

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name PECO-ARC INSTITUTIONAL REIT LLC		2 Issuer's employer identification number (EIN) 45-3274671	
3 Name of contact for additional information SCOTT NEKOLNY	4 Telephone No. of contact 513-618-4439	5 Email address of contact SNEKOLNY@PHILLIPSEDISON.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 11501 NORTHLAKE DRIVE		7 City, town, or post office, state, and Zip code of contact CINCINNATI, OH 45249-1669	
8 Date of action JANUARY 2015		9 Classification and description COMMON STOCK	
10 CUSIP number N/A	11 Serial number(s) N/A	12 Ticker symbol N/A	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **IN JANUARY 2015, PECO-ARC INSTITUTIONAL REIT LLC PAID A DISTRIBUTION OF \$2,179,397.99, OF THIS AMOUNT, \$1,026,280.14 OR 47.09% OF THE TOTAL IS A NONTAXABLE RETURN OF CAPITAL. AT THE TIME OF THE DISTRIBUTION, THE TAXPAYER'S EARNINGS AND PROFITS WERE NOT CALCULATED AND THE PORTION OF THE DISTRIBUTION THAT WOULD BE TREATED AS A RETURN OF CAPITAL WAS UNCERTAIN. PURSUANT TO TREASURY REGULATION 1.6042-3(C), THE TAXPAYER PRESUMED 100% OF THE DISTRIBUTION TO BE A TAXABLE DIVIDEND, AND THEREFORE, WAS NOT REQUIRED TO FILE A FORM 8937. THE TAXPAYER ESTIMATED ITS EARNINGS AND PROFITS CALCULATION ON DECEMBER 31, 2015, AND AT THAT TIME IT WAS DETERMINED THAT 47.09% OF ITS DISTRIBUTION WAS A RETURN OF CAPITAL. THE TAXPAYER IS FILING THIS FORM 8937 ON THE EARLIER OF JANUARY 15, 2016 OR 45 DAYS AFTER DECEMBER 31, 2015, THE DATE ON WHICH ITS EARNINGS AND PROFITS CALCULATION WAS ESTIMATED.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **SEE LINE 14 ABOVE**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **SEE LINE 14 ABOVE**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC SECTION 301(C)(2)

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	Signature ▶ <u>Jeffrey S. Edison</u>	Date ▶ <u>1/12/16</u>		
Paid Preparer Use Only	Print your name ▶ <u>Jeffrey S. Edison</u>	Preparer's signature	Title ▶ <u>CEO</u>	Check <input type="checkbox"/> if self-employed
	Print/Type preparer's name		Date	PTIN
	Firm's name ▶			Firm's EIN ▶
	Firm's address ▶			Phone no.

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
PECO-ARC INSTITUTIONAL REIT LLC		45-3274671	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
SCOTT NEKOLNY	513-618-4439	SNEKOLNY@PHILLIPSEDISON.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
11501 NORTHLAKE DRIVE		CINCINNATI, OH 45249-1669	
8 Date of action		9 Classification and description	
FEBRUARY 2015		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
N/A	N/A	N/A	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ IN FEBRUARY 2015, PECO-ARC INSTITUTIONAL REIT LLC PAID A DISTRIBUTION OF \$200,000.00 OF THIS AMOUNT, \$94,180.15 OR 47.09% OF THE TOTAL IS A NONTAXABLE RETURN OF CAPITAL. AT THE TIME OF THE DISTRIBUTION, THE TAXPAYER'S EARNINGS AND PROFITS WERE NOT CALCULATED AND THE PORTION OF THE DISTRIBUTION THAT WOULD BE TREATED AS A RETURN OF CAPITAL WAS UNCERTAIN. PURSUANT TO TREASURY REGULATION 1.6042-3(C), THE TAXPAYER PRESUMED 100% OF THE DISTRIBUTION TO BE A TAXABLE DIVIDEND, AND THEREFORE, WAS NOT REQUIRED TO FILE A FORM 8937. THE TAXPAYER ESTIMATED ITS EARNINGS AND PROFITS CALCULATION ON DECEMBER 31, 2015, AND AT THAT TIME IT WAS DETERMINED THAT 47.09% OF ITS DISTRIBUTION WAS A RETURN OF CAPITAL. THE TAXPAYER IS FILING THIS FORM 8937 ON THE EARLIER OF JANUARY 15, 2016 OR 45 DAYS AFTER DECEMBER 31, 2015, THE DATE ON WHICH ITS EARNINGS AND PROFITS CALCULATION WAS ESTIMATED.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ SEE LINE 14 ABOVE

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ SEE LINE 14 ABOVE

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
IRC SECTION 301(C)(2)

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ Jeffrey S. Edison Date ▶ 1/12/16
Print your name ▶ Jeffreys. Edison Title ▶ CEO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name PECO-ARC INSTITUTIONAL REIT LLC		2 Issuer's employer identification number (EIN) 45-3274671	
3 Name of contact for additional information SCOTT NEKOLNY	4 Telephone No. of contact 513-618-4439	5 Email address of contact SNEKOLNY@PHILLIPSEDISON.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 11501 NORTHLAKE DRIVE		7 City, town, or post office, state, and Zip code of contact CINCINNATI, OH 45249-1669	
8 Date of action MARCH 2015		9 Classification and description COMMON STOCK	
10 CUSIP number N/A	11 Serial number(s) N/A	12 Ticker symbol N/A	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **IN MARCH 2015, PECO-ARC INSTITUTIONAL REIT LLC PAID A DISTRIBUTION OF \$3,205,008.91 OF THIS AMOUNT, \$1,509,241.08 OR 47.09% OF THE TOTAL IS A NONTAXABLE RETURN OF CAPITAL. AT THE TIME OF THE DISTRIBUTION, THE TAXPAYER'S EARNINGS AND PROFITS WERE NOT CALCULATED AND THE PORTION OF THE DISTRIBUTION THAT WOULD BE TREATED AS A RETURN OF CAPITAL WAS UNCERTAIN. PURSUANT TO TREASURY REGULATION 1.6042-3(C), THE TAXPAYER PRESUMED 100% OF THE DISTRIBUTION TO BE A TAXABLE DIVIDEND, AND THEREFORE, WAS NOT REQUIRED TO FILE A FORM 8937. THE TAXPAYER ESTIMATED ITS EARNINGS AND PROFITS CALCULATION ON DECEMBER 31, 2015, AND AT THAT TIME IT WAS DETERMINED THAT 47.09% OF ITS DISTRIBUTION WAS A RETURN OF CAPITAL. THE TAXPAYER IS FILING THIS FORM 8937 ON THE EARLIER OF JANUARY 15, 2016 OR 45 DAYS AFTER DECEMBER 31, 2015, THE DATE ON WHICH ITS EARNINGS AND PROFITS CALCULATION WAS ESTIMATED.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **SEE LINE 14 ABOVE**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **SEE LINE 14 ABOVE**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► IRC SECTION 301(C)(2)

18 Can any resulting loss be recognized? ► N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► N/A

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	Signature ► <u><i>Jeffrey S. Edison</i></u>	Date ► <u>1/12/16</u>		
Paid Preparer Use Only	Print your name ► <u>Jeffrey S. Edison</u>	Title ► <u>CEO</u>		
	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ►	Firm's EIN ►		
	Firm's address ►	Phone no.		

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
PECO-ARC INSTITUTIONAL REIT LLC		45-3274671	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
SCOTT NEKOLNY	513-618-4439	SNEKOLNY@PHILLIPSEDISON.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
11501 NORTHLAKE DRIVE		CINCINNATI, OH 45249-1669	
8 Date of action		9 Classification and description	
APRIL 2015		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
N/A	N/A	N/A	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **IN APRIL 2015, PECO-ARC INSTITUTIONAL REIT LLC PAID A DISTRIBUTION OF \$1,101,792.12 OF THIS AMOUNT, \$518,834.73 OR 47.09% OF THE TOTAL IS A NONTAXABLE RETURN OF CAPITAL. AT THE TIME OF THE DISTRIBUTION, THE TAXPAYER'S EARNINGS AND PROFITS WERE NOT CALCULATED AND THE PORTION OF THE DISTRIBUTION THAT WOULD BE TREATED AS A RETURN OF CAPITAL WAS UNCERTAIN. PURSUANT TO TREASURY REGULATION 1.6042-3(C), THE TAXPAYER PRESUMED 100% OF THE DISTRIBUTION TO BE A TAXABLE DIVIDEND, AND THEREFORE, WAS NOT REQUIRED TO FILE A FORM 8937. THE TAXPAYER ESTIMATED ITS EARNINGS AND PROFITS CALCULATION ON DECEMBER 31, 2015, AND AT THAT TIME IT WAS DETERMINED THAT 47.09% OF ITS DISTRIBUTION WAS A RETURN OF CAPITAL. THE TAXPAYER IS FILING THIS FORM 8937 ON THE EARLIER OF JANUARY 15, 2016 OR 45 DAYS AFTER DECEMBER 31, 2015, THE DATE ON WHICH ITS EARNINGS AND PROFITS CALCULATION WAS ESTIMATED.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **SEE LINE 14 ABOVE**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **SEE LINE 14 ABOVE**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
IRC SECTION 301(C)(2)

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ *Jeffrey S. Edison* Date ▶ 1/12/16
Print your name ▶ Jeffrey S. Edison Title ▶ CEO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
PECO-ARC INSTITUTIONAL REIT LLC		45-3274671	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
SCOTT NEKOLNY	513-618-4439	SNEKOLNY@PHILLIPSEDISON.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
11501 NORTHLAKE DRIVE		CINCINNATI, OH 45249-1669	
8 Date of action		9 Classification and description	
MAY 2015		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
N/A	N/A	N/A	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ IN MAY 2015, PECO-ARC INSTITUTIONAL REIT LLC PAID A DISTRIBUTION OF \$496,791.62 OF THIS AMOUNT, \$233,939.54 OR 47.09% OF THE TOTAL IS A NONTAXABLE RETURN OF CAPITAL. AT THE TIME OF THE DISTRIBUTION, THE TAXPAYER'S EARNINGS AND PROFITS WERE NOT CALCULATED AND THE PORTION OF THE DISTRIBUTION THAT WOULD BE TREATED AS A RETURN OF CAPITAL WAS UNCERTAIN. PURSUANT TO TREASURY REGULATION 1.6042-3(C), THE TAXPAYER PRESUMED 100% OF THE DISTRIBUTION TO BE A TAXABLE DIVIDEND, AND THEREFORE, WAS NOT REQUIRED TO FILE A FORM 8937. THE TAXPAYER ESTIMATED ITS EARNINGS AND PROFITS CALCULATION ON DECEMBER 31, 2015, AND AT THAT TIME IT WAS DETERMINED THAT 47.09% OF ITS DISTRIBUTION WAS A RETURN OF CAPITAL. THE TAXPAYER IS FILING THIS FORM 8937 ON THE EARLIER OF JANUARY 15, 2016 OR 45 DAYS AFTER DECEMBER 31, 2015, THE DATE ON WHICH ITS EARNINGS AND PROFITS CALCULATION WAS ESTIMATED.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ SEE LINE 14 ABOVE

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ SEE LINE 14 ABOVE

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC SECTION 301(C)(2)

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

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	Signature ▶ <u>Jeffrey S. Edison</u>	Date ▶ <u>1/12/16</u>		
	Print your name ▶ <u>Jeffrey S. Edison</u>	Title ▶ <u>CEO</u>		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶			Firm's EIN ▶
	Firm's address ▶			Phone no.

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
PECO-ARC INSTITUTIONAL REIT LLC		45-3274671	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
SCOTT NEKOLNY	513-618-4439	SNEKOLNY@PHILLIPSEDISON.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
11501 NORTHLAKE DRIVE		CINCINNATI, OH 45249-1669	
8 Date of action		9 Classification and description	
JUNE 2015		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
N/A	N/A	N/A	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ IN JUNE 2015, PECO-ARC INSTITUTIONAL REIT LLC PAID A DISTRIBUTION OF \$1,800,036.33 OF THIS AMOUNT, \$847,638.45 OR 47.09% OF THE TOTAL IS A NONTAXABLE RETURN OF CAPITAL. AT THE TIME OF THE DISTRIBUTION, THE TAXPAYER'S EARNINGS AND PROFITS WERE NOT CALCULATED AND THE PORTION OF THE DISTRIBUTION THAT WOULD BE TREATED AS A RETURN OF CAPITAL WAS UNCERTAIN. PURSUANT TO TREASURY REGULATION 1.6042-3(C), THE TAXPAYER PRESUMED 100% OF THE DISTRIBUTION TO BE A TAXABLE DIVIDEND, AND THEREFORE, WAS NOT REQUIRED TO FILE A FORM 8937. THE TAXPAYER ESTIMATED ITS EARNINGS AND PROFITS CALCULATION ON DECEMBER 31, 2015, AND AT THAT TIME IT WAS DETERMINED THAT 47.09% OF ITS DISTRIBUTION WAS A RETURN OF CAPITAL. THE TAXPAYER IS FILING THIS FORM 8937 ON THE EARLIER OF JANUARY 15, 2016 OR 45 DAYS AFTER DECEMBER 31, 2015, THE DATE ON WHICH ITS EARNINGS AND PROFITS CALCULATION WAS ESTIMATED.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ SEE LINE 14 ABOVE

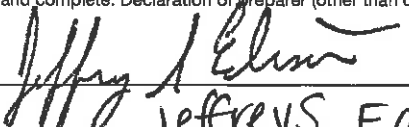
16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ SEE LINE 14 ABOVE

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC SECTION 301(C)(2)

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	Signature ▶		Date ▶	<u>1/12/16</u>
	Print your name ▶	<u>Jeffrey S. Edison</u>	Title ▶	<u>CEO</u>
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶			Firm's EIN ▶
	Firm's address ▶			Phone no.

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
PECO-ARC INSTITUTIONAL REIT LLC		45-3274671	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
SCOTT NEKOLNY	513-618-4439	SNEKOLNY@PHILLIPSEDISON.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
11501 NORTHLAKE DRIVE		CINCINNATI, OH 45249-1669	
8 Date of action		9 Classification and description	
JULY 2015		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
N/A	N/A	N/A	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **IN JULY 2015, PECO-ARC INSTITUTIONAL REIT LLC PAID A DISTRIBUTION OF \$2,853,491.44 OF THIS AMOUNT, \$1,343,711.24 OR 47.09% OF THE TOTAL IS A NONTAXABLE RETURN OF CAPITAL. AT THE TIME OF THE DISTRIBUTION, THE TAXPAYER'S EARNINGS AND PROFITS WERE NOT CALCULATED AND THE PORTION OF THE DISTRIBUTION THAT WOULD BE TREATED AS A RETURN OF CAPITAL WAS UNCERTAIN. PURSUANT TO TREASURY REGULATION 1.6042-3(C), THE TAXPAYER PRESUMED 100% OF THE DISTRIBUTION TO BE A TAXABLE DIVIDEND, AND THEREFORE, WAS NOT REQUIRED TO FILE A FORM 8937. THE TAXPAYER ESTIMATED ITS EARNINGS AND PROFITS CALCULATION ON DECEMBER 31, 2015, AND AT THAT TIME IT WAS DETERMINED THAT 47.09% OF ITS DISTRIBUTION WAS A RETURN OF CAPITAL. THE TAXPAYER IS FILING THIS FORM 8937 ON THE EARLIER OF JANUARY 15, 2016 OR 45 DAYS AFTER DECEMBER 31, 2015, THE DATE ON WHICH ITS EARNINGS AND PROFITS CALCULATION WAS ESTIMATED.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **SEE LINE 14 ABOVE**

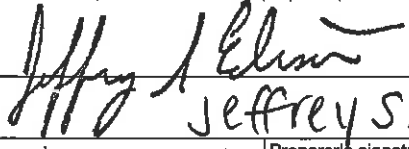
16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **SEE LINE 14 ABOVE**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
IRC SECTION 301(C)(2)

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

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	Signature ▶		Date ▶	1/12/16
	Print your name ▶	Jeffrey S. Edison	Title ▶	CEO
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶			Firm's EIN ▶
	Firm's address ▶			Phone no.

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer			
1 Issuer's name		2 Issuer's employer identification number (EIN)	
PECO-ARC INSTITUTIONAL REIT LLC		45-3274671	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
SCOTT NEKOLNY	513-618-4439	SNEKOLNY@PHILLIPSEDISON.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
11501 NORTHLAKE DRIVE		CINCINNATI, OH 45249-1669	
8 Date of action		9 Classification and description	
AUGUST 2015		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
N/A	N/A	N/A	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ IN AUGUST 2015, PECO-ARC INSTITUTIONAL REIT LLC PAID A DISTRIBUTION OF \$1,600,000.00 OF THIS AMOUNT, \$753,441.19 OR 47.09% OF THE TOTAL IS A NONTAXABLE RETURN OF CAPITAL. AT THE TIME OF THE DISTRIBUTION, THE TAXPAYER'S EARNINGS AND PROFITS WERE NOT CALCULATED AND THE PORTION OF THE DISTRIBUTION THAT WOULD BE TREATED AS A RETURN OF CAPITAL WAS UNCERTAIN. PURSUANT TO TREASURY REGULATION 1.6042-3(C), THE TAXPAYER PRESUMED 100% OF THE DISTRIBUTION TO BE A TAXABLE DIVIDEND, AND THEREFORE, WAS NOT REQUIRED TO FILE A FORM 8937. THE TAXPAYER ESTIMATED ITS EARNINGS AND PROFITS CALCULATION ON DECEMBER 31, 2015, AND AT THAT TIME IT WAS DETERMINED THAT 47.09% OF ITS DISTRIBUTION WAS A RETURN OF CAPITAL. THE TAXPAYER IS FILING THIS FORM 8937 ON THE EARLIER OF JANUARY 15, 2016 OR 45 DAYS AFTER DECEMBER 31, 2015, THE DATE ON WHICH ITS EARNINGS AND PROFITS CALCULATION WAS ESTIMATED.

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Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC SECTION 301(C)(2)

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ *Jeffrey S. Edison* Date ▶ 1/12/16
Print your name ▶ Jeffrey S. Edison Title ▶ CEO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name PECO-ARC INSTITUTIONAL REIT LLC		2 Issuer's employer identification number (EIN) 45-3274671	
3 Name of contact for additional information SCOTT NEKOLNY	4 Telephone No. of contact 513-618-4439	5 Email address of contact SNEKOLNY@PHILLIPSEDISON.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 11501 NORTHLAKE DRIVE		7 City, town, or post office, state, and Zip code of contact CINCINNATI, OH 45249-1669	
8 Date of action SEPTEMBER 2015	9 Classification and description COMMON STOCK		
10 CUSIP number N/A	11 Serial number(s) N/A	12 Ticker symbol N/A	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **IN SEPTEMBER 2015, PECO-ARC INSTITUTIONAL REIT LLC PAID A DISTRIBUTION OF \$1,350,000.00 OF THIS AMOUNT, \$635,716.00 OR 47.09% OF THE TOTAL IS A NONTAXABLE RETURN OF CAPITAL. AT THE TIME OF THE DISTRIBUTION, THE TAXPAYER'S EARNINGS AND PROFITS WERE NOT CALCULATED AND THE PORTION OF THE DISTRIBUTION THAT WOULD BE TREATED AS A RETURN OF CAPITAL WAS UNCERTAIN. PURSUANT TO TREASURY REGULATION 1.6042-3(C), THE TAXPAYER PRESUMED 100% OF THE DISTRIBUTION TO BE A TAXABLE DIVIDEND, AND THEREFORE, WAS NOT REQUIRED TO FILE A FORM 8937. THE TAXPAYER ESTIMATED ITS EARNINGS AND PROFITS CALCULATION ON DECEMBER 31, 2015, AND AT THAT TIME IT WAS DETERMINED THAT 47.09% OF ITS DISTRIBUTION WAS A RETURN OF CAPITAL. THE TAXPAYER IS FILING THIS FORM 8937 ON THE EARLIER OF JANUARY 15, 2016 OR 45 DAYS AFTER DECEMBER 31, 2015, THE DATE ON WHICH ITS EARNINGS AND PROFITS CALCULATION WAS ESTIMATED.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **SEE LINE 14 ABOVE**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **SEE LINE 14 ABOVE**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____

IRC SECTION 301(C)(2)

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ *Jeffrey S. Edison* Date ▶ 1/12/16
Print your name ▶ Jeffrey S. Edison Title ▶ CEO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
PECO-ARC INSTITUTIONAL REIT LLC		45-3274671	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
SCOTT NEKOLNY	513-618-4439	SNEKOLNY@PHILLIPSEDISON.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
11501 NORTHLAKE DRIVE		CINCINNATI, OH 45249-1669	
8 Date of action		9 Classification and description	
OCTOBER 2015		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
N/A	N/A	N/A	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ IN OCTOBER 2015, PECO-ARC INSTITUTIONAL REIT LLC PAID A DISTRIBUTION OF \$1,900,000.00 OF THIS AMOUNT, \$894,711.41 OR 47.09% OF THE TOTAL IS A NONTAXABLE RETURN OF CAPITAL. AT THE TIME OF THE DISTRIBUTION, THE TAXPAYER'S EARNINGS AND PROFITS WERE NOT CALCULATED AND THE PORTION OF THE DISTRIBUTION THAT WOULD BE TREATED AS A RETURN OF CAPITAL WAS UNCERTAIN. PURSUANT TO TREASURY REGULATION 1.6042-3(C), THE TAXPAYER PRESUMED 100% OF THE DISTRIBUTION TO BE A TAXABLE DIVIDEND, AND THEREFORE, WAS NOT REQUIRED TO FILE A FORM 8937. THE TAXPAYER ESTIMATED ITS EARNINGS AND PROFITS CALCULATION ON DECEMBER 31, 2015, AND AT THAT TIME IT WAS DETERMINED THAT 47.09% OF ITS DISTRIBUTION WAS A RETURN OF CAPITAL. THE TAXPAYER IS FILING THIS FORM 8937 ON THE EARLIER OF JANUARY 15, 2016 OR 45 DAYS AFTER DECEMBER 31, 2015, THE DATE ON WHICH ITS EARNINGS AND PROFITS CALCULATION WAS ESTIMATED.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ SEE LINE 14 ABOVE

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ SEE LINE 14 ABOVE

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC SECTION 301(C)(2)

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	Signature ▶ <u>Jeffrey S. Edison</u>	Date ▶ <u>1/12/16</u>		
Paid Preparer Use Only	Print your name ▶ <u>Jeffrey S. Edison</u>	Title ▶ <u>CEO</u>		
	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶			Firm's EIN ▶
	Firm's address ▶			Phone no.

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name PECO-ARC INSTITUTIONAL REIT LLC		2 Issuer's employer identification number (EIN) 45-3274671	
3 Name of contact for additional information SCOTT NEKOLNY	4 Telephone No. of contact 513-618-4439	5 Email address of contact SNEKOLNY@PHILLIPSEDISON.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 11501 NORTHLAKE DRIVE		7 City, town, or post office, state, and Zip code of contact CINCINNATI, OH 45249-1669	
8 Date of action NOVEMBER 2015		9 Classification and description COMMON STOCK	
10 CUSIP number N/A	11 Serial number(s) N/A	12 Ticker symbol N/A	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **IN NOVEMBER 2015, PECO-ARC INSTITUTIONAL REIT LLC PAID A DISTRIBUTION OF \$1,250,000.00 OF THIS AMOUNT, \$588,625.93 OR 47.09% OF THE TOTAL IS A NONTAXABLE RETURN OF CAPITAL. AT THE TIME OF THE DISTRIBUTION, THE TAXPAYER'S EARNINGS AND PROFITS WERE NOT CALCULATED AND THE PORTION OF THE DISTRIBUTION THAT WOULD BE TREATED AS A RETURN OF CAPITAL WAS UNCERTAIN. PURSUANT TO TREASURY REGULATION 1.6042-3(C), THE TAXPAYER PRESUMED 100% OF THE DISTRIBUTION TO BE A TAXABLE DIVIDEND, AND THEREFORE, WAS NOT REQUIRED TO FILE A FORM 8937. THE TAXPAYER ESTIMATED ITS EARNINGS AND PROFITS CALCULATION ON DECEMBER 31, 2015, AND AT THAT TIME IT WAS DETERMINED THAT 47.09% OF ITS DISTRIBUTION WAS A RETURN OF CAPITAL. THE TAXPAYER IS FILING THIS FORM 8937 ON THE EARLIER OF JANUARY 15, 2016 OR 45 DAYS AFTER DECEMBER 31, 2015, THE DATE ON WHICH ITS EARNINGS AND PROFITS CALCULATION WAS ESTIMATED.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **SEE LINE 14 ABOVE**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **SEE LINE 14 ABOVE**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC SECTION 301(C)(2)

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ *Jeffrey S. Edison* Date ▶ 1/12/16
Print your name ▶ JEFFREY S. EDISON Title ▶ CEO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name PECO-ARC INSTITUTIONAL REIT LLC		2 Issuer's employer identification number (EIN) 45-3274671	
3 Name of contact for additional information SCOTT NEKOLNY	4 Telephone No. of contact 513-618-4439	5 Email address of contact SNEKOLNY@PHILLIPSEDISON.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 11501 NORTHLAKE DRIVE		7 City, town, or post office, state, and Zip code of contact CINCINNATI, OH 45249-1669	
8 Date of action DECEMBER 2015	9 Classification and description COMMON STOCK		
10 CUSIP number N/A	11 Serial number(s) N/A	12 Ticker symbol N/A	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **IN DECEMBER 2015, PECO-ARC INSTITUTIONAL REIT LLC PAID A DISTRIBUTION OF \$1,400,017.96 OF THIS AMOUNT, \$659,269.50 OR 47.09% OF THE TOTAL IS A NONTAXABLE RETURN OF CAPITAL. AT THE TIME OF THE DISTRIBUTION, THE TAXPAYER'S EARNINGS AND PROFITS WERE NOT CALCULATED AND THE PORTION OF THE DISTRIBUTION THAT WOULD BE TREATED AS A RETURN OF CAPITAL WAS UNCERTAIN. PURSUANT TO TREASURY REGULATION 1.6042-3(C), THE TAXPAYER PRESUMED 100% OF THE DISTRIBUTION TO BE A TAXABLE DIVIDEND, AND THEREFORE, WAS NOT REQUIRED TO FILE A FORM 8937. THE TAXPAYER ESTIMATED ITS EARNINGS AND PROFITS CALCULATION ON DECEMBER 31, 2015, AND AT THAT TIME IT WAS DETERMINED THAT 47.09% OF ITS DISTRIBUTION WAS A RETURN OF CAPITAL. THE TAXPAYER IS FILING THIS FORM 8937 ON THE EARLIER OF JANUARY 15, 2016 OR 45 DAYS AFTER DECEMBER 31, 2015, THE DATE ON WHICH ITS EARNINGS AND PROFITS CALCULATION WAS ESTIMATED.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **SEE LINE 14 ABOVE**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **SEE LINE 14 ABOVE**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
IRC SECTION 301(C)(2)

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	Signature ▶	<i>Jeffrey S. Edison</i>	Date ▶	<u>1/12/16</u>
Paid Preparer Use Only	Print your name ▶	<u>Jeffrey S. Edison</u>	Title ▶	<u>CEO</u>
	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶		Firm's EIN ▶	
	Firm's address ▶		Phone no.	