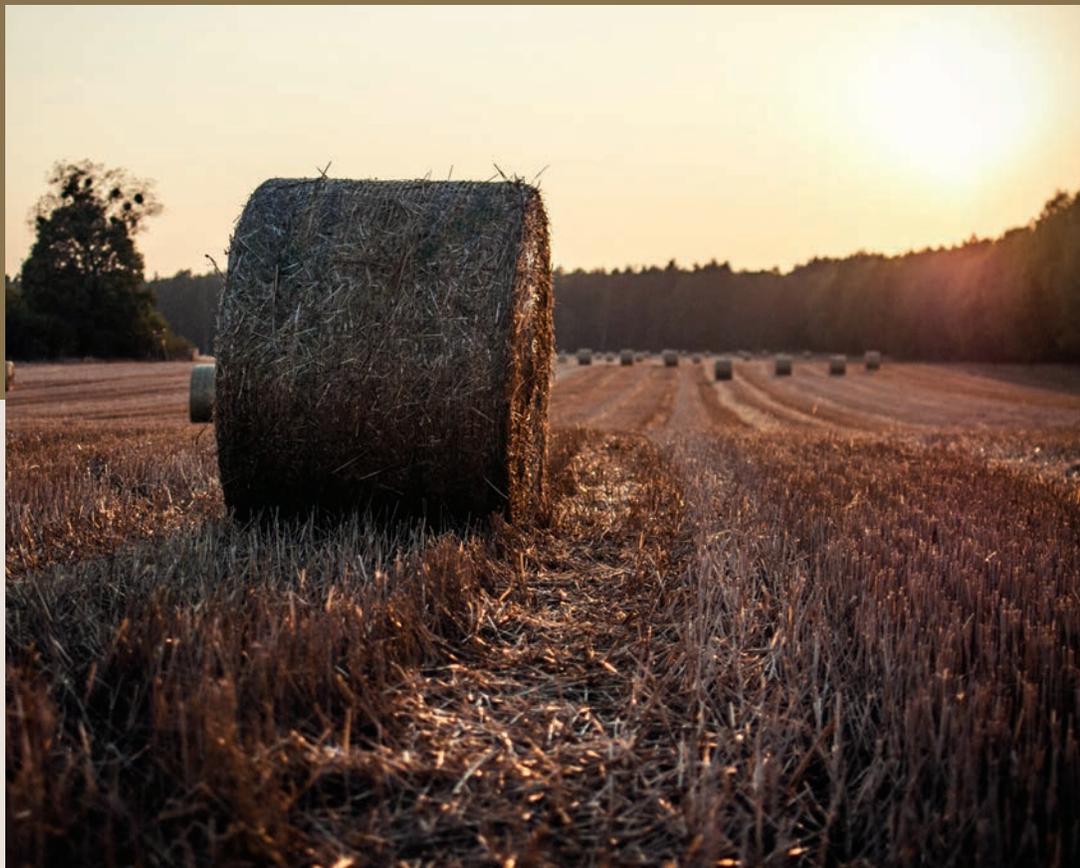




DISCIPLINE
ADVISORS

LOOKING FOR 1031 EXCHANGE OPTIONS? CONSIDER DSTs



Discipline Advisors can help you find EXCHANGE SOLUTIONS YOU MAY NOT HAVE KNOWN EXIST.

Utilizing every available resource to help our clients achieve peace of mind related to their future and financial well-being is our priority at Discipline Advisors (DAI). Those resources include 1031 Exchanges and our ability to pair clients with the appropriate, qualifying investments to meet their needs through our proven knowledge and valuable relationships.

What is a 1031 Exchange?

A 1031 Exchange is one of the most powerful tax deferral strategies still remaining for accredited investors. Taxpayers often want to avoid paying income taxes on the sale of property if they intend to reinvest the proceeds in similar or like-kind property. A 1031 Exchange offers an opportunity to sell property and replace it with an income generating property using 100 percent of the sale proceeds while deferring some or all of the taxes on the transaction.

For example, farmland can be exchanged for an apartment complex, a rental vacation home, office or other commercial property or any type of property that is held for investment. The range of real property that will qualify for tax deferral opens up many options for land owners such as farmers to diversify their investments and obtain cash flow without having to be involved in the management of the acquired replacement property. The rental income paid by the investment may provide a substantial income for as long as they own the property.

Important Facts

1. Taxes from the sale of farmland or other real property may be deferred when the proceeds are used to purchase like-kind property.
2. All proceeds from the sale must be handled by a qualified intermediary (QI) and cannot be received by the seller or his/her agents. The entire cash proceeds from the original sale not reinvested into like-kind property will likely be subject to capital gains. The investor may have discretion over how much tax they have to pay.
3. It is important to know the TWO TIMELINES you need to abide by—The Identification Period (45 days from date of closing) and The Exchange Period (180 days from date of closing).
4. The replacement property must be subject to an equal or greater level of debt than the property sold or the buyer could be forced to pay tax on the percentage difference.

At DAI, we find available investments that qualify to be used in 1031 Exchanges and can help you choose the appropriate investments based on your specific debt requirement needs and income needs.

DAI does not give tax advice, but we work with your CPA and attorney, along with our Broker/Dealer, DAI Securities, to help you determine and understand the options available to you. We can also recommend a qualified intermediary which satisfies IRS requirements to make the exchange process as quick and simple as possible.

There are material risks associated with investing in real estate properties. These include, but are not limited to, tenant vacancies; declining market values; potential loss of entire investment principal; that past performance and diversification do not guarantee future results; that potential cash flow, potential returns and potential appreciation are not guaranteed in any way; adverse tax consequences and that real estate is typically an illiquid investment. Because investor situations and objectives vary, this information is not intended to indicate suitability for any particular investor. This material is not intended as tax or legal advice. Please speak with your attorney and CPA prior to considering an investment.



What is a Delaware Statutory Trust (DST)?

A Delaware Statutory Trust is a separate legal entity formed as a trust under Delaware law. In certain circumstances, an investor may use a beneficial interest in a DST as replacement property in a 1031 tax deferred exchange option.

- Investors may enjoy relief from all property management hassles with the DST sponsor negotiating lease/rental agreements, property maintenance, etc. on behalf of the trust.
- The DST must distribute all net operating income monthly, other than necessary reserves, to the beneficiaries.
- The DST is the single owner and borrower; the lender only underwrites the DST, not each individual investor, therefore the loan is nonrecourse to the investor.
- A seller can often exchange one property into multiple properties, which may provide for diversification of investor's capital.
- Diversification options may include multi-family housing, industrial warehouse, medical office, self-storage, senior housing, royalties, etc.

The Advantage of Working with DAI.

We consider our clients' comprehensive financial well-being to ensure investments are suitable and titled properly to align with their estate planning goals and objectives.

- Working with our Broker/Dealer, DAI Securities, we perform stringent due diligence and screening on multiple DST sponsors. We work with a network that includes several of the most experienced DST sponsors around the country.
- At DAI, we know how to find quality DSTs, and can help your client choose the DSTs based on their specific debt requirement needs and desired income.
- We coordinate with the qualified intermediary, title company and our client to satisfy IRS requirements and make the exchange process as efficient as possible.



DST 1031 properties are only available to accredited investors (generally described as having a net worth of over \$1 million exclusive of primary residence) and accredited entities only. If you are unsure if you are an accredited investor and/or an accredited entity please verify with your CPA and attorney. There are risks associated with investing in real estate and DST properties including, but not limited to, loss of entire investment principal, declining market values, tenant vacancies and illiquidity. These investments are not suitable for all investors. Tax laws are subject to change which may have a negative impact on a DST investment. This material is not to be interpreted as tax or legal advice. Investors are advised to speak with their own tax and legal advisors for advice or guidance regarding their particular situation. Diversification does not ensure a profit or guarantee against loss. Potential cash flows/returns/appreciations are not guaranteed and could be lower than anticipated. The information herein has been prepared for educational purposes only and does not constitute an offer to sell securitized real estate investments.

Strength comes with **DISCIPLINE**

For over three decades, DAI has been unwavering in our commitment to utilize every available resource to help our clients achieve peace of mind related to their future and financial well-being. Founded by CEO Joe Michaletz, DAI has grown to become one of the most well-respected advisors of 1031 Exchange, DST and tax efficient investments in the country.

Through true independence, we believe we can be true fiduciaries for our clients. For us, true independence means that as owners we can choose what to focus on and not be encumbered by corporate goals and profit motives that may be misaligned with our clients' interests. As a result, we can provide our clients with unbiased advice—putting our clients' needs before our own.

DAI WEALTH MANAGEMENT SERVICES

INVESTMENTS

DAI offers personalized, integrated investment strategies and management to individuals and families of significant wealth.

TRUSTS & ESTATE

At DAI, we listen to our clients and learn about what is important to them—their lifestyle, family and ideals—so we can build a long-term plan that meets their unique and changing needs.

WEALTH PLANNING

At DAI, we strive to help our clients transfer not only their wealth to the next generation but also their values.

FAMILY OFFICE

DAI's experience in working with high net worth clients across the country is an invaluable asset when collaborating with existing Family Offices.

Learn more at disciplineadvisors.com.



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