

ZIONSVILLE GROUND EXPRESS DST



PRIVATE PLACEMENT MEMORANDUM

For the exclusive use of: _____

Memorandum ID #: _____

The Date of this Private Placement Memorandum is
September 22, 2014



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 15.

ZIONSVILLE GROUND EXPRESS DST

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Zionsville Ground Express DST, a newly formed Delaware statutory trust (the “Trust”) and an affiliate of Inland Private Capital Corporation (“IPCC”), is hereby offering (the “Offering”) to sell to certain qualified, accredited investors (the “Investors”) pursuant to this Private Placement Memorandum (the “Memorandum”) 100% of the beneficial interests (the “Interests”) in the Trust.



THE PROPERTY

The Trust owns the real estate and improvements thereon located at 10301 Bennett Parkway, Zionsville, Indiana 46077 (the “Property”), which is leased to FedEx Ground Package System, Inc. (“FedEx Ground” or “Tenant”).* The Property includes a main building totaling 304,022 square feet along with a guard house, a mechanical

building, a fueling station and a salt storage structure. The ceiling height of the main building is 39 feet with a clear height of 36 feet. The exterior of the main building includes above-market finishes for a traditional modern bulk warehouse, with decorative finishes including textured limestone, inlaid brick and concrete panels.

Property & Address	Land Area ¹	Building ^{1,2}	Year Built	Lease Commencement Date	Lease Termination Date	Options
10301 Bennett Pkwy, Zionsville, IN 46077	49.186 Acres 2,142,542 Sq. Ft.	304,022 Sq. Ft.	2014	February 1, 2014	January 31, 2029	Two 5 year extensions

(1) All references to the acreage of the Property or square footage of the buildings located thereon are based on the survey.

(2) Square footage does not include the square footage of the three smaller auxiliary buildings on the Property.

* FedEx Ground and FedEx Corp. (as defined herein) have proprietary interests in their trademarks and trade names, and nothing herein shall be considered an endorsement, authorization or approval of the Trust or IPCC by FedEx Ground or FedEx Corp.

THE TENANT

The tenant under the lease is FedEx Ground Package System, Inc. a Delaware corporation and an affiliate of FedEx Corporation (“FedEx Corp.”). FedEx Corp. does not provide any guarantee in connection with the lease. FedEx Ground is a leading North American provider of small-package ground delivery services. FedEx Ground provides low-cost, day-certain service to any business address in the United States and Canada, as well as residential delivery to nearly 100% of U.S. residences through its FedEx Home Delivery services. The FedEx Ground segment of FedEx also includes FedEx SmartPost, Inc., which specializes in the consolidation and delivery of high volumes of low-weight, less time-sensitive business-to-consumer packages using the U.S. Postal Service for final delivery to any residential address or PO Box in the

U.S. FedEx Ground operates a multiple hub-and-spoke sorting and distribution system consisting of 538 facilities, including 33 hubs, in the U.S. and Canada. FedEx Ground conducts its operations primarily with approximately 42,000 owner-operated vehicles and approximately 44,000 company-owned trailers. As of May 31, 2014, FedEx Ground had approximately 56,500 employees.

FedEx Corp.’s common stock is listed on the New York Stock Exchange under the symbol “FDX.” As of the date of the Memorandum, FedEx Corp. has a credit rating of BBB from Standard & Poor’s last updated as of November 19, 2007 and Baa1 from Moody’s last updated as of January 6, 2014.



\$1 TRILLION

Projected global e-commerce sales by 2016, representing 1 percent of global GDP.

42%

projected increase in US online spending by 2017, from \$262 billion in 2013 to \$371 billion in 2017.

1 OUT OF **10**

Amount of U.S. retail dollars projected to be spent shopping online by 2017.

Source: Forrester Research

“Thanks to a boost from e-commerce, FedEx Ground posted another stellar year with industry-leading margins. Revenue share has now increased for 54 consecutive quarters — an outstanding performance driven by superior service that’s faster to more locations than any other ground service. The FedEx Ground outlook is excellent as revenues are expected to continue to increase in FY14, led by volume growth across all our major services. We will continue to expand our capacity to keep up with the demand for our ground services and the growing popularity of online shopping.”

Frederick W. Smith

Chairman, President and CEO

Source: FedEx Corp. Annual Report 2013

Online Shopping: Fuel for growth

The largest driving force in the global economy is e-commerce, which is projected to reach \$1 trillion in sales by 2016. The internet shopping boom is translating into significant growth at FedEx, and it’s easy to see why. Our specialized e-commerce services and tools are helping transform the U.S. retail industry, where online sales are growing more than three times faster than offline sales.

Two notable changes are powering this trend, according to Forrester Research: Mobile devices, such as smartphones and tablets, make it easier for shoppers to access the web on the go (accounting for 11 percent of online transactions, says comScore). And rather than risk losing sales to competitors, traditional retailers are heavily investing in their web divisions.

Source: FedEx Corp. Annual Report 2013

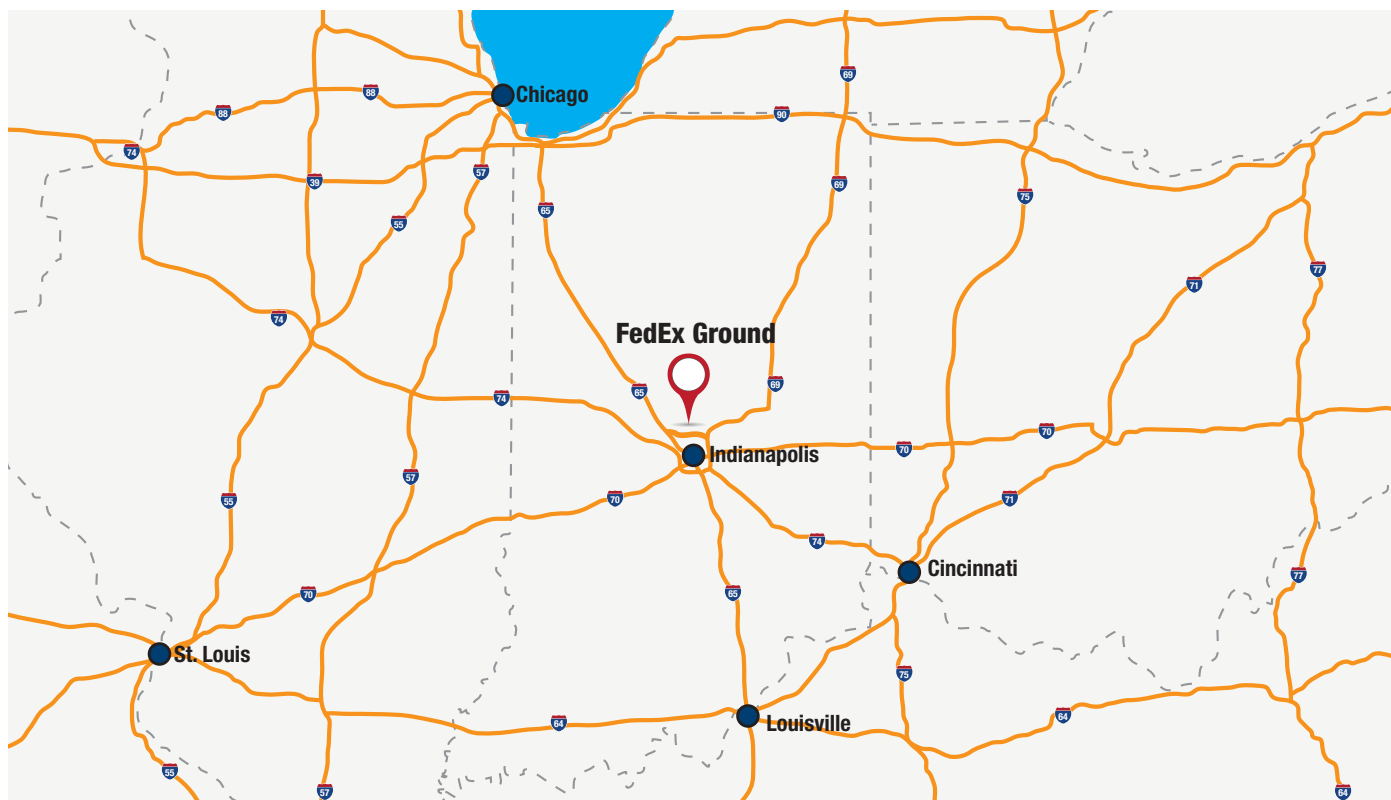
THE LOCATION

The Property's neighborhood has recently been annexed within the Town limits of Zionsville, Boone County, Indiana. The Property is specifically located in the new Ripberger Business Park in southern Boone County, approximately 15 miles north of downtown Indianapolis.

Primary access to the neighborhood is provided by Michigan Road (US 421). Michigan Road generally runs in a north-south direction and is heavily commuted due to its direct route to the Indianapolis central business district. This thoroughfare also links to Interstate 465, which circles the City of Indianapolis and connects to Interstate 65 that traverses the City of Indianapolis and provides access to Chicago, Illinois to the north and Louisville, Kentucky to the south.

Indianapolis and the surrounding submarkets continue to be recognized nationally as one of the best locations for distribution warehouse facilities due to their centralized location in the Midwest of the United States. The Indianapolis industrial market continues to exhibit single-digit (7.1%) vacancy levels, and rental rates remain competitive with those from Chicago and other Midwest markets. Speculative projects returned to the bulk warehouse market in 2012-2013 and have continued, indicating a strengthening of the market. The short term outlook is for a continued decrease in vacancy rates as the industrial market continues to improve, throughout the upcoming year.

Source: Appraisal Report, May 8, 2014



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THE FINANCING

The Trust funded the acquisition of the Property with cash, provided as a capital contribution from the depositor of the Trust, and a loan (the "Loan") from Busey Bank, an Illinois banking corporation ("Lender").

Basic Terms of the Loan

Principal amount:	\$23,100,000
Interest rate:	4.3% per annum
Interest-only through:	March 15, 2015
Begin Amortizing Payment:	April 15, 2015
Maturity Date:	September 12, 2021

The Loan is secured by the Property.



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:	\$12,089,583
Offering Loan Proceeds:	\$23,100,000
Offering Price:	\$35,189,583
Loan-to-Offering Price Ratio:	65.64%
Minimum Purchase (1031):	\$100,000
Minimum Purchase (cash):	\$25,000
Current Cash Flow:	5.25%

SUMMARY RISK FACTORS

An investment in the Interests 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 from 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 Interests 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 trustee of the Trust has limited duties to Investors, and limited authority.
- There are inherent risks with real estate investments.
- The Trust will depend on the Tenant for revenue, and any defaults by the Tenant will adversely affect the Trust’s operations.
- The Property has been designed for use by the Tenant, which could result in substantial re-leasing costs or a lower sale price.
- The Trust may suffer adverse consequences due to financial difficulties, bankruptcy or insolvency of the tenant.
- The Loan Documents (as defined herein) contain various restrictive covenants, and if the Trust fails to satisfy or violates these covenants, the Lender may declare the Loan in default and foreclose upon the Property.
- The cost of complying with environmental laws and other governmental laws and regulations may adversely impact 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 of their investment for years, if at all.
- The Trust is not providing the 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 Section 1031 for his, her or its specific circumstances.