



PRIVATE PLACEMENT MEMORANDUM

For the exclusive use of: _____

Memorandum ID# _____

The Date of this Private Placement Memorandum is
April 30, 2012

CONFIDENTIAL

PNS Grocery DST, a Delaware statutory trust (the “Trust”) and an affiliate of Inland Private Capital Corporation (“IPC Corp.” or “Sponsor”), and Inland Real Estate Corporation (“IRC”), is hereby offering (the “Offering”) to sell to certain qualified, accredited Investors (the “Investors”) (see “*The Offering – Investors Suitability Requirements*”) pursuant to this Private Placement Memorandum (as amended and supplemented and with all exhibits hereto, the “Memorandum”) 99.0% of the beneficial interests (individually, an “Interest,” and collectively, the “Interests”) in the Trust, which owns the real estate and improvements thereon located at 1317 North 25th Street, Sheboygan, Wisconsin (the “Property”). The Property is leased to Roundy’s Supermarkets, Inc. (“Roundy’s” or the “Tenant”), a Wisconsin corporation, who operates the Property as a “Pick ’n Save.”



The Tenant

The tenant under the Lease is Roundy’s Supermarkets, Inc., a Wisconsin corporation (“Roundy’s”). Roundy’s is the principal operating subsidiary of Roundy’s, Inc. (“Roundy’s Inc.”), and is a leading Midwest supermarket chain offering all of the products and services found in a conventional supermarket, including nationally-branded food products, and private label, or “own brand,” products under the Roundy’s, Roundy’s Select, Roundy’s Organic, and Clear Value labels, which maintain strong brand recognition throughout their markets. Roundy’s operates under a number of different banners. The Pick ’n Save banner maintains the number one market share position in the Milwaukee metropolitan area. Additionally, through the Pick ’n Save and Copps banners, Roundy’s maintains the number one market share position in several other large Wisconsin markets, including Madison, Racine, Fond du Lac, Oshkosh, West Bend, and Kenosha. The Rainbow banner maintains the number three market share position in the Minneapolis/St. Paul metropolitan area. In addition, many stores combine food and drug sales with full-service in-store pharmacies. In 2002, Roundy’s was acquired by a private equity firm, Willis Stein & Partners and certain members of Roundy’s management team. Roundy’s Inc., previously Roundy’s Parent Company, Inc., was formed in April 2010 primarily for the purpose of acquiring and owning its 100% owned subsidiary, Roundy’s Supermarkets, Inc. In December 2011, Roundy’s Inc. filed its registration with the SEC for an initial public offering. Roundy’s Inc. completed the initial public offering in February of 2012 and the common stock of Roundy’s Inc. is listed on the New York Stock Exchange under the symbol “RNDY.”

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As of December 31, 2011, Roundy's, Inc. had approximately 18,000 employees and operated 158 retail grocery stores and over 90 pharmacies under the Pick 'n Save, Copps, Rainbow, Metro Market, and Mariano's Fresh Market banners in Wisconsin, Minnesota and Illinois. It should be noted that financial information for Roundy's, the tenant under the Lease, is consolidated in the financial statements of Roundy's, Inc. and is not separately available. Roundy's Inc. is not a party to the Lease and does not guarantee the obligations of Roundy's under the Lease. As of the date of this Offering, Roundy's, Inc. has credit ratings of B+ (stable), as of February 22, 2012 by Standard & Poor's, and B2 as of March 5, 2012 by Moody's. See "Frequently Asked Questions - Who is Roundy's Supermarkets, Inc?"



The Location

The Property is located in eastern Wisconsin in the City of Sheboygan, approximately one and one-half miles west/northwest of downtown Sheboygan on the west side of the City.

The Property is a build-to-suit freestanding grocery store occupied by Pick 'n Save. The Building was recently developed and is representative of the current generation of modern freestanding grocery stores in the market. The site affords the Property good visibility and accessibility, key qualities that attract retail consumers. Demographic trends indicate demand should continue to grow at a moderate rate. Population within a 5 mile radius of the property is 68,047 with an estimated average household income of \$56,442.

Source: CBRE Self-Contained Appraisal dated February 20, 2012, a copy of which is included on the enclosed CD.



The Property

The Property, located at 1317 North 25th Street, Sheboygan, Wisconsin, is an approximate 6.10-acre (265,623 square foot) parcel of land upon which is located a single-story, freestanding retail building (the “Building”) containing approximately 62,138 square feet of gross rentable area (“Rentable Area”). The Building was constructed in 2010. The Building is currently one hundred percent leased to and occupied by Roundy’s. Roundy’s operates the Property as a “Pick ’n Save.” See *“The Property – Summary Description of the Property,” “Summary of the Lease,” and “Risk Factors – Real Estate Risks.”*

The Lease

The initial term of the Lease is 20 years, having commenced on January 1, 2010 and expiring on December 31, 2030. Roundy’s may extend the Lease for four consecutive renewal terms of five years each (each a “Renewal Term”). The Lease is included on the enclosed CD. See *“Summary of the Lease” and “Risk Factors – Real Estate Risks – Expiration or Termination of Lease and Default by Tenant.”*



Added to the Russell 2000 Index

Roundy’s, Inc. (NYSE: RNDY), a leading grocer in the Midwest, announced on April 2, 2012 that its stock has been added to the Russell 2000 Index, a subset of the Russell Global Index. The Russell 2000 Index provides a comprehensive and unbiased barometer for evaluating small-cap stocks performance in the U.S. equity market.

“We are pleased with our inclusion in the Russell 2000 Index,” said Robert Mariano, Roundy’s chairman, president and chief executive officer. “We expect our addition to the Russell 2000 Index will increase our visibility within the investment community and enhance shareholder value.”

Source: Business Wire, April 2, 2012

The Offering

The Offering is designed for accredited investors (as such term is defined herein) 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:	1317 North 25th Street Sheboygan, WI
Beneficial Interests:	\$ 7,452,225
Loan Proceeds:	\$ 5,850,000
Offering Price:	\$ 13,302,225
Loan-to-Offering Ratio:	43.98%
Minimum Purchase (1031):	\$ 100,000
Minimum Purchase (cash):	\$ 25,000

Financing

The property is financed with a first mortgage, interest only, loan from Parkway Bank and Trust Company, in the principal amount of \$5,850,000 (the “Loan”). The Loan is evidenced by a loan agreement and a Promissory Note and is secured by a mortgage recorded against the Property that is an obligation of the Trust. For purposes of determining liabilities assumed with respect to the Property in connection with an Investor’s Section 1031 Exchange, each Investor will be allocated a pro rata share of the Loan, estimated to be \$77,500 per \$100,000 Interest as of the date of the Offering. The Loan has a term of approximately five years (the “Loan Term”) with a maturity date of April 27, 2017 and an interest rate that is fixed at 5.25% through the maturity date. The Loan may be prepaid in whole or in part at any time during the Loan Term without penalty. The Trust has the option to extend the Loan Term for an additional 5-year period through April 27, 2022; provided certain requirements are met. See “*Risk Factors - Risks Relating to the Loan*” and “*Acquisition, Financing, and Operation of the Property – Financing Terms.*”

There can be no assurance the investment objectives will be achieved. This investment is subject to risks including those real estate risks associated with operation and leasing of retail properties. The company depicted herein may have proprietary interests in its 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, by the aforementioned companies. Further, the aforementioned companies are not affiliated with Inland Private Capital Corporation in any manner. The Inland name and logo are registered trademarks being used under license. Inland Private Capital Corporation is a part of the Inland Real Estate Group of Companies, Inc., a group of independent legal entities, some of which may be affiliates, share some common ownership or have been sponsored or managed by Inland Real Estate Investment Corporation or its subsidiaries.

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Financial Summary

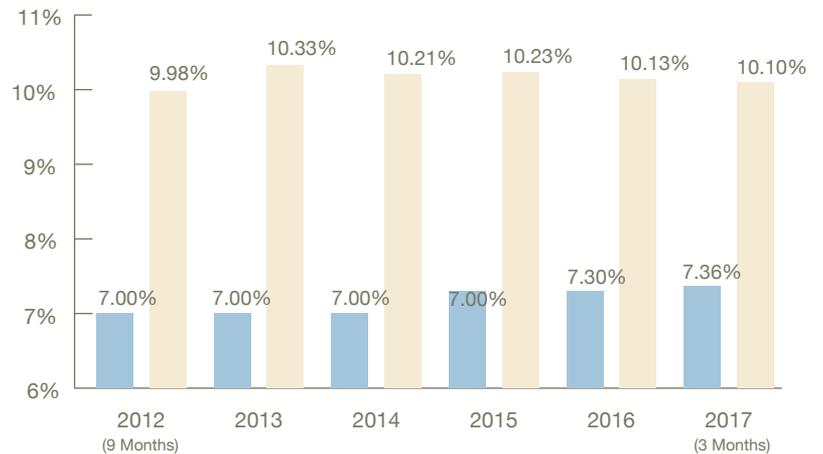


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Forecasted Cash-on-Cash Returns⁽¹⁾ (Paid Monthly)

■ Forecasted Cash-on-Cash Return ■ Tax Equivalent Yield⁽²⁾



⁽¹⁾ These forecasts are estimates which are based on certain assumptions and may vary. Please consult the Risk Factors section in this Private Placement Memorandum for factors that may cause the actual results to differ.

⁽²⁾ The TAX EQUIVALENT YIELD represents the yield required to achieve an equivalent after tax cash flow on an interest-bearing investment, which has no shelter from depreciation and would be taxed at the effective tax rate.

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