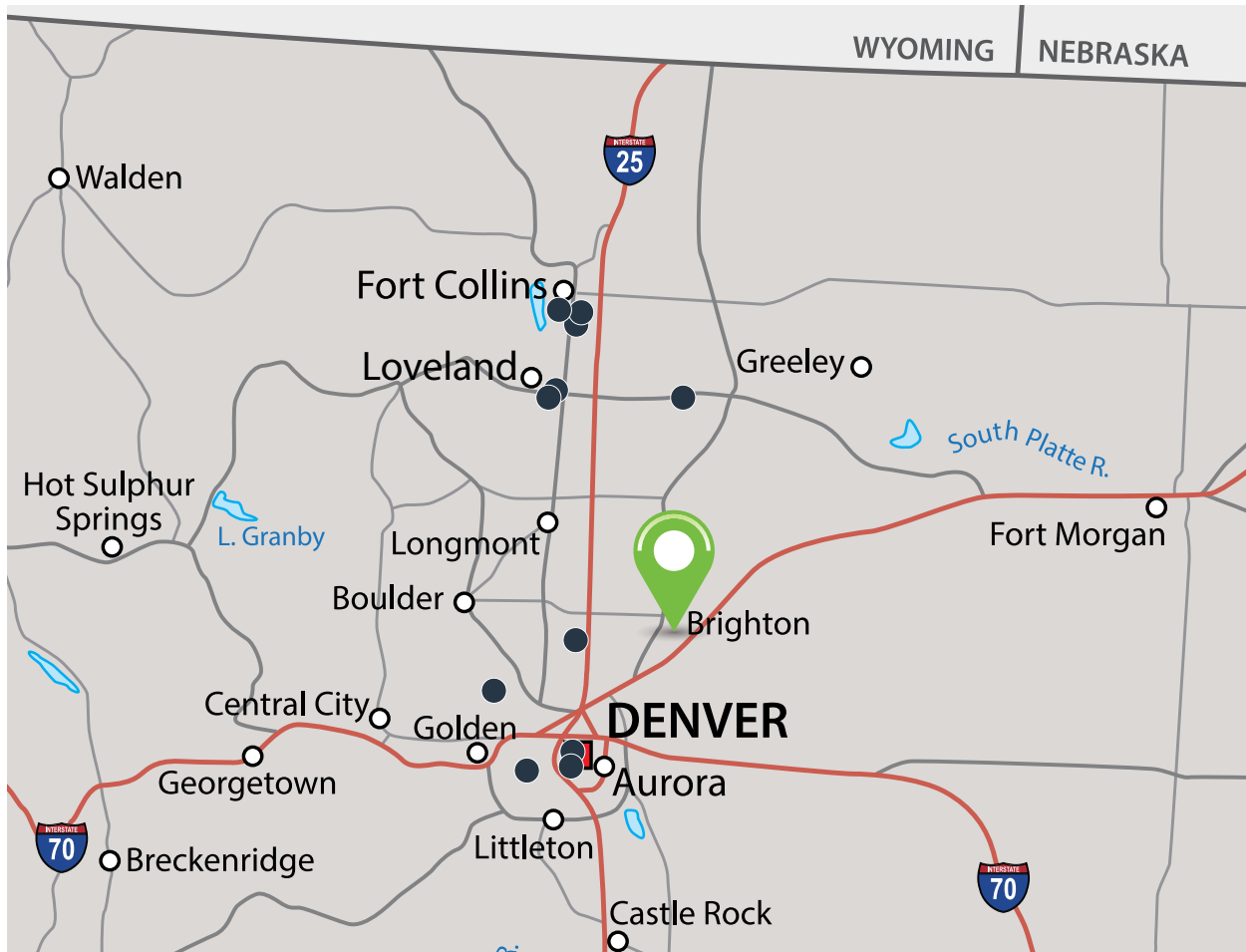
³ Offering Memorandum from broker for sale of the Property.

⁴ Offering Memorandum from broker for sale of the Property.



Inland has a large multifamily presence in Colorado with nearly 2,500 units under management across the state, including Solaire Apartments.

-  Solaire Apartments
-  IPCC Multifamily Properties





> The Financing

The Trust funded the purchase of the Property with a combination of cash and financing from PNC Bank, National Association, under the Federal National Mortgage Association Delegated Underwriting and Servicing loan program. The financing consists of a \$37,375,000 loan (the Loan) with a 10-year term, maturing in December 2026, and bearing interest at a fixed rate equal to 3.54% per annum.

The Trust is required to make monthly payments, comprised of monthly interest-only payments for the initial five years and fixed monthly payments of principal and interest, with principal amortizing on a 30-year schedule, thereafter. The Loan is secured by a Deed of Trust, and the Trust is responsible for repayment of the Loan. The Loan is nonrecourse to the Investors, meaning the Investors will have no personal liability in connection with the Loan.

> The Offering

The Offering is designed for accredited investors seeking to participate in a tax-deferred exchange, as well as those seeking a quality, multiple owner real estate Investment. Only accredited investors may purchase Interests in this Offering. See “*Summary of the Offering*” and “*The Offering*.”

Beneficial Interests:	\$24,099,126
Loan Proceeds:	\$37,375,000
Offering Price:	\$61,474,126
Loan-to-Offering Price Ratio:	60.80%
Minimum Purchase (1031):	\$100,000
Minimum Purchase (cash):	\$25,000
Current Cash Flow:	5.00%

> Summary Risk Factors

An investment in the Interests of the Trust involves significant risk and is suitable only for Investors who have adequate financial means, desire a relatively long-term investment and who will not need immediate liquidity for their investment and can afford to lose their entire investment. Investors must read and carefully consider the discussion set forth in the section of the Memorandum captioned “*Risk Factors*.” Capitalized terms used below but not defined herein shall have the meanings set forth in the Memorandum. The risks involved with an investment in Brighton Multifamily DST include, but are not limited to:

- The Interests may be sold only to accredited investors, which, for natural persons, are investors who meet certain minimum annual income or net worth thresholds.
- The Interests are being offered in reliance on an exemption from the registration requirements of the Securities Act of 1933, as amended, and are not required to comply with specific disclosure requirements that apply to registration under the Securities Act of 1933, as amended.
- The Securities and Exchange Commission has not passed upon the merits of or given its approval to the Interests, the terms of the offering, or the accuracy or completeness of any offering materials.
- The Interests are subject to legal restrictions on transfer and resale and Investors should not assume they will be able to resell their Interests.
- Investing in Interests involves risk, and Investors should be able to bear the loss of their investment.
- Investors have limited control over the Trust.
- The Trustees have limited duties to Investors and limited authority.
- There are inherent risks with real estate investments.
- The Trust will depend on the Master Tenant for revenue and the Master Tenant will depend on the Residents under the Residential Leases, and any default by the Master Tenant or the Residents will adversely affect the Trust’s operations.
- The costs of complying with environmental laws and other governmental laws and regulations may adversely affect the Trust.
- The Property is located in a Special Wind Region, which could result in damage to the Property.
- The Loan will reduce the funds available for distribution and increase the risk of loss.
- The prepayment penalties associated with the Loan may negatively affect the Trust’s exit strategy.
- If the Trust is unable to sell or otherwise dispose of the Property before the maturity date of the Loan, it may be unable to repay the Loan and may have to cause a Transfer Distribution.
- The Loan Agreement contains various restrictive covenants, and if the Trust fails to satisfy or violate these covenants, the Lender may declare the Loan in default.
- There is no public market for the Interests.
- The Interests are not registered with the Securities and Exchange Commission or any state securities commissions.
- Investors may not realize a return on their investment for years, if at all.
- The Trust is not providing any prospective Investor with separate legal, accounting or business advice or representation.
- There are various tax risks, including the risk that an acquisition of an Interest may not qualify as a Section 1031 Exchange.

IMPORTANT NOTES

The Inland name and logo are registered trademarks being used under license. “Inland” refers to some or all of the entities that are 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 subsidiaries of Inland Real Estate Investment Corporation.

Each prospective Investor should consult with his, her or its own tax advisor regarding an investment in the Interests and the qualification of his, her or its transaction under Internal Revenue Code Section 1031 for his, her or its specific circumstances.

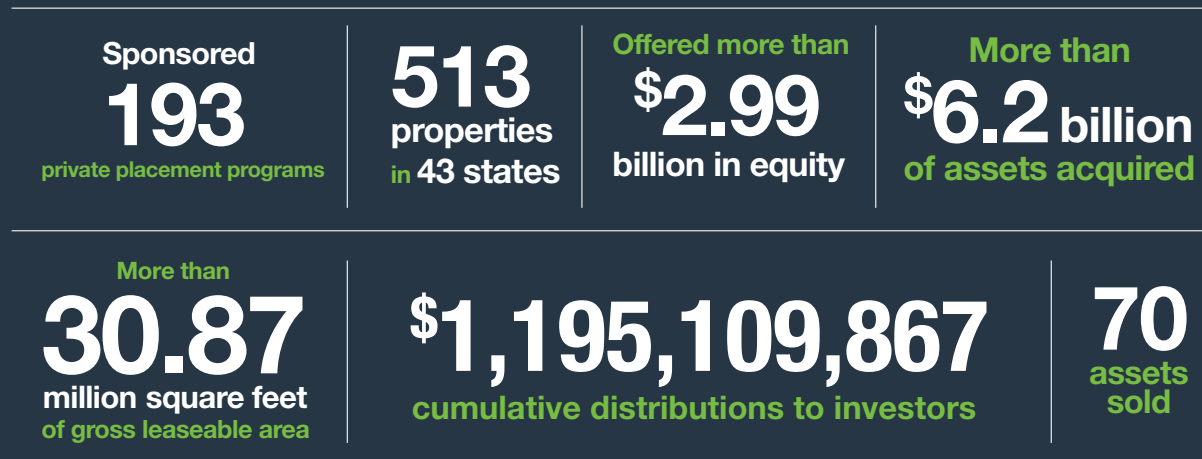
> About Inland Private Capital Corporation

The Inland Real Estate Group of Companies, Inc. (Inland) is one of the nation's largest commercial real estate and finance groups, representing nearly 50 years of expertise and integrity in the industry. As a business incubator, Inland specializes in creating, developing and supporting member companies that provide real estate-related investment funds – including limited partnerships, institutional funds and nonlisted real estate investment trusts (REITs) – and real estate services for both third parties and Inland-member companies.

In March 2001, Inland Private Capital Corporation was formed to provide replacement properties for investors wishing to complete a tax-deferred exchange under Section 1031 of the Internal Revenue Code of 1986, as amended, as well as investors seeking a quality, multiple-owner real estate investment. The programs sponsored by IPCC offer securities to accredited investors on a private placement basis.

Track Record Since Inception

(THROUGH SEPTEMBER 30, 2016)



Full Cycle Programs

(AS OF DECEMBER 31, 2015)

	RETAIL	OFFICE	MULTIFAMILY	INDUSTRIAL
Number of Programs	26	5	2	4
Weighted Avg. Total Return*	141.21%	143.91%	140.19%	136.76%
Weighted Avg. IRR*	8.67%	7.54%	21.47%	6.19%



* Internal Rate of Return (IRR) is calculated using the time value of money, the cash flow from property operations and proceeds from a sale to determine an annualized compounded rate of return, inclusive of all fees and expenses. The weighted average is the IRR for each program multiplied by the capital invested in that program, divided by total capital invested in all full cycle programs represented in the analysis. For these purposes, full cycle refers to programs that no longer own any assets. Total Return is calculated by dividing the sum of amounts distributed to investors over the hold period of the investment plus the sale proceeds returned to the investors, by such investors' capital invested in the program inclusive of all fees and expenses. The weighted average is the Total Return for each program multiplied by the capital invested in that program, divided by total capital invested in all full cycle programs represented in the analysis. In certain situations, in which the subject property(ies) were in foreclosure, IPCC has negotiated with the lenders and advanced funds to the investors to allow the investors to exchange their beneficial interests in the original program for a proportional beneficial interest in a new program. Because such exchanges result in an investment continuation, the original programs are not considered full cycle programs.