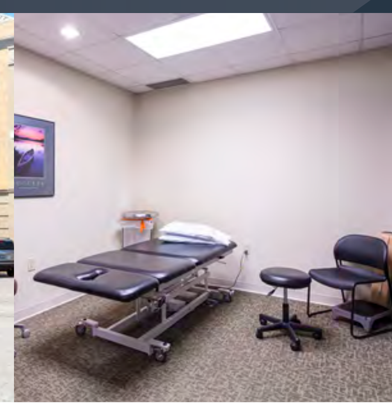
Inland Private Capital Corporation

Indianapolis Medical Office DST



Private Placement Memorandum

www.inlandprivatecapital.com

The Date of this Private Placement Memorandum is September 19, 2016

CONFIDENTIAL

Investing in DST Interests involves a high degree of risk. Before investing you should review the entire Private Placement Memorandum including the “Risk Factors” beginning on page 14.

Indianapolis Medical Office DST

Indianapolis Medical Office DST, a newly formed Delaware statutory trust (DST), also known as the Trust, and an affiliate of Inland Private Capital Corporation (IPCC), is hereby offering (the Offering) to sell to certain qualified, accredited investors (Investors), pursuant to this Private Placement Memorandum (the Memorandum), 100% of the beneficial interests (Interests) in the Trust. **You should read this Memorandum in its entirety before making an investment decision.**

The Trust owns the real estate and improvements located at 2040 Shadeland Avenue, Indianapolis, Indiana 46219, and commonly known as Community Health Pavilion or the Property. The Property consists of a three-story brick building, comprised of 42,187 leasable square feet, located on approximately 3.07 acres of land. The leasable square footage is used for medical, clinical, imaging and administrative offices. The Property is 100% leased to Community Health Network, Inc. (f/k/a Community Hospitals of Indiana, Inc.), an Indiana non-profit corporation unaffiliated with IPCC (the Tenant or Community Health), pursuant to a Lease Agreement dated December 1, 2009 (as amended or restated from time to time, the Lease).

The Trust acquired the Property from Rama Drive Realty LLC, a Delaware limited liability company and an unrelated third party (the Seller), on August 23, 2016 for a purchase price of $12,050,000. The Trust funded the acquisition of the Property with cash, provided as a capital contribution from Indianapolis Medical Office, L.L.C., a Delaware limited liability company and affiliate of IPCC, in its role as depositor of the Trust.

The Property

The three-story, single-tenant Property located at 2040 Shadeland Avenue provides 42,187 square feet of medical office space and 194 parking spaces. Construction of the Property began in 2004, with completion and full occupancy by Community Health in 2009. The building underwent over $4 million in both base building and tenant improvements to meet Community Health's operational requirements. With brick and concrete exterior façade, the Property has brand new common corridors, tenant space, refurbished elevators and elevator cabs, as well as completely renovated HVAC systems.

The Location

Located in the heart of a critical market for the network, 2040 Shadeland Avenue in Indianapolis has direct access to highways I-70 and I-465 and is approximately eight miles northeast of the Indianapolis Central Business District. With close proximity to highways, the Property is ideally positioned for Community Health's off-campus uses. Within a two-mile radius there are seven other Community Health offsite locations and many other networks. Abundant retail and hospitality amenities are also close by to accommodate the medical niche.

The east side of Indianapolis is less than five minutes from another Community Health facility, Community Hospital East. Easy access to this hospital is important because the Community Health medical office facilities perform vital functions that are best situated close to a hospital. Community Hospital East is a $175 million investment project that underscores a strong commitment to the developing area. The two-phased project began in 2014 and is scheduled to be completed in 2019.

Indianapolis, the 13th largest city and the 29th largest metropolitan area in the United States, is an increasingly sought after place to do business due to its highly educated and productive work force, combined with the city's strategic geographical location and transportation support systems.

Highlights of Indianapolis, the capital of the State of Indiana, include:

- **Ranked #8** on Forbes' list of The Best Places for Business and Careers[1]
- Indiana **named 8th in the country** for best business tax climate[2]
- Named **best convention city**[3]
- Indianapolis is the fourth **fastest high-tech job growth** area in the U.S.[4]
- **Three Fortune 500 companies** are based in the city – Anthem Inc., Eli Lilly and Company, and Simon Property Group[5]

[1] Forbes. The Best Places for Business and Careers. 2016.
[2] Tax Foundation. 2015 State Business Tax Climate Index.
[3] USA Today 10 Best. Indianapolis Favorite Convention City. 2014.
[4] Digital Technology. Indianapolis Chamber of Commerce. January 17, 2016.
[5] Fortune 500 Companies in Indiana. Fortune. August 1, 2016.

The Tenant

The Tenant at the Property is Community Health Network, Inc. This Indiana non-profit corporation has more than 200 sites of care and affiliates throughout Central Indiana. Community Health was organized more than 50 years ago and is now ranked among the nation's most integrated healthcare systems providing convenient access to healthcare services, where and when patients need them – in hospitals, health pavilions and doctor's offices, as well as workplaces, schools and homes. Offering a wide range of health services under one roof, Community Health provides primary care and specialty physicians, diagnostic testing, rehab and sports medicine, and behavioral health services.

Community Health has been ranked among the nation's leading hospitals and health systems for 15 consecutive years. The Tenant's full continuum of care integrates hundreds of physicians, specialty and acute care hospitals, surgery centers, home care services, MedChecks, behavioral health and employer health services. With healthcare being a major economic sector, Community Health has become the fourth largest employer in Indianapolis.[6] Community Health's 2015 bonds received a credit rating of A2 from Moody's (last updated as of May 21, 2015).

Below is a list of recent awards Community Health has received:

- HealthCare's "Most Wired" award in 2015, which measures IT adoption for operational, financial and clinical performance in healthcare delivery systems
- National Winner of the 2016 HeartCaring Excellence in Action Award, which recognizes hospitals whose innovation and extraordinary commitment to community service goes beyond all expectations
- SPH Analytics'2015 APEX Quality Award, which recognizes outstanding healthcare organizations that have demonstrated the highest levels of excellence in patient satisfaction and overall care over a 12-month period

[6] Tikijian Associates. Multihousing Investment Advisors.

The Lease

The material terms of the Lease are summarized below:

Tenant & Address	Leased SF	Current Term	Renewal Options	Current Annual Base Rent	Base Rent Per SF
Community Health Network, Inc. 2040 Shadeland Avenue Indianapolis, IN 46219	42,187	08/23/2016-08/31/2028	Two, five-year options	$755,000.00	$17.90

The Lease provides that during the current term of the Lease and each of the renewal options, if exercised, annual base rent will increase 1.50% above the annual base rent in effect for the immediately preceding lease year.

The Tenant is responsible for paying, as additional rent, all taxes and assessments levied against the Property. The Tenant is also responsible for directly paying all charges for utility services and utility-related expenses related to the Property, and for all refuse removal, janitorial and cleaning services for the Property.

Offering Benefits

An investment in the Indianapolis Medical Office DST may offer the following benefits:

- **High-Quality Property in Critical Market** – Constructed in 2004 and fully completed in 2009, the Property houses medical, clinical, imaging and administrative offices for Community Health. The Property is located less than two miles from Community Hospital East and with seven other Community Health Network offsite locations in a two-mile radius, in the heart of a critical market for the network.

- **Healthcare Real Estate Continues to Perform** – Demand for medical office space is expected to remain strong, as healthcare spending rises and demand from an aging population grows. The baby boomer generation is moving closer to their golden years, which increases the need for medical services across the country, and causes healthcare providers to move toward patient-centered, retail-like spaces and settings. Medical office vacancy tightened to the lowest levels since 2007 to 8.6% in the second quarter of 2016. Average asking rents for medical office buildings remain at $22.61 through the end of the second quarter of 2016, which is a 0.2% increase over the same time last year.[7]

- **Strong Tenant** – Ranked among the nation's most integrated healthcare systems, Indianapolis-based Community Health Network is Central Indiana's leader in providing convenient access to exceptional healthcare services. As a non-profit health system with more than 200 sites of care and affiliates throughout Central Indiana, Community Health's full continuum of care integrates hundreds of physicians, specialty and acute care hospitals, surgery centers, home care services, MedChecks, behavioral health and employer health services.

- **Long-term Lease with Annual Rent Growth** – The Lease has a current term ending August 31, 2028, with two five-year renewal options. The Lease provides for annual increases in base rent. See "Summary of the Lease" in the Memorandum.

- **Absence of Leverage** – The Property is not encumbered by permanent financing, which will allow the Trust the flexibility to hold or sell the Property without any lender restrictions and sell at a time which maximizes value.

[7] Marcus & Millichap. 2016 Medical Office Research Report.

The Financing

The Property is being offered to Investors without the encumbrance of permanent debt.

The Offering

The Offering is designed for accredited investors seeking to participate in a tax-deferred exchange as well as those seeking a quality, multiple-owner real estate Investment. Only accredited investors may purchase Interests in this Offering. See *"Summary of the Offering"* and *"The Offering."*

Beneficial Interests:	**$13,897,674**
Offering Price:	**$13,897,674**
Offering Reserve:	**$325,000**
Minimum Purchase (1031):	**$100,000**
Minimum Purchase (cash):	**$25,000**
Current Cash Flow:	**5.15%**

Summary Risk Factors

An investment in the Interests of the Trust involves significant risk and is suitable only for Investors who have adequate financial means, desire a relatively long-term investment and who will not need immediate liquidity for their investment and can afford to lose their entire investment. Investors must read and carefully consider the discussion set forth in the section of the Memorandum captioned "*Risk Factors*." The risks involved with an investment in the Indianapolis Medical Office DST include, but are not limited to:

- The Interests may be sold only to accredited investors, which, for natural persons, are investors who meet certain minimum annual income or net worth thresholds.
- The Interests are being offered in reliance on an exemption from the registration requirements of the Securities Act of 1933, as amended, and are not required to comply with specific disclosure requirements that apply to registration under the Securities Act of 1933, as amended.
- The Securities and Exchange Commission has not passed upon the merits of or given its approval to the Interests, the terms of the offering, or the accuracy or completeness of any offering materials.
- The Interests are subject to legal restrictions on transfer and resale and Investors should not assume they will be able to resell their Interests.
- Investing in Interests involves risk, and Investors should be able to bear the loss of their investment.
- Investors have limited control over the Trust.
- The Trustees (as defined in the Memorandum) have limited duties to Investors and limited authority.
- There are inherent risks with real estate investments.
- The Trust depends on the Tenant for revenue and any default by the Tenant will adversely affect the Trust's operations.
- The costs of complying with environmental laws and other governmental laws and regulations may adversely affect the Trust.
- There is no public market for the Interests.
- The Interests are not registered with the Securities and Exchange Commission or any state securities commissions.
- Investors may not realize a return on their investment for years, if at all.
- The Trust is not providing any prospective Investor with separate legal, accounting or business advice or representation.
- Various tax risks, including the risk that an acquisition of an Interest may not qualify as a Section 1031 Exchange.

Each prospective Investor should consult with his, her or its own tax advisor regarding an investment in the Interests and the qualification of his, her or its transaction under Internal Revenue Code Section 1031 for his, her or its specific circumstances.

About Inland Private Capital Corporation

The Inland Real Estate Group of Companies, Inc. (Inland) is one of the nation's largest commercial real estate and finance groups, representing nearly 50 years of expertise and integrity in the industry. As a business incubator, Inland specializes in creating, developing and supporting member companies that provide real estate-related investment funds – including limited partnerships, institutional funds and nonlisted real estate investment trusts (REITs) – and real estate services for both third parties and Inland-member companies.

In March 2001, Inland Private Capital Corporation was formed to provide replacement properties for investors wishing to complete a tax-deferred exchange under Section 1031 of the Internal Revenue Code of 1986, as amended, as well as investors seeking a quality, multiple-owner real estate investment. The programs sponsored by IPCC offer securities to accredited investors on a private placement basis.

Track Record Since Inception

(THROUGH JUNE 30, 2016)

Sponsored **190** private placement programs

487 properties in **43** states

Offered more than **$2.80** billion in equity

More than **$5.90** billion of assets acquired

More than **$1.33** billion in equity of multifamily assets acquired (8,900+ units)

More than **29** million square feet of gross leaseable area

$1,096,240,000 cumulative distributions to investors

68 assets sold

Full Cycle Programs

(AS OF DECEMBER 31, 2015)

	RETAIL	OFFICE	MULTIFAMILY	INDUSTRIAL
Number of Programs	26	5	2	4
Weighted Avg. Total Return*	141.21%	143.91%	140.19%	136.76%
Weighted Avg. IRR*	8.67%	7.54%	21.47%	6.19%

BBB

The Inland Real Estate Group of Companies, Inc.
2X RECIPIENT
of the Torch Award for Ethics in the Marketplace

ADISA | ALTERNATIVE & DIRECT INVESTMENTS
ACE
A CHAMPION OF EXCELLENCE

Inland Private Capital Corporation
2X RECIPIENT

* Internal Rate of Return (IRR) is calculated using the time value of money, the cash flow from property operations and proceeds from a sale to determine an annualized compounded rate of return, inclusive of all fees and expenses. The weighted average is the IRR for each program multiplied by the capital invested in that program, divided by total capital invested in all full cycle programs represented in the analysis. For these purposes, full cycle refers to programs that no longer own any assets. Total Return is calculated by dividing the sum of amounts distributed to investors over the hold period of the investment plus the sale proceeds returned to the investors, by such investors' capital invested in the program inclusive of all fees and expenses. The weighted average is the Total Return for each program multiplied by the capital invested in that program, divided by total capital invested in all full cycle programs represented in the analysis. In certain situations, in which the subject property(ies) were in foreclosure, IPCC has negotiated with the lenders and advanced funds to the investors to allow the investors to exchange their beneficial interests in the original program for a proportional beneficial interest in a new program. Because such exchanges result in an investment continuation, the original programs are not considered full cycle programs.