

Q: Why are you offering two classes of common stock and what are the similarities and differences between the classes?

A: We are offering two classes of our common stock in order to provide investors with more flexibility in making their investment in us. Investors can choose to purchase shares of either class of common stock in the offering. Each share of our common stock, regardless of class, will be entitled to one vote per share on matters presented to the common stockholders for approval. The differences between each class relate to the stockholder fees and selling commissions payable in respect of each class. The following summarizes the differences in fees and selling commissions between the classes of our common stock.

Class A Shares

- Subject to the 10% limit on underwriting compensation, Class A Shares have a higher front-end selling commission, which is a one-time fee charged at the time of purchase of the shares, than charged on the Class T Shares. There are ways to reduce these charges. See “Plan of Distribution — Volume Discounts (Class A Shares Only)” for additional information.
- No annual distribution or stockholder servicing fees.

Class T Shares

- Subject to the 10% limit on underwriting compensation, Class T Shares have a lower front-end selling commission than Class A Shares.
- The Company pays, subject to, among other things, the 10% limit on underwriting compensation, distribution and stockholder servicing fees in an annual amount equal to 1.0% of the purchase price per Class T Share sold in the primary offering (or, once reported, the amount of our estimated value per share), payable on a monthly basis. This fee is not charged on Class A Shares and, all things equal, will result in the per share distributions on the Class T Shares being less than the per share distributions on the Class A Shares. There is no assurance we will pay distributions in any particular amount, if at all.

The distribution and stockholder servicing fee will be paid on each Class T Share that is purchased in the primary offering. We will cease paying the distribution and stockholder servicing fee with respect to any particular Class T Share and that Class T Share will convert into a Class A Share by multiplying each Class T Share to be converted by the “Conversion Rate” described herein on the earlier of (i) a listing of the Class A Shares on a national securities exchange; (ii) a merger or consolidation of the Company with or into another entity, or the sale or other disposition of all or substantially all of the Company’s assets; (iii) the end of the month in which the Dealer Manager’s determines that total underwriting compensation paid in the primary offering plus the distribution and stockholder servicing fee paid on all Class T Shares sold in the primary offering is equal to 10% of the gross proceeds of the primary offering from the sale of both Class A Shares and Class T Shares; and (iv) the end of the month in which the underwriting compensation paid in the primary offering plus the distribution and stockholder servicing fee paid with respect to that Class T Share equals 10% of the gross offering price of

that Class T Share. In the case of a Class T Share purchased in the primary offering at a price equal to \$23.95, the maximum distribution and stockholder servicing fee that may be paid on that Class T Share will be equal to approximately \$1.26 per share. Although we cannot predict the length of time over which this fee will be paid due to potential changes in the estimated value of our Class T Shares, this fee would be paid over approximately 5.25 years from the date of purchase, assuming a constant estimated value of \$23.95 per Class T Share. The Conversion Rate will be equal to the quotient, the numerator of which is the estimated value per Class T Share (including any reduction for distribution and stockholder servicing fees as described herein) and the denominator of which is the estimated value per Class A Share. See “ERISA Considerations — Annual Valuation Requirement.” Persons wishing to purchase Class T Shares at multiple times during the primary offering must open a separate account for each purchase. See “Description of Securities — General Description of Shares — Class T Shares” for further details. In addition to the above circumstances, we will further cease paying the distribution and stockholder servicing fee on any Class T Share that is redeemed or repurchased or upon the Company’s liquidation, dissolution or winding up.

If we liquidate (voluntarily or otherwise), dissolve or wind up our affairs, then, immediately before such liquidation, dissolution or winding up, our Class T Shares will automatically convert to Class A Shares at the Conversion Rate and our net assets, or the proceeds therefrom, will be distributed to the holders of Class A Shares, which will include all converted Class T Shares, in accordance with their proportionate interests.

The per share amount of distributions on Class A Shares and Class T Shares will differ because of the distribution and stockholder servicing fee. If the distribution and stockholder servicing fee paid by the Company exceeds the amount distributed to holders of Class T Shares in a particular period, the estimated value per Class T Share would be permanently reduced by an amount equal to the Excess Fee for the applicable period divided by the number of Class T Shares outstanding at the end of the applicable period, reducing both the estimated value of the Class T Shares used for conversion purposes and the Conversion Rate described herein.

Inland Securities or any of its or our directors, officers, employees or affiliates or any directors, officers and employees of its affiliates, or any family members of those individuals (including spouses, parents, grandparents, children and siblings), may purchase Class A Shares net of sales commissions and the dealer manager fee for \$22.81 per Class A Share.