

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
CNL HEALTHCARE PROPERTIES II, INC.		47-4524619	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
CLIENT SERVICES	866-650-0650	clientservicesinquiries@cni.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and Zip code of contact	
450 SOUTH ORANGE AVENUE		ORLANDO, FL 32801	
<b>8</b> Date of action		<b>9</b> Classification and description	
See below		MULTIPLE CLASSES OF COMMON STOCK - CLASS A, CLASS T, CLASS I	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
12594A302			
12594A104/12594A203	N/A	N/A	

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶

For the 2016 tax year, CNL Healthcare Properties II, Inc. ("Taxpayer") paid quarterly cash distributions after breaking escrow effective July 11, 2016, to shareholders of all classes of common stock. All (100%) of the cash distributions made in 2016 were in excess of the Taxpayer's current and accumulated earnings and profits and represent a nontaxable return of capital.

The distributions were made on the following dates:  
 9/10/2016, 12/7/2016

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ Of the total cash distributions made in 2016, 100 % of the value received will reduce the basis in your stock. As required, the Taxpayer will provide annual Form 1099-DIV. You can refer to the Form 1099-DIV for specific information.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Taxpayer's earnings and profits were calculated under the provisions of the Internal Revenue Code (IRC) Section 312 and the Regulations thereunder. Amounts distributed in excess of earnings and profits reduce the stockholder's basis in its shares to the extent of basis.

**Part II Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
IRC SECTION 301(c)(2)

**18** Can any resulting loss be recognized? ▶ NO


**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶  
THESE ACTIONS ARE EFFECTIVE ON THE DATES IDENTIFIED ABOVE.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature ▶  Date ▶ 2-23-17

Print your name ▶ KAKI RAWLS Title ▶ VICE PRESIDENT

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	ALEX PARK		02/21/17		P00134487
	Firm's name ▶ ERNST & YOUNG U.S. LLP	Firm's EIN ▶ 34-6569956		Phone no. 404-874-8300	
	Firm's address ▶ 55 IVAN ALLEN BLVD., SUITE 1000, ATLANTA, GA 30308				