Inland Private Capital Corporation

Healthcare Portfolio II DST

Executive Overview

www.inlandprivatecapital.com

CONFIDENTIAL

Healthcare Portfolio II DST

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

The Trust will own a portfolio of three medical office facilities, each a leading healthcare provider in a growing metropolitan area: UNC REX Cancer Center, located in Raleigh, North Carolina (the North Carolina Property); Memorial Hermann Acute Care Center located in Houston, Texas (the Texas Property); and Jordan Valley Cancer Center located in West Jordan, Utah (as described in more detail herein, the Utah Property). The North Carolina Property, the Texas Property and the Utah Property are collectively referred to herein as the Properties, and each as a Property.

Medical Office Sector

The aging U.S. population is contributing to a rise in healthcare needs, creating demand for the medical office sector. The age cohort consisting of residents 65 and older will rise by nearly 42% over the next 10 years as more than 20 million join this segment. Expansion in healthcare and related industries is expected to increase 17% to meet the growing demands of an older demographic.[1]

Millennials are also expected to contribute significantly to the $3 trillion a year healthcare market. With nearly 30% of millennials now parents, they are becoming responsible for their health and the health of their children.[2] To the millennial generation, exercise and nutrition are essential. As the first generation to grow up with the Internet, millennials possess similar expectations for healthcare delivery as other aspects of their lives, including convenience and flexibility. They also are comfortable with sharing personal information electronically. In addition, many millennials are expected to be involved with decisions regarding their aging parents' healthcare and they will demand technology to help them manage this care and the information related to it.[3]

[1] Medical Office Research Report – Marcus & Millichap; 2016 Outlook
[2] Fortune.com; What Healthcare Gets Wrong about Millennials; December 17, 2016
[3] Colliers International; Market Medical Office Highlights 2015 Outlook

Offering Benefits

An investment in Healthcare Portfolio II DST may offer the following benefits:

- **Diversified Medical Office Portfolio** – The offering is comprised of three Properties, among three separate and distinct medical practices, in three geographic locations. The North Carolina Property is a cancer center in the Raleigh-Durham region, which includes three of the nation's top research universities. The Texas Property, located in Houston, one of the fastest growing cities in the nation, is an acute care center that provides short-term treatment options for severe injuries as well as episodes of illness, urgent medical conditions or recovery from surgery. Located in West Jordan, part of the Salt Lake City metropolitan statistical area and one of the fastest-growing cities in the western United States, the Utah Property is a cancer center that has implemented an innovative approach to cancer care by partnering with specialists from a variety of backgrounds.

- **Established Medical Tenants** – The North Carolina Tenant and the North Carolina Guarantor are Rex Radiation Oncology, LLC and Rex Hospital, Inc., respectively. Rex Hospital was named one of 2016 "Country's Top Hospitals" by the Leapfrog Group and received straight A's on Leapfrog's hospital safety score card. The Texas Tenant is Memorial Hermann Health System, the largest not-for-profit health system in Southeast Texas which was ranked as one of "America's Best Hospitals" by U.S. News & World Report for 2016-2017. The Utah Tenant, Jordan Valley Medical Center, LP, is an affiliate of IASIS Healthcare LLC, a leading owner and operator of community-focused hospitals in high-growth markets.

- **Recently Constructed Properties with Significant Tenant Improvements** – The Texas Property and the Utah Property are new construction and the North Carolina Property was constructed in 2013. Both the Utah Property and North Carolina Property contain linear accelerators and other radiation and cancer treatment build-out and equipment, with the North Carolina Property having received a Certificate of Need issued by the State of North Carolina required for the operation of a linear accelerator. The Texas Property is currently receiving a significant investment by the Texas Tenant, including build-out of treatment rooms for varying levels of acuity and imaging equipment, estimated at $6 million in total.

- **Long-term Leases with Rent Growth** – Each Commercial Lease provides for an initial term of 15 years, with three five-year renewal options (or, in the case of the Utah Lease, five five-year renewal options). Each of the North Carolina Lease and the Utah Lease provides for annual increases in base rent, and the Texas Lease provides for increases in base rent every five years. See "*Summary of the Leases*" in the Memorandum.

- **Net Leases** – All of the Commercial Leases are "net" leases, with the applicable Commercial Tenant directly responsible for or required to reimburse the landlord for real estate taxes, insurance and other operating expenses. See "*Summary of the Leases*" in the Memorandum.

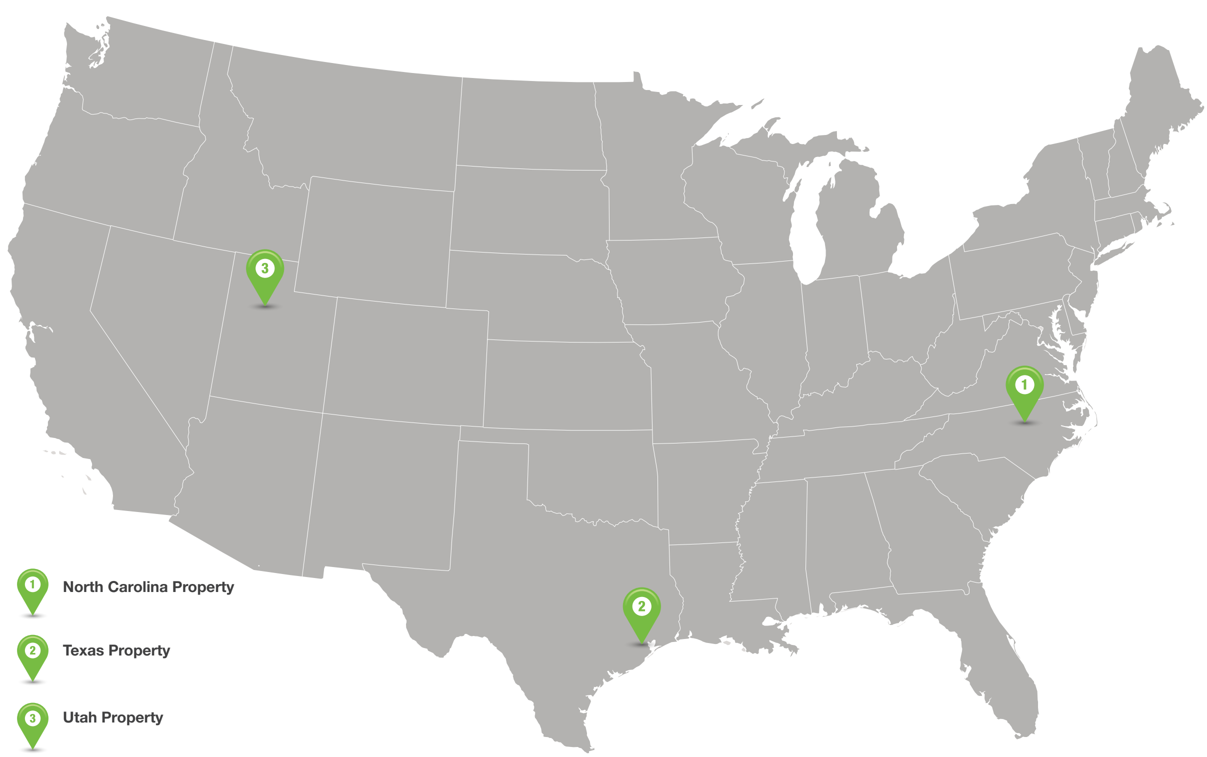
- **Absence of Leverage** – The Properties are not encumbered by permanent financing, which will allow the Trust the flexibility to hold or sell the Properties without any lender restrictions and sell at a time which maximizes value.

- **Master Lease Structure** – The Master Lease structure will allow the Master Tenant to operate the Properties on behalf of the Trust and to enable actions to be taken with respect to the Properties that the Trust would be unable to take due to tax law-related restrictions, including, but not limited to, a restriction against renegotiating the Commercial Leases. See "*Summary of the Leases*" in the Memorandum.

Location and Description of the Properties

General information regarding each Property is summarized in the table below.

Property	Interest Acquired or to be Acquired	Year Built	2016 Median Household Income (within 5 miles)[4]	2016 Population (within 5 miles)[4]
North Carolina Property 117 Sunnybrook Road Raleigh, NC 27610	Fee simple interest in the North Carolina Property	2013	$47,566	191,750
Texas Property 1431 Studemont Street Houston, TX 77007	Fee simple interest in the Texas Property	2016 - 2017	$60,367	425,090
Utah Property 3592 West 9000 South West Jordan, UT 84088	A ground leasehold interest in the land and a fee simple interest in the improvements located thereon (together defined as the Utah Property)	2016	$72,599	296,344



[4] Appraisal Reports from CBRE, Inc.

North Carolina Property
Built in 2013
13,131 Square Feet

The North Carolina Property

The North Carolina Property is a one-story, medical office building and is home to two radiation machines, which cost several million dollars each and are strictly limited by state regulation. These machines provide an opportunity to expand the presence and services offered to patients in the current market area and dominance in radiation treatment in the entire Wake County.

The North Carolina Property is leased to Rex Radiation Oncology, LLC, referred to herein as the North Carolina Tenant. The payment and performance obligations of the North Carolina Tenant under the lease are guaranteed by Rex Hospital, Inc., sometimes referred herein as Rex Hospital. Rex Hospital was honored by the Leapfrog Group in 2015 and 2016 as one of the "Country's Top Hospitals." This is one of the most prestigious distinctions a hospital can receive in the United States, recognizing the organization for dedication and commitment to patient safety and quality. Rex Hospital is the only hospital in North Carolina to receive straight A's since Leapfrog began its hospital safety score card in 2012.[5]

Rex Hospital operates as a subsidiary of Rex Healthcare, Inc., a North Carolina private, not-for-profit healthcare system (Rex Healthcare). Rex Healthcare provides healthcare to patients from several locations through continued development of acute care and non-hospital programs. With 5,400 staff members, Rex Healthcare is one of the largest employers in Wake County and maintains high standards of education, through partnerships with schools of medical technology and nurse anesthesiology.

The sole member of Rex Healthcare is the University of North Carolina Health Care System, a non-profit integrated health care system (UNC Health Care). UNC Health Care is owned by the state of North Carolina and based in Chapel Hill. UNC Health Care currently comprises UNC Hospitals and its provider network, the clinical programs of the UNC School of Medicine, and nine hospitals across North Carolina, including Rex Hospital.

Rex Healthcare Services

- Rehabilitation
- Long-term nursing care
- Urgent Care Centers
- Wound Healing
- Emergency Care
- Heart & Vascular
- Surgical
- Orthopedic
- Neurology
- Pain Management
- Sleep disorders

[5] http://www.leapfroggroup.org/ratings-reports/top-hospitals

The Raleigh, North Carolina Market

UNC REX Cancer Center is situated in east Raleigh in Wake County, North Carolina, the fastest growing county in the region and one of the fastest growing counties in the nation. The North Carolina Property is part of the Raleigh-Durham region, commonly known as the Triangle, consisting of approximately seven counties. The Triangle area is among the fastest-growing metropolitan areas in the nation and characterized by a highly-educated and diverse workforce. Three of the nation's top research universities are situated in the Triangle area: Duke University, The University of North Carolina at Chapel Hill and North Carolina State University. Many high-tech, healthcare, pharmaceutical, biotech, financial and service industries have found a home within the Triangle area. UNC Health Care is one of two renowned teaching hospitals and plays a pivotal role in the region's economy and its global reputation.

Unemployment rates in the Raleigh metro area in 2016 remained below the nation's average at 4.2%.[6] The population of Wake County is nearly one million people and is steadily continuing to grow.[7] Downtown Raleigh is booming with residential growth and the Central Business District has benefited from $2.75 billion in development activity in the last 10 years.[8]

Market Highlights:

- **#2** Best Big City in the Southeast[9]
- **#2** Easiest City to Find a Job[10]
- **#9** Fastest Growing City (Raleigh) in the U.S.[9]
- **#1** Growth State (North Carolina)[11]
- **#5** Most Educated Metro (Raleigh-Cary) in the United States[12]

[6] Appraisal Reports from CBRE, Inc.
[7] http://www.census.gov/quickfacts
[8] godowntownraleigh.com/_files/sod_website.pdf
[9] Money Magazine; September 2016
[10] Forbes; March 2016
[11] U-Haul; February 2016
[12] US Census Bureau; January 2016

The Texas Property

The Texas Property features a two-story, stand-alone building with a drive through ambulance area. This newly constructed Property will provide one-stop adult and pediatric primary care, specialty physicians, sports medicine and rehabilitation, outpatient imaging and lab services and a 24-hour emergency room. The acute care facility will provide patients active but short-term treatment for severe injuries or episodes of illness, an urgent medical condition, or recovery from surgery.

The tenant of the Texas Property is Memorial Hermann Health System, the largest not-for-profit health system in Southeast Texas (the Texas Tenant). The Texas Tenant's health system is comprised of 13 acute care hospitals, four inpatient rehabilitation hospitals, eight institutes and four specialty centers, in addition to other outpatient and rehabilitation centers located throughout the Greater Houston area. The Texas Tenant is headquartered in Houston, Texas, has 5,500 affiliated physicians, and offers leading-edge diagnostic technologies and treatment techniques as well as Houston's first health information exchange allowing vital patient data to be shared among care providers. Memorial Hermann-Texas Medical Center (formerly known as Hermann Hospital prior to the 1997 merger with the Texas Tenant) is one of the nation's busiest Level I trauma centers and the primary teaching hospital for McGovern Medical School at the University of Texas.

U.S. News & World Report ranked the Texas Tenant as one of "America's Best Hospitals" for 2016-2017, marking the 27th consecutive year of recognition as a top 10 nationally-ranked hospital.

The Texas Tenant has a credit rating of A1, updated as of May 9, 2016 by Moody's Investors Service, Inc.

The Houston, Texas Market

Memorial Hermann Acute Care Center is located on the historic Studemont Street, a major north-south street with direct access to Interstate 10 and high visibility from the freeway. This facility serves a dense and affluent population, and is part of the Studemont Junction, a mixed use development comprised of national retailers and local businesses. Studemont Junction, just two miles west of the Houston Central Business District, also includes high-quality multifamily housing developments. This location provides easy access to the Texas Property while avoiding congestion, traffic and the hassle of a full service hospital.

Houston is one of the fastest growing cities in the nation with a 2016 estimated population of 2.2 million, which is expected to grow to 2.8 million residents by 2030 -- equal to the current population of Brooklyn, New York.[13] The unemployment rate continuously dropped throughout 2016 and is expected to remain at 4.9% into early 2017.[14]

Market Highlights:

- Recognition for Best Hospitals in Texas[15]
- **Ranked #1** for Fastest Growing Cities[16]
- Houston ranked No. 6 in CNBC's "Metro 20: America's Best Places to Start a Business"[17]
- **Ranked #3** metro area in Fortune 500 headquarters, with 24 companies' operations in the region, including Phillips 66, Sysco, Conoco Phillips and Enterprise Product Partners[18]
- Voted **"Greenest Metro"**[19]

[13] http://worldpopulationreview.com/us-cities/houston-population; December 2016
[14] Greater Houston Partnership; January 2017
[15] U.S. News & World Report; August 2016
[16] Forbes; 2016 rankings; http://www.forbes.com/places/tx/houston/
[17] CNBC.com; 2016
[18] Greater Houston Partnership; June 7, 2016
[19] Business Facilities Magazine, July 29, 2016

The Utah Property

The Utah Property is a newly-constructed, state-of-the art two-story medical office building, part of the Jordan Valley Medical Center, and features brick, stucco and metal exterior finishes, with modern common corridors, an elevator and a new HVAC system. The first floor of the building consists primarily of the main two-story lobby, office, examination rooms, and a linear accelerator. The east side of the building is connected by a first-floor interior corridor to the adjacent Breast Care Center building, which is part of the Jordan Valley Medical Center but is not part of the Utah Property. The second floor of the building consists primarily of examination rooms, offices, and treatment areas.

The Utah Property opened to patients in 2016 and has implemented an innovative approach to cancer care by partnering with cancer specialists from a variety of backgrounds, including medical, surgical and radiation oncology. Through this type of treatment plan, patients have access to a wide range of cancer specialists.

Jordan Valley Medical Center, a first-class community hospital, has provided healthcare for the people of the Southwest Salt Lake Valley for more than 25 years. Over the past few years, the hospital has tripled in size and recently completed a major expansion project, which increased the facility to 171 beds.

The tenant of the Utah Property, Jordan Valley Medical Center, LP (the Utah Tenant), is an affiliate of IASIS Healthcare LLC (IASIS Healthcare). IASIS Healthcare is a healthcare services company that delivers healthcare through a differentiated set of assets that include acute care hospitals with related patient access points and a diversified managed care risk platform. As of September 30, 2016, IASIS Healthcare owned or leased 17 acute care hospital facilities and one behavioral health hospital facility, with a total of 3,581 licensed beds, several outpatient service facilities and 147 physician clinics. Jordan Valley Cancer Center is the first comprehensive specialty cancer center in the IASIS Healthcare Utah System that offers a one-stop destination for cancer care.

IASIS Healthcare Locations

- Salt Lake City, Utah
- Phoenix, Arizona
- Houston, Texas
- San Antonio, Texas
- West Monroe, Louisiana
- Woodland Park, Colorado

The Salt Lake City, Utah Market

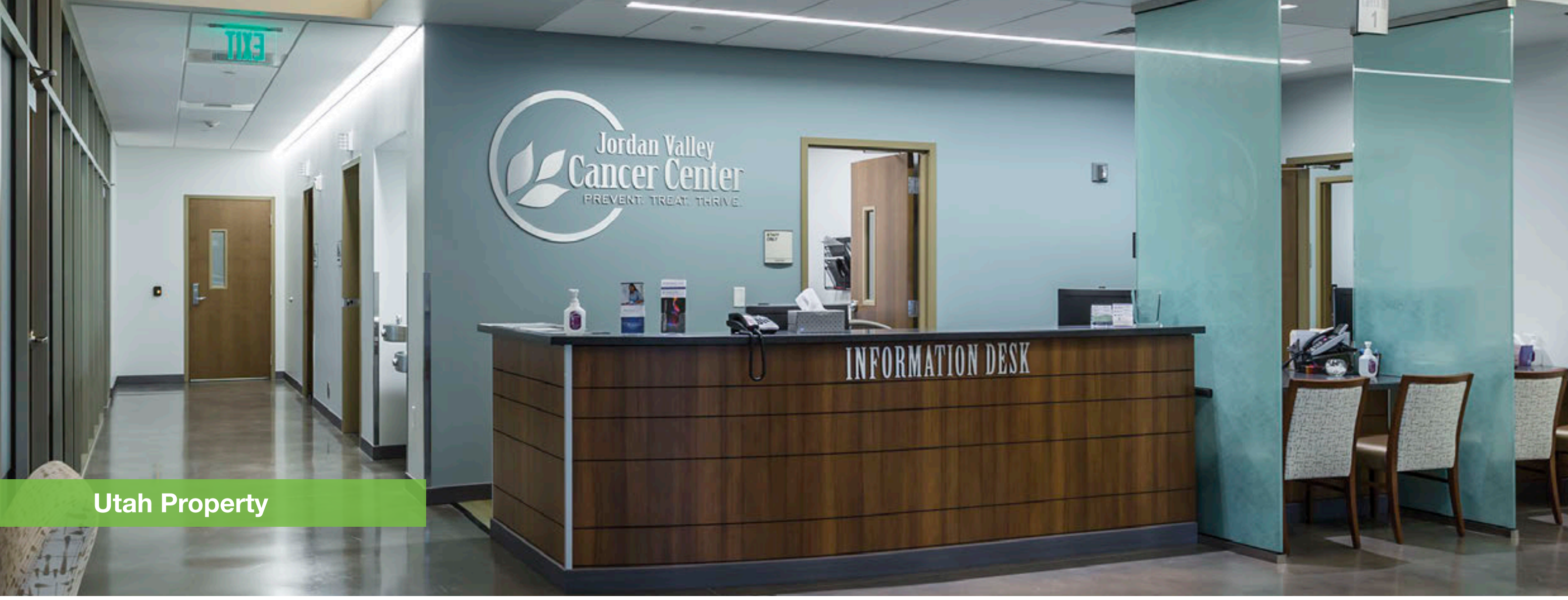
Surrounded by retail and residential communities, Jordan Valley Cancer Center is easily accessible via Bangerter Highway (State Route 154), a north-south artery, and by Interstate 15, an eight-lane thoroughfare also traveling north-south. The Utah Property is located one-half mile from the TRAX, a light rail system providing access throughout the Salt Lake Valley. With its business-friendly environment, West Jordan has attracted many global companies to the city, including Oracle, Sysco Intermountain, Dannon Company and SME Steel Industries, Inc.[20] West Jordan is the fourth largest city in the state of Utah and one of the fastest-growing cities in the western United States. The city is located in southwest Salt Lake County, about 13 miles southwest of downtown Salt Lake City.

Salt Lake City is recognized as a major dominating force in the Western United States. Salt Lake City has developed a strong outdoor recreation tourist industry and hosts approximately 48,000 attendees at its semi-annual winter and summer conventions. Some of Salt Lake City's largest employers include the University of Utah, Delta Airlines and American Express.

Market Highlights:

- Voted **#1 for Projected Annual Job Growth** through 2017 [21]
- **Top State for Business** 2016 [22]
- **Ranked #4** for innovation and entrepreneurship [23]

[20] west.jordanchamber.com
[21] IHS Global Insight
[22] CNBC 2016
[23] U.S. Chamber of Commerce 2015



The Leases

The Commercial Leases

The material terms of the leases with the North Carolina Tenant, the Texas Tenant and the Utah Tenant (collectively, the Commercial Tenants) are summarized below. Such leases are collectively referred to as the Commercial Leases herein.

Commercial Tenant	Approx. Leased SF	Current Term	Renewal Options	Current Annual Base Rent	Base Rent Per SF
Rex Radiation Oncology, LLC	13,131 sq. ft.	04/29/16 - 04/28/31	3 five-year terms	$361,103	$27.50
Memorial Hermann Health System	44,000 sq. ft.	15 years*	3 five-year terms	$1,176,000	$40.00
Jordan Valley Medical Center, LP	25,056 sq. ft.	06/29/16 - 06/30/31	5 five-year terms	$753,734	$30.08

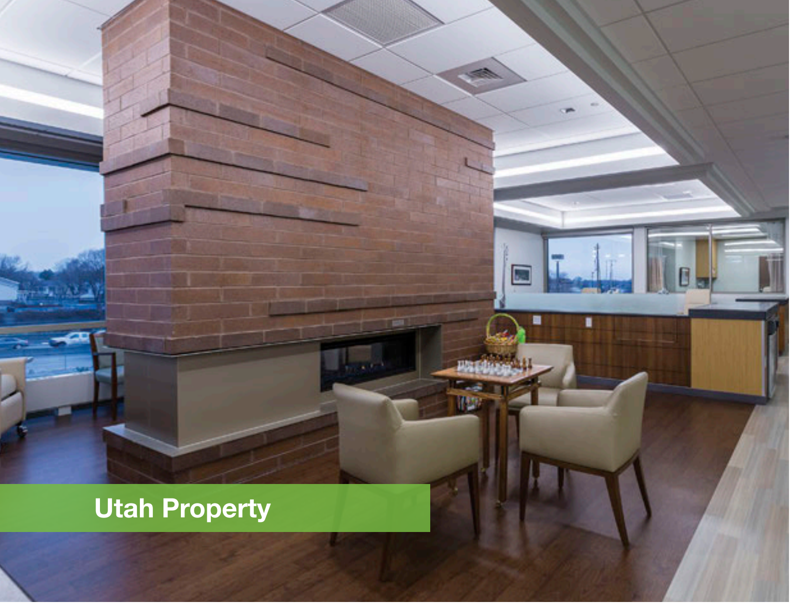
*The Lease with the Texas Tenant will commence on the earlier of (1) 180 days after the Tenant's acceptance or (2) the date on which the Texas Tenant opens for business.

The Master Lease

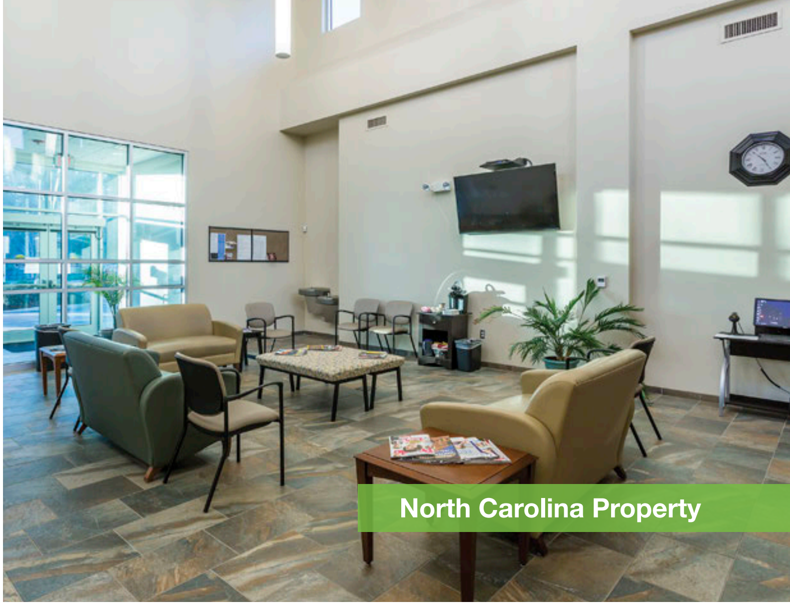
Upon acquisition of all of the Properties, the Trust is expected to lease the Properties to an affiliate of IPCC, Healthcare Portfolio II LeaseCo, L.L.C. (the Master Tenant), under a master lease agreement (the Master Lease). The Trust will then assign the Commercial Leases to the Master Tenant.

The Ground Lease

In connection with the acquisition of the Utah Property, the Trust assumed the tenant's interest in a ground lease with Jordan Valley Medical Center, LP as the ground landlord, for the land comprising the Utah Property (the Utah Ground Lease). During the term of the Utah Ground Lease, the Trust owns a fee simple interest in the improvements located on such land and a leasehold interest in the land. Upon the termination of the Utah Ground Lease, the ground landlord will become the owner of the improvements.



Utah Property



North Carolina Property

The Financing

The Properties are 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"* in the Memorandum.

Beneficial Interests:	$54,858,510
Offering Price:	$54,858,510
Offering Reserve:	$113,000
Minimum Purchase (1031):	$100,000
Minimum Purchase (cash):	$25,000
Current Cash Flow:	5.00%

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 Healthcare Portfolio II 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 will depend on the Master Tenant for revenue, and the Master Tenant will depend on the Commercial Tenants under the Commercial Leases, and any default by the Master Tenant or the Commercial Tenants will adversely affect the Trust's operations.
- The Properties have been designed for their particular uses, and, in the case of the Texas Property and the Utah Property, will be subject to certain use restrictions, which could result in substantial re-leasing costs or a lower sale price.
- The Trust may suffer adverse consequences due to the financial difficulties, bankruptcy or insolvency of any of the Commercial Tenants, any subtenants or guarantor.
- The North Carolina Property is subject to a right of first offer, and the Utah Property is subject to a right of first refusal. Such rights may make it more difficult to sell the North Carolina Property and the Utah Property, respectively.
- Adverse trends in the healthcare service industry may negatively affect the Trust's revenues.
- The Investors could suffer adverse consequences from the exercise of rights of the bridge lender in respect of the bridge loans made to IPCC in connection with the acquisition each of the Properties.
- 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.

IMPORTANT NOTES

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 DECEMBER 31, 2016)

Sponsored **197** private placement programs

527 properties in 43 states

Offered more than **$3.00** billion in equity

More than **$6.31** billion of assets acquired

More than **31.80** million square feet of gross leaseable area

$1,232,937,239 cumulative distributions to investors

70 assets sold

Program Dispositions

(AS OF DECEMBER 31, 2016)

	RETAIL	OFFICE	MULTIFAMILY	INDUSTRIAL
Cumulative Sales Price	$435,738,911	$204,909,165	$49,266,108	$96,270,041
Weighted Avg. Total Return*	138.49%	119.43%	140.19%	133.26%
Weighted Avg. ARR**	8.11%	4.13%	22.68%	7.25%
Number of Programs	33	7	2	5

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

ADISA | ALTERNATIVE & DIRECT INVESTMENTS A CHAMPION OF EXCELLENCE Inland Private Capital Corporation **2X RECIPIENT**

Metrics for Program Dispositions

*** Weighted Average 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. To determine the weighted average, the total return for each program is multiplied by the capital invested in that program, divided by total capital invested in all programs represented in the analysis.

**** Weighted Average Annualized Rate of Return (ARR)** is calculated as the sum of total cash flows distributed during the term of the investment plus any profit or loss on the initial offering price, divided by the investment period. To determine the weighted average, the ARR for each program is multiplied by the capital invested in that program, divided by the total capital invested in all programs represented in this analysis.

The Weighted Average Total Return and Weighted Average ARR metrics presented above apply to those programs in which the property owned by such program was sold. Please note that this analysis does not include programs in which the subject property was in foreclosure. In such situations, IPCC has negotiated with the applicable lender 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, in order to continue their Section 1031 exchanges and avoid potential capital gains and/or forgiveness of debt tax liabilities.

Inland Private Capital Corporation

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