



**PRIVATE PLACEMENT MEMORANDUM**

For the exclusive use of: \_\_\_\_\_

Memorandum ID# \_\_\_\_\_

The Date of this Private Placement Memorandum is  
June 29, 2012

**CONFIDENTIAL**

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CW Pharmacy II DST, a Delaware statutory trust (the “Trust”) and an affiliate of Inland Private Capital Corporation (“IPC Corp.” or “Sponsor”), 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”) 99.5% of the beneficial interests (individually, an “Interest,” and collectively, the “Interests”) in the Trust, which owns the real estate and improvements thereon located at the following addresses (collectively, the “Properties;” each, a “Property”):

(i) CVS Pharmacy  
5600 N. 23rd Street,  
McAllen, TX 78504  
(the “McAllen Property”)

(ii) CVS Pharmacy  
13000 Warwick Boulevard  
Newport News, VA 23602  
(the “Newport News Property”)

(iii) Walgreens  
327 Main Street  
Dunkirk, NY 14048  
(the “Dunkirk Property”)



# CW PHARMACY II DST

## The Tenants

### CVS

The tenants at the CVS Properties are CVS Pharmacy, Inc. and Virginia CVS Pharmacy, L.L.C. Both leases are guaranteed by CVS Caremark Corporation. As of December 31, 2011, the CVS Retail Pharmacy segment of CVS Caremark Corporation (“CVS”) included 7,327 retail drugstores, of which 7,271 operated a pharmacy, an online retail pharmacy website, CVS.com, 30 onsite pharmacy stores and retail health care clinics. The retail drugstores are located in 41 states, Puerto Rico and the District of Columbia operating primarily under the CVS/pharmacy® name. CVS/pharmacy stores sell prescription drugs and a wide assortment of general merchandise. During 2011, CVS filled approximately 658 million retail prescriptions, or approximately 20% of the U.S. retail pharmacy market. As of December 31, 2011, CVS operated 657 retail health care clinics in 25 states and the District of Columbia under the MinuteClinic® name, of which 648 were located within CVS/pharmacy stores.<sup>(1)</sup> [CVS has an S&P rating of BBB+ dated 5/9/2011 and a Moody’s rating of Baa2 dated 11/24/2009.](#) See *“Frequently Asked Questions – Who is CVS Caremark Corporation?”*

<sup>(1)</sup> Excerpted from SEC filing 10-K dated December 31, 2011



### Walgreens

The tenant at the Walgreens Property is Walgreen Eastern Co. The lease is guaranteed by Walgreen Co. (“Walgreens”). Walgreens is a retail drugstore chain that sells prescription and non-prescription drugs and general merchandise. General merchandise includes, among other things, household items, convenience and fresh foods, personal care, beauty care, photofinishing and candy. Customers can have prescriptions filled in retail pharmacies as well as through the mail, and may also place orders by telephone and online. As of February 29, 2012, Walgreens operated 8,290 locations in 50 states, the District of Columbia, Guam and Puerto Rico, as well as 360 Take Care Clinics which treat patients, give prescriptions, and administer immunizations and other vaccines. The company was founded in 1901 and is based in Deerfield, Illinois.<sup>(2)</sup> [Walgreens has an S&P rating of A dated 10/13/2011 and a Moody’s rating of A3 dated 4/5/2012.](#) See *“Frequently Asked Questions – Who is Walgreen Eastern Co., Inc.?”*

<sup>(2)</sup> Excerpted from SEC filing 10-Q dated February 29, 2012

### The Properties

The Properties each consist of a one-story, freestanding retail building (collectively, the “Buildings;” each a “Building,” as identified in the chart below) and are each 100% leased and occupied by their respective Tenant. See “*The Properties – Summary Description of the Properties,*” “*Summary of the Leases,*” and “*Risk Factors – Real Estate Risks.*”



Property & Address	Tenant	Lease Guarantor	Square Feet	Year Built	Lease Commencement/ Lease Expiration
McAllen Property 5600 N. 23rd Street McAllen, TX 78504	CVS Pharmacy, Inc.	CVS Caremark Corporation	13,204	2009	8/13/2009-1/31/2035
Newport News Property 13000 Warwick Blvd. Newport News, VA 23602	Virginia CVS Pharmacy, L.L.C.	CVS Caremark Corporation	13,259	2009	9/13/2009-1/31/2035
Dunkirk Property 327 Main Street Dunkirk, NY 14048	Walgreen Eastern Co., Inc.	Walgreen Co.	13,611	2008	7/7/2008-7/31/2083*

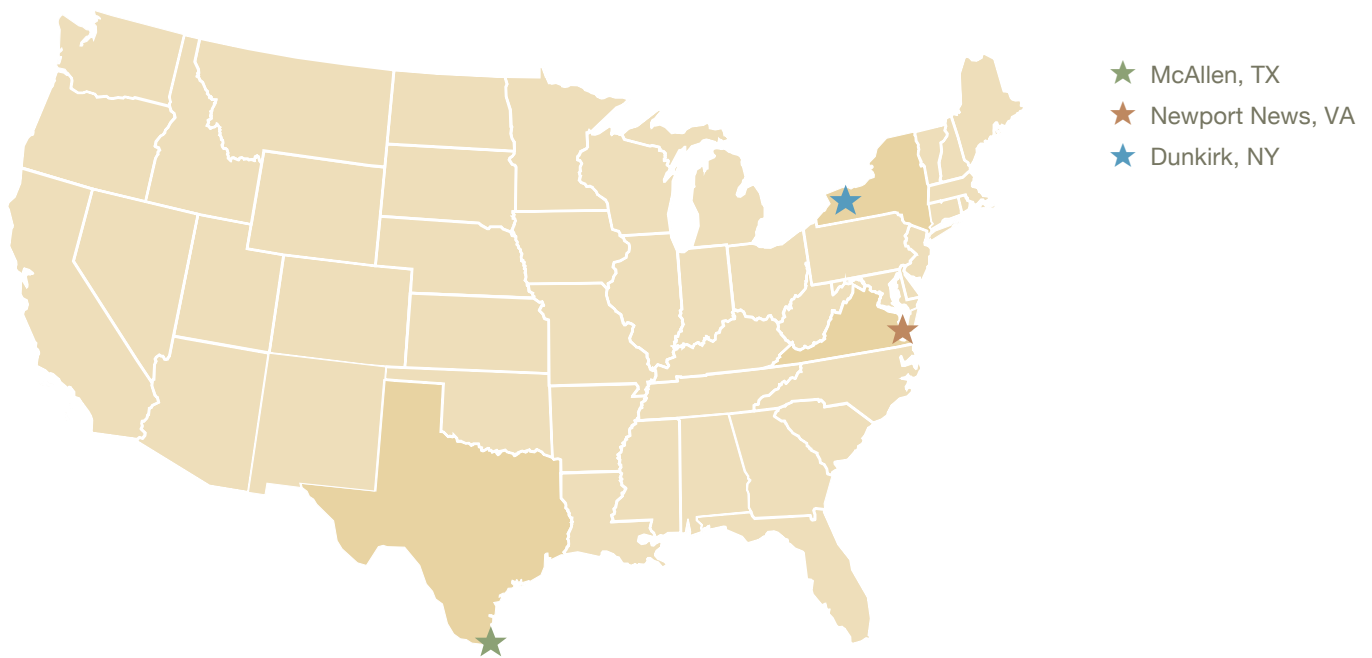
\*Walgreens has a termination option on 7/31/2033 by providing notice not more than 6 months prior to date of termination.

# CW PHARMACY II DST

## Locations

The following market information is excerpted from Self Contained Appraisal Reports performed by CB Richard Ellis, Inc., with respect to the Properties (each, an “Appraisal”), the copies of which are included on the enclosed CD. See “Market Analysis and Overview.”

City, State	Location	2011 Population within a 5 mile radius	2011 Estimated Average Household Income within a 5 mile radius
McAllen, TX	Southern tip of Texas in the Rio Grande Valley	199,822	\$56,620
Newport News, VA	SE Virginia, in Norfolk Metro Area	169,536	\$65,333
Dunkirk, NY	45 miles SW of Buffalo	37,245	\$48,321



### Offering Highlights

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.”

Beneficial Interests:	\$ 10,010,063
Loan Proceeds:	\$ 9,395,000
Offering Price:	\$ 19,405,063
Loan-to-Offering Ratio:	48.42%
Minimum Purchase (1031):	\$ 100,000
Minimum Purchase (cash):	\$ 25,000



### Financing

The Properties are financed with a first mortgage, interest only, loan from Ladder Capital Finance I LLC to the Trust in the principal amount of \$9,395,000 (the “Loan”). The Loan is non-recourse to the Trust (subject to certain carve-outs to the Trust and IPC Corp.). The Properties are encumbered by the first-lien Mortgages (defined herein) as security for the Loan. The Loan has a term of approximately 25 years with a maturity date of April 6, 2037 (the “Maturity Date”), but the Preferred Prepayment Date is April 6, 2022 (“Preferred Prepayment Date”). Prior to the Preferred Prepayment Date, the interest rate is fixed at 4.90% (the “Interest Rate”) as a result of the Trust buying down the Interest Rate. For purposes of determining liabilities assumed with respect to the Properties in connection with an Investor’s Section 1031 Exchange, each Investor will be allocated a pro rata share of the Loan, estimated to be \$93,856 per \$100,000 Interest. The Loan Documents are included on the enclosed CD. See “Risk Factors – Risks Relating to the Loan and “Acquisition, Financing, and Operation of the Properties – 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 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, 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.

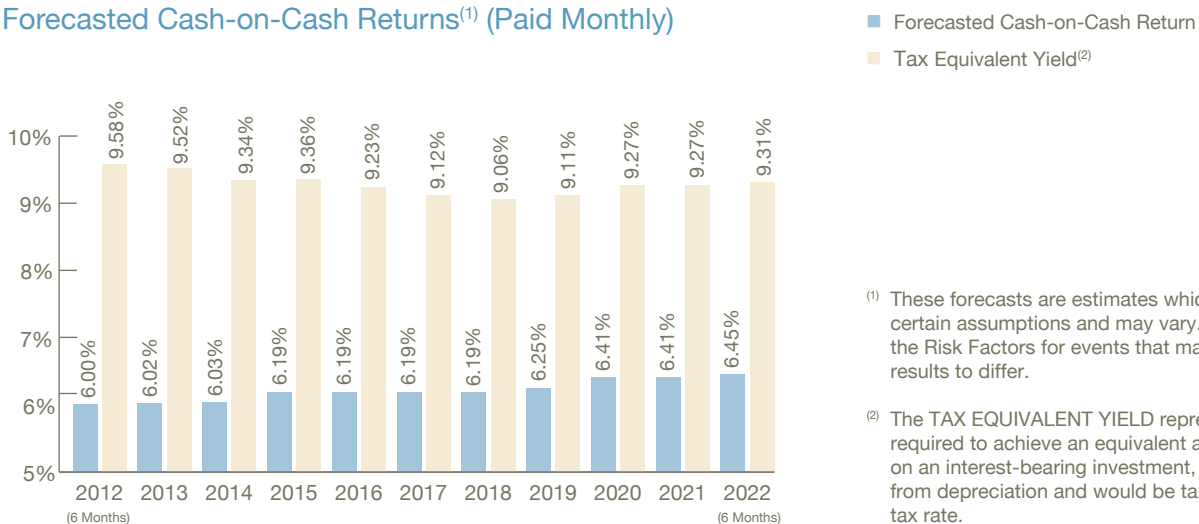
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## Forecasted Cash-on-Cash Returns<sup>(1)</sup> (Paid Monthly)



<sup>(1)</sup> These forecasts are estimates which are based on certain assumptions and may vary. Please consult the Risk Factors for events that may cause the actual results to differ.

<sup>(2)</sup> 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.