



INLAND PRIVATE CAPITAL CORPORATION



PHARMACY PORTFOLIO IV DST

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## SELF-AMORTIZING PORTFOLIO OF SIX CVS PHARMACY STORES

Pharmacy Portfolio IV DST is a collection of six CVS Pharmacy Stores which are highly leveraged and, by design, will produce no cash flow. The portfolio is geared toward Investors who are selling a property and looking for suitable replacement property to effectuate a Section 1031 Exchange. Many Investors' previous properties were encumbered by high levels of debt, and therefore, for income tax purposes, to prevent an Investor from having to use more cash to acquire the replacement properties than is available from the sale of the relinquished properties, there must be equal or greater debt on the replacement properties. In addition, the placement of debt may enhance yields to the Investors. This investment may also interest non-exchange buyers seeking passive losses that may be used to offset income from other real estate investments.

### Offering Highlights

This offering is designed for accredited investors seeking to participate in a tax-deferred exchange, as well as accredited investors seeking a quality, multiple-owner real estate investment.

Pharmacy Portfolio IV DST	
Offering Equity:	\$ 5,220,068
Beginning Loan Balance:	\$ 29,165,136
Offering Price:	\$ 34,385,204
Loan-to-Value Ratio:	84.82%
Minimum Purchase:	\$ 25,000
Offering Capitalization Rate:	8.63%
Loan Assumption Example:	\$100,000 investor will assume \$558,712 in debt



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## Financing

There is a separate mortgage loan on each property from Wells Fargo Bank Northwest, National Association, in the aggregate original principal amount of \$30,335,441.86 and the aggregate outstanding principal amount of \$29,165,136.18 as of the date of the Offering. The Monthly Debt Service under the Loans is equal to the Monthly Base Rent under the Leases<sup>(1)</sup> and CVS pays the Monthly Base Rent directly to the Lender. By structuring the Loans with Monthly Debt Service Payments equal to Monthly Base Rent, a high loan-to-value ratio can be achieved, while also fully amortizing the Loans within the initial terms of the Leases. **Although no cash flow is available, Investors do earn a yield on their investment due to the principal repayment of the Loans.**

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## Passive Activity Losses for Cash Investors PIG/PAL Strategy

This investment is projected to generate passive activity losses (PAL) for cash investors through 2018. While the portfolio is generating income which is being used for payment of loan principal, an Investor's annual substitute 1099/1098 will indicate substantial depreciation of the real estate. This depreciation is projected to be higher than the principal reduction on the loan, resulting in passive activity losses. Passive activity losses can be used to offset passive income generated (PIG) by other passive real estate investments. Given the complex nature of such tax strategies, it is imperative that Investors consult their own accounting and tax professionals.

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## The Tenants

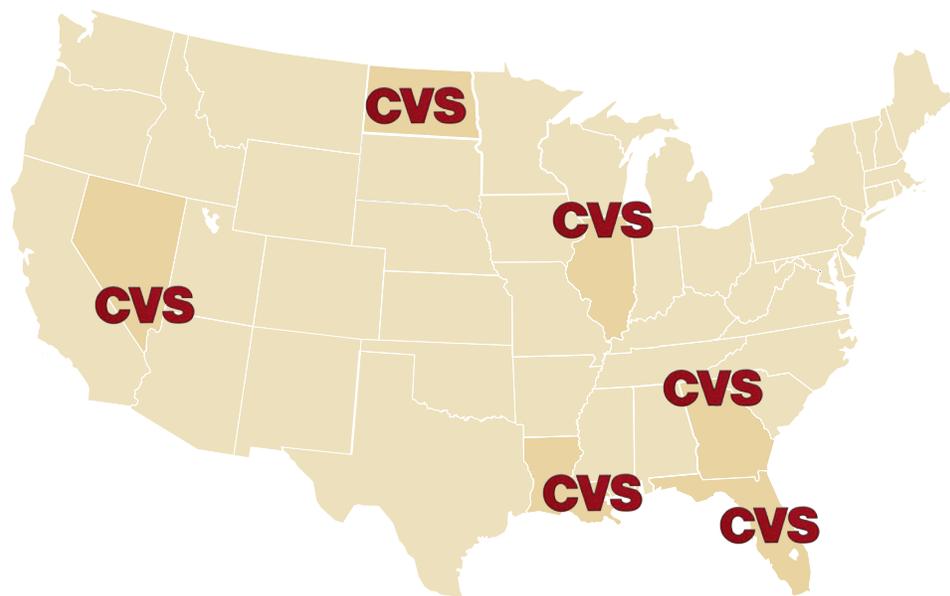
All six leases are guaranteed by the parent company, CVS Caremark Corporation (NYSE: CVS). CVS Caremark Corporation ("CVS") is the largest pharmacy health care provider in the United States with more than 7,180 retail drugstores, 560 MinuteClinic locations and 44 specialty pharmacy stores. As of year-end 2010, CVS employed approximately 201,000 associates and maintains an investment grade credit rating by Standard & Poors of BBB+.

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<sup>(1)</sup> Under the terms of the leases, Tenant is not required to pay base rent in the final three (3) years of the Initial Term (as defined in the Leases) under each Lease ("Rent Holiday"). Section 467 of the Income Tax Code treats the Rent Holiday as a prepayment of base rent by the Tenants. Section 467 applies special tax accounting rules to even out the Landlord's taxable rental income over the Initial Term as if there were no Rent Holiday. Please consult the Private Placement Memorandum for additional details on the impact of the Rent Holiday and Section 467 tax treatment.

## Lease Terms

The initial term of each of the Leases is approximately 25 years, unless sooner terminated or extended pursuant to each of the Leases. Each Tenant may extend its respective Lease for ten (10) consecutive renewal terms of five (5) years each. The Leases are absolute net leases and the Tenants are obligated to pay all taxes and assessments of every kind and nature with respect to the Properties, maintain the required insurance coverage specified under the Leases and pay all premiums and deductibles arising from the insurance policies, pay all utilities and maintain and repair the Properties, including but not limited to the roof, walls, footings, foundations, HVAC, mechanical and electrical equipment and systems in or serving the Properties, structural and non-structural components and systems of the Properties, parking areas, sidewalks, roadways and landscaping.



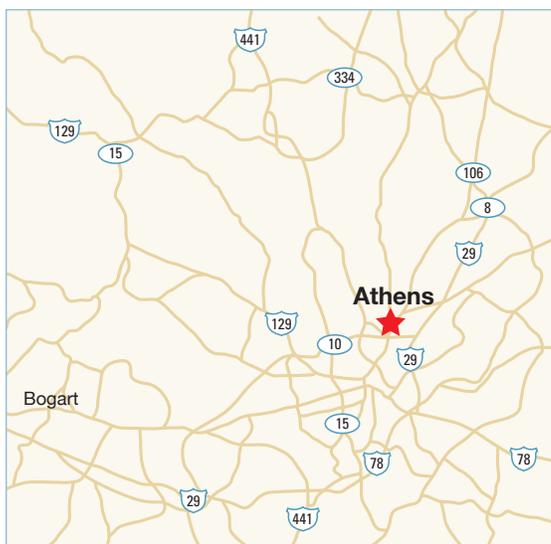
Each of the Properties consists of a one-story retail pharmacy building with drive thru, currently leased to and occupied by their respective Tenant and operated as a CVS Pharmacy store.

## LAKELAND PROPERTY



Location	2536 US Highway 92 East Lakeland, FL 33801
Tenant	Holiday CVS, L.L.C., a Florida limited liability company (Guarantor: CVS Caremark)
Building Sq. Ft.	11,945
Year Built	2010
Population within a 5 mile radius	105,282
2010 Estimated Average Household Income	\$52,519

## ATHENS PROPERTY



Location	395 North Avenue Athens, GA 30601
Tenant	Georgia CVS Pharmacy, L.L.C., a Georgia limited liability company (Guarantor: CVS Caremark)
Building Sq. Ft.	14,731
Year Built	2008
Population within a 5 mile radius	98,506
2010 Estimated Average Household Income	\$46,079

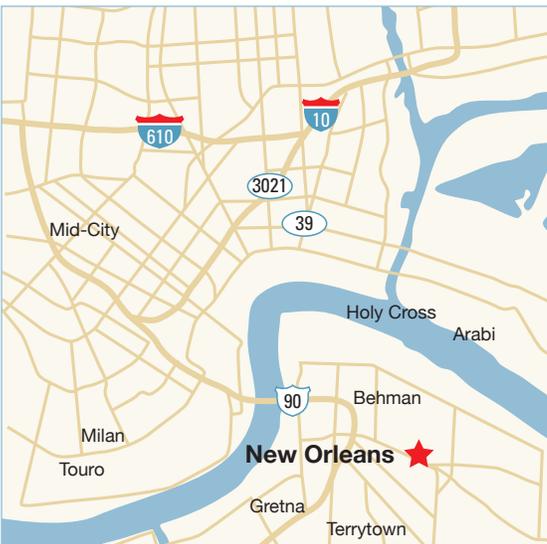
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## ROCKFORD PROPERTY



Location	110 South Alpine Road Rockford, IL 61108
Tenant	Highland Park CVS, L.L.C., an Illinois limited liability company (Guarantor: CVS Caremark)
Building Sq. Ft.	14,755
Year Built	2009
Population within a 5 mile radius	173,405
2010 Estimated Average Household Income	\$58,740

## NEW ORLEANS PROPERTY



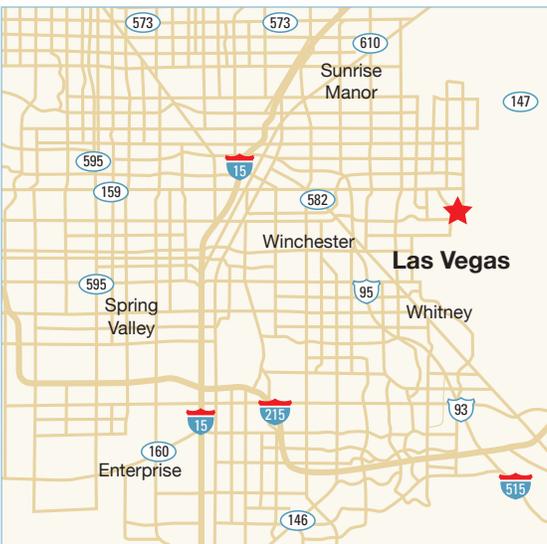
Location	3621 General De Gaulle Drive New Orleans, LA 70131
Tenant	Louisiana CVS Pharmacy, L.L.C., a Louisiana limited liability company (Guarantor: CVS Caremark)
Building Sq. Ft.	13,013
Year Built	2008
Population within a 5 mile radius	276,187
2010 Estimated Average Household Income	\$55,322

## BISMARCK PROPERTY



Location	1225 East Calgary Avenue Bismarck, ND 58503
Tenant	American Drug Stores Delaware, L.L.C., a Delaware limited liability company (Guarantor: CVS Caremark)
Building Sq. Ft.	13,225
Year Built	2008
Population within a 5 mile radius	67,030
2010 Estimated Average Household Income	\$63,983

## LAS VEGAS PROPERTY



Location	2935 South Hollywood Boulevard Las Vegas, NV 89122
Tenant	Nevada CVS Pharmacy, L.L.C., a Nevada limited liability company (Guarantor: CVS Caremark)
Building Sq. Ft.	13,352
Year Built	2009
Population within a 5 mile radius	102,478
2010 Estimated Average Household Income	\$61,582

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 the investment objectives will be achieved. These investments are subject to risks including those real estate risks associated with the operation and leasing of retail properties. There is no guarantee investors will receive distributions or the return of their capital. Consult the Private Placement Memorandum for a discussion of risks.

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## Sources

CBRE Self-Contained Appraisal dated April 25, 2011 – Athens, Georgia  
CBRE Self-Contained Appraisal dated April 21, 2011 – Bismark, North Dakota  
CBRE Self-Contained Appraisal dated April 28, 2011 – Lakeland, Florida  
CBRE Self-Contained Appraisal dated April 17, 2011 – Las Vegas, Nevada  
CBRE Self-Contained Appraisal dated April 7, 2011 – New Orleans, Louisiana  
CBRE Self-Contained Appraisal dated April 17, 2011 – Rockford, Illinois



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