

WINSTON-SALEM OFFICE DST

The BB&T Financial Center in
Winston-Salem, North Carolina



PRIVATE PLACEMENT MEMORANDUM

For the exclusive use of: _____

Memorandum ID# _____

The Date of this Private Placement Memorandum is
January 20, 2012.

CONFIDENTIAL



Investing in DST Interests involves a high degree of risk. Before investing you should review the "Risk Factors" beginning on page XX.

The companies depicted herein may have proprietary interests in their respective trademarks and tradenames. Nothing herein shall be considered an endorsement, authorization or approval of Inland Private Capital Corporation, or the investment vehicles it may offer, the aforementioned companies. Further, the aforementioned companies are not affiliated with Inland Private Capital Corporation in any manner.

WINSTON-SALEM OFFICE DST

Winston-Salem Office DST is a Delaware Statutory Trust which owns the property located at 200 West Second Street, Winston-Salem, Forsyth County, North Carolina 27101 (the “Property”), commonly known as the BB&T Financial Center Building (the “Building”). The Building is currently occupied by three tenants (the “Property Tenants”, each as defined in the PPM), BB&T, occupying 219,261 square feet, the Piedmont Club, occupying 13,762 square feet and Chicago Title, occupying 4,212 square feet. See *“Summary of the Lease – Property Description – The Property Leases.”*



The Property Tenants Branch Banking and Trust Company

Branch Banking and Trust Company (“BB&T”) was chartered in 1872 and is the largest, wholly-owned subsidiary of BB&T Corporation (“BB&T Corp.”). BB&T Corp. is a financial holding company headquartered in Winston-Salem, North Carolina that conducts its business operations primarily through BB&T, its commercial bank subsidiary, and receives a majority of its revenue from dividends paid to it by BB&T. BB&T Corp. has paid a cash dividend to its shareholders every year since 1903.

BB&T operates approximately 1,800 financial centers in North Carolina, Virginia, Florida, Georgia, Maryland, South Carolina, Alabama, Kentucky, West Virginia, Tennessee, Texas, Washington D.C. and Indiana. BB&T provides a range of banking services to individuals and businesses, and offers a variety of loans and financial services products to businesses and municipal governments; factoring; discount brokerage services, annuities and mutual funds; life insurance, property and casualty insurance, health insurance and commercial general liability insurance on an agency basis and through a wholesale insurance brokerage operation; insurance premium financing; permanent financing arrangements for commercial real estate; loan servicing for third-party investors; direct consumer finance loans to individuals; trust and comprehensive wealth advisory services and association services.

BB&T Corp.’s common stock is listed on the New York Stock Exchange under the symbol “BBT”. As of the date of this Offering, BB&T Corp. has credit ratings of A- and A2 by Standard & Poor’s and Moody’s, respectively. Standard & Poor’s derived such credit rating on December 6, 2011 and Moody’s derived such credit rating on December 20, 2010. BB&T Corp. does not guarantee the BB&T Lease as defined herein. See *“Frequently Asked Questions – Who is Branch Banking and Trust Company?”*

The Master Tenant

Winston-Salem LeaseCo, L.L.C. (the “Master Tenant”), a newly formed Delaware limited liability company wholly-owned by IPC Corp., is the landlord under the BB&T Lease, the Piedmont Club Lease and the Chicago Title Lease. The Trust has assigned its interest in the BB&T Lease, the Piedmont Club Lease and the Chicago Title Lease to the Master Tenant and entered into the Master Lease with the Master Tenant. IPC Corp. has capitalized the Master Tenant through a Demand Note in the amount of \$250,000. The Master Lease is required by the Lender, and its purpose is to permit the Master Tenant to operate the Property on behalf of the Trust and to enable actions to be taken with respect to the premises leased by each Property Tenant that the Trust would be unable to take due to tax law-related restrictions, including but not limited to a restriction against releasing the Property. See “*Summary of the Offering – The Leases*” and “*Summary of the Leases.*”



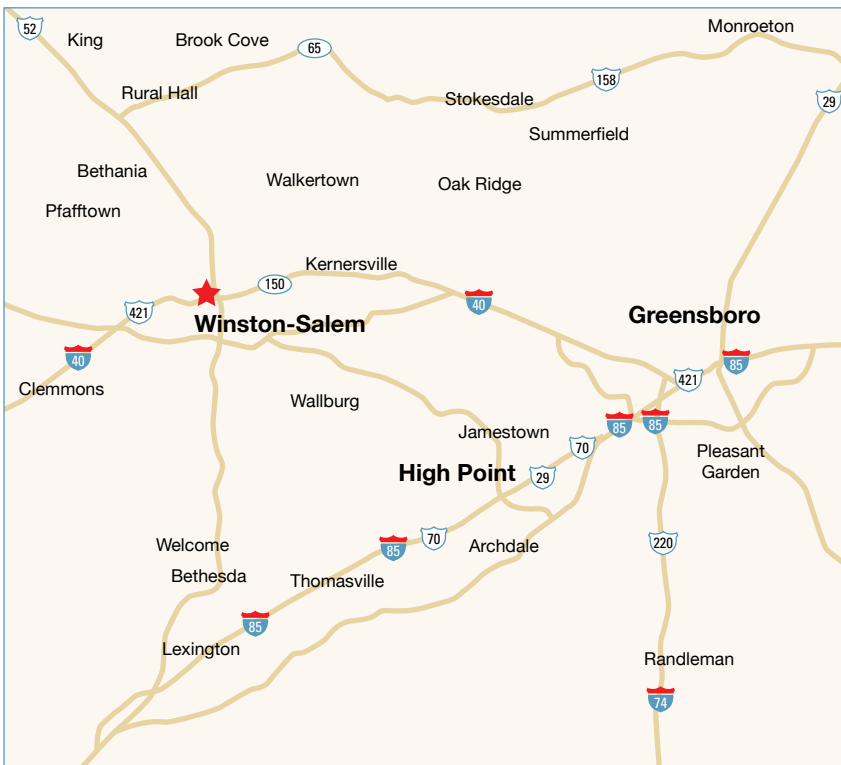
Piedmont Club

Established in 1987, Piedmont Club, Inc. (“Piedmont Club”) fosters a diversity of membership that has made it a business and social hub of the community. Located on the 19th floor of the Building, the Club offers panoramic views of downtown Winston-Salem, full service dining, professional event and wedding planning staff, and space to host business meetings, private events, wine tastings, seminars, dinners, cooking classes, golf events, and luncheons. The Piedmont Club is a member of the ClubCorp. Network. Founded in 1957, Dallas-based ClubCorp. Network is a leader in private clubs. ClubCorp. Network owns or operates a network of more than 150 golf and country clubs, business clubs, sports clubs and alumni clubs in 25 states, the District of Columbia and two foreign countries. See “*Frequently Asked Questions – Who is Piedmont Club, Inc.?*”



The Location

The property is located in the Greensboro/High Point/Winston-Salem Metropolitan Statistical Area (the “Triad”). Winston-Salem is situated approximately 25 miles west of Greensboro, along the Interstate 40 corridor. During the last decade, the merging population and economic interests of these three cities of the Triad have not only reflected the general growth of the area but have become a stimulus for continued growth. For purposes of economic development, these three cities are now often marketed as one entity, centered around the Piedmont Triad International Airport.





The Central Business District's central location has contributed to its emergence as a regional distribution center. Major distribution facilities in the area include K-Mart, Polo-Ralph Lauren, and Capital-EMI Music Company. FedEx selected Piedmont Triad International Airport ("PTIA") for a hub between Newark, New Jersey and Miami, Florida. FedEx Ground, a separate operation from the air service, is currently building a new \$110 million, 400,000 square foot facility on 125 acres in the Triad just west of the airport submarket. Honda Aero has selected Greensboro to manufacture its new corporate jet and it will locate at PTIA. Honda already has corporate headquarters in Greensboro. The city has turned towards nanotech, high-tech, and bio tech industries. The presence of Wake Forest University and its associated Baptist Medical Center provide research capabilities. Area community colleges are developing curricula to meet the new skill requirements that will help in the transition to a more tech-based economy.

Source: CBRE Self-Contained Appraisal dated November 9, 2011

The Central Business District and its immediate surrounding area is almost 100% developed with very little land available for new construction. Finally, overall business and labor costs are about 20% below average. Thus, new and expanding businesses find a competitive environment in Winston-Salem. The population within a five mile radius of the property is 162,599 with an estimated average household income of \$54,305. See "*Market Analysis and Overview.*"



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The Property

The Property, located in Winston-Salem's central business district at 200 West Second Street, Winston-Salem, Forsyth County, North Carolina 27101, consists of a 1.22-acre (53,322 square foot) parcel of land upon which is located the BB&T Financial Center, a Class A 19-story office tower comprised of 239,854 rentable square feet. Built in 1986-1987 and renovated in 2001-2003, the Property presents a striking addition to Downtown Winston-Salem's skyline. The Property is situated in the center of business and government activity for the city. The Property is within walking distance of Historic Old Salem and offers convenient access to I-40 and U.S. 52.



The property has a poured-in-place concrete structure with a blue glass curtain wall exterior. A large green-space and fountain feature, including water ponds, located to the south of the Property, accentuates the building's reflective glass exterior. The two-story atrium lobby is finished with a combination of polished and flamed serpentine marble floors and walls trimmed with brass. A water feature adorns the south lobby. The attached four-level subterranean parking garage south of the building, which is owned and maintained by the City of Winston-Salem, contains a total of 656 parking spaces. See *"Summary of the Offering – Property Description"* and *"The Property"*.

Offering Highlights

The 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. See “*Summary of the Offering – Interests Offered*” and “*The Offering*.”

Location:	200 West Second Street Winston-Salem, NC 27101
Beneficial Interests:	\$24,494,554
Loan Proceeds:	\$15,360,750
Offering Price:	\$39,855,304
Loan-to-Equity Ratio:	38.54%
Offering Cap Rate:	6.7%
Minimum Purchase (1031):	\$ 100,000
Minimum Purchase (cash):	\$ 25,000

Financing

The Property is financed with a first mortgage loan from Ladder Capital Finance I LLC in the amount of \$15,360,750. The Loan has a term of approximately 25 years with a maturity date of January 6, 2037, but the Preferred Prepayment Date is January 6, 2022. Prior to the Preferred Prepayment Date, the interest rate is fixed at 5.808%. The Loan is non-recourse to Investors. See “*Summary of the Offering – Master Lease Agreement – Master Lease Rent*”, “*Summary of the Leases – Master Tenant*”, “*Risk Factors – Risks Relating to the Master Lease and Management of the Property*”, and “*Compensation of IPC Corp., Manager and Affiliates*”.

Lease Terms:

Tenant	Square Feet	Lease Terms	Options
BB&T	219,261	1/1/2003 - 3/31/2023	Three 5 year options
Piedmont Club	13,762	3/30/1987 - 3/31/2017	Two 5 year options
Chicago Title	4,212	5/24/2004 - 9/30/2012	One option subordinate to the BB&T’s Expansion Right*

*The notice period for Chicago Title to renew has expired with no notice that they will exercise their renewal option.

There can be no assurance the investment objectives will be achieved. This investment is subject to risks including those real estate risks associated with the operation and leasing of office properties.

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