

CASA PALOMA, our \$44 million retail center in Chandler, Arizona featuring national credit tenants such as The Gap, AJ's Fine Foods, Ann Taylor, The Gap, Chico's, Sur La Table, Banana Republic, and Talbot's.

Sophisticated real estate investors are realizing the benefits of fractional ownership in our Institutional-Quality TIC Investments.

TIC (Tenant-in-Common) real estate investments enable individuals to acquire a fractional interest in large retail, office, multi-family, or industrial properties. It's an opportunity to own quality real estate, step away from day-to-day property management, and still satisfy 1031 tax-deferred exchange requirements.

SCI offers Institutional-Quality TIC Investments: prime real estate investments which offer a more stable yield, lower downside risk, and a solid 1031 exchange solution. We're so confident in the quality of our investment opportunities that we buy a significant TIC co-ownership interest in every property we acquire.

We present a rare opportunity in real estate: institutional-quality investments for individual investors.



◆ Diane now owns a fractional interest in a \$75 million apartment building in Atlanta, Georgia

Pride of Ownership.



“I’d love to sell my property, but what would I buy?”

TIC investments make it possible for individuals to own a partial interest in a larger property.

The key is fractional ownership. A group of investors is organized, or “sponsored,” under a TIC structure and, as a group, is able to acquire a large commercial property.

TICs are ideal for sophisticated investors tired of day-to-day property management, but still attracted to the benefits of real estate ownership. TICs share the tax and wealth preservation benefits of sole-owned real estate, offer the same or better cash flow, and eliminate the headaches of day-to-day property management.



A SOLUTION FOR 1031 EXCHANGERS

Many real estate investors take advantage of the “1031 delayed exchange,” a real estate investment technique approved by Congress in 1984. Owners are allowed to sell their property today, identify a “like-kind” exchange property within 45 days, and reinvest the profits within six months, thereby deferring capital gains taxes.

In 2002, the IRS issued guidelines on how groups of investors could pool their equity as “Tenants-in-Common” (TICs), acquire larger properties, and still satisfy their individual 1031 tax-deferred exchange requirements.



OUR ACQUISITION CRITERIA:

- \$15–\$125 million in value
- Prime-quality commercial
- Stabilized occupancy
- Stabilized performance
- Established and growing markets
- Well-located and infill locations
- Risk averse

We focus on the benefits of owning institutional-quality real estate through sponsored TIC investments.

We specialize in acquiring prime properties valued at \$15–\$125 million. This caliber of property is typically owned only by major institutions and is known as “institutional-quality.” Through fractional ownership in a TIC investment, we make this level of quality properties obtainable by the individual investor.

We Own Alongside You

We are confident in the value of our Institutional-Quality TIC Investments. We buy our own significant fractional interest in each property and stand shoulder-to-shoulder with the other co-owners.



RETAIL



OFFICE

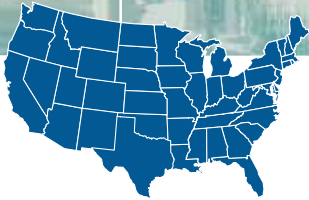


MULTI-FAMILY



INDUSTRIAL





One of the Nation's Largest TIC Sponsors.

Each year, our nationwide offices review thousands of properties. Our experienced acquisitions team has built strong relationships with brokers and sellers, garnering preferential, early look opportunities at many quality properties. Plus, we're known across the industry for our Certainty of Execution,SM a commitment to staying in deals and to closing them quickly, often using our own funds—a major advantage in the acquisition process.



DEER VALLEY VILLAGE, our 832 unit, \$71 million property in Phoenix, Arizona. Acquired in November, 2004 by 35 TIC co-owners including SCI, in the largest multi-family transaction in Arizona state history.

Nationwide, we have acquired over \$1 billion worth of institutional-quality properties from REITs, principals, brokers, and other institutional sellers.

When we see a property that fits our acquisition criteria, we engage in a comprehensive due diligence process with objective, third-party firms. These reports typically include a physical inspection of building engineering, environmental inspections, and appraisal. We then provide copies of the extensive reports to all prospective TIC investors and their advisors for consideration and detailed review.

“How can I own a property like that?”



TENANTS AND SHADOW ANCHORS AT OUR RETAIL PROPERTIES INCLUDE:

- Banana Republic
- Bank of America
- Bed Bath & Beyond
- Borders Books
- Cost Plus
- DSW Shoe Warehouse
- The Gap
- Kohl's
- Marshalls
- Office Depot
- Petco
- Publix
- Talbots
- Washington Mutual



IDEAL FOR SOPHISTICATED REAL ESTATE INVESTORS:

- Rights similar to sole-ownership.
- Fee-simple deed at closing.
- Title insurance coverage.
- Pro-rata share of the monthly income, tax benefits, and appreciation.
- Deferred capital gains taxes.
- Third-party property and asset management with reporting responsibilities to each co-owner.

Institutional-Quality TIC Investments from SCI.

Our Institutional-Quality TIC Investments present 1031 exchangers with an attractive alternative: fractional ownership of a stable, Class-A property.

Acting as a principal, we sponsor a group of investors under a TIC structure. Each of up to 35 co-owners holds an undivided interest and clean title to the property, and has full voting rights on all major issues.

Stable Yield, Lower Risk.

Combining the benefits of stability, quality, solid cash flow, future appreciation, and strong tenancy in well-located areas, our Institutional-Quality TIC Investments also offer the same the tax benefits as sole-owned real estate. Each property is a solid real estate investment administered by astute, major third-party asset and property management firms for a more stable yield and lower downside risk.

Ben satisfied his 1031 exchange requirements as a TIC co-owner in a Southern California office property

Stability in Your Investment.



◆ Nancy sold her strip mall and re-invested in a prime retail property in Phoenix, Arizona

Confidence in Your Decision.



“How should I choose a TIC sponsor?”

A Proven Record

TICs are offered by many companies with many different structures. But few can match our 10+ year track record of success that includes over 120 property acquisitions and a performing portfolio worth over \$1 billion.

Hundreds of investors have chosen SCI as their TIC sponsor, and we're proud that many are repeat investors who also refer their family members.



STRAIGHTFORWARD STRUCTURE:

- All fees associated with our Institutional-Quality TIC Investments are fully disclosed.
- No owner dilution of equity from the exchange.
- 100% of cash flow, depreciation, tax benefits, and appreciation are distributable on a proportionate ownership basis.
- We work directly with 1031 accommodators to facilitate the 1031 exchange process, but we never take possession of any funds. Instead, the investor's 1031 accommodator transfers funds directly to the property escrow account.
- After the acquisition, we still avoid contact with TIC investor funds. All net monthly cash flow is paid by the independent property management company directly to TIC co-owners.