



# *News Release*

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**CNL HEALTHCARE PROPERTIES EXPANDS SENIOR HOUSING PORTFOLIO  
WITH TWO PROPERTIES IN IOWA**

*-- Company also pays off mezzanine loan early, reducing interest costs --*

(ORLANDO, Fla.) May 1, 2013 — CNL Healthcare Properties, an investment offering focused on senior housing and healthcare real estate, has acquired two senior housing communities in Iowa for \$12.16 million through a joint venture with GCI Development, LLC. CNL Healthcare Properties and GCI Development acquired three other Windsor Manor properties through another joint venture last fall. The portfolio now includes five Windsor properties totaling 204 units, all in Iowa.

“We are pleased to partner with GCI Development to add these communities to the CNL Healthcare Properties portfolio,” said Stephen H. Mauldin, president and CEO of CNL Healthcare Properties. “We continue to see strong fundamentals in the senior housing industry and seek opportunities to capitalize on investments that are beneficial both for our investors and the properties.”

CNL Healthcare Properties owns a 75 percent interest in the joint venture, which acquired Windsor Manor of Indianola, a 42-unit assisted living and memory care community located in Indianola, Iowa; and Windsor Manor of Grinnell, a 30-unit assisted living and 10-unit memory care community located in Grinnell, Iowa.

“We are delighted to be expanding our relationship with CNL Healthcare Properties in the acquisition of these two properties,” said Steven Heyer, President of GCI Development, LLC. “We have established a very strong relationship with the company over the last several months and were looking for an opportunity to work together again. The addition of these two assets to the joint venture is the logical next step.”

Provision Living, LLC will manage both properties under a long-term management agreement.

“We are excited to grow our partnership with CNL Healthcare Properties,” said Todd Spittal, co-founder of Provision Living. “Each community is dedicated to providing environments where seniors can thrive in an atmosphere of respect, comfort and grace, and where quality of life is the utmost importance.”

Since the launch of CNL Healthcare Properties in the summer of 2011, the fund has acquired interests in senior housing and healthcare assets valued at more than \$560 million.

### **Mezzanine Loan Paid Off Early**

The company also recently paid off a \$40 million mezzanine loan, which it entered into in June 2012 in order to acquire seven senior living properties for \$226 million in a joint venture with Sunrise Senior Living.

“Thanks to our early capital deployment momentum and the recent success of our capital raise, CNL Healthcare Properties was able to pay off this loan several months earlier than anticipated,” Mauldin said. “This credit facility allowed us to make a substantial investment in a high-quality portfolio of senior living communities early in our life cycle and now the early repayment of these funds will result in measurable interest savings in 2013.”

Financial advisors can contact the managing dealer of the REIT, CNL Securities, member FINRA/SIPC, at (866) 650-0650 ([www.CNLSecurities.com](http://www.CNLSecurities.com)).

### **About CNL Healthcare Properties**

CNL Healthcare Properties, Inc., is an investment offering that will seek to acquire properties in the senior housing and healthcare sectors, although it may also acquire other income-producing properties. The company intends to qualify as a non-traded real estate investment trust. CNL Financial Group, LLC is the sponsor of CNL Healthcare Properties. For more information, visit [www.CNLHealthcareProperties.com](http://www.CNLHealthcareProperties.com).

### **About CNL Financial Group**

CNL Financial Group (CNL) is a leading private investment management firm providing global real estate and alternative investments. Since inception in 1973, CNL and/or its affiliates have formed or acquired companies with more than \$26 billion in assets. CNL is headquartered in Orlando, Florida. For more information, visit [www.cnl.com](http://www.cnl.com).

### **Caution Concerning Forward-Looking Statements**

The information above contains “forward-looking statements” within the meaning of the Federal Private Securities Litigation Reform Act of 1995. The Company intends that such forward-looking statements be subject to the safe harbors created by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements that do not relate strictly to historical or current facts, but reflect management's current understandings, intentions, beliefs, plans, expectations, assumptions and/or predictions regarding the future of the Company's business and its performance, the economy, and other future conditions and forecasts of future events, and circumstances. Forward-looking statements are typically identified by words such as “believes,” “expects,” “anticipates,” “intends,” “estimates,” “plans,” “continues,” “pro forma,” “may,” “will,” “seeks,” “should” and “could,” and words and terms of similar substance. Although we believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, our actual results could differ materially from those set forth in the forward-looking

statements due to a variety of risks, uncertainties and other factors. Some factors that might cause such a difference include, but are not limited to, the following: risks associated with our investment strategy; a worsening economic environment in the U.S. or globally, including financial market fluctuations; risks associated with real estate markets, including declining real estate values; availability of proceeds from our offering of our shares; our failure to obtain, renew or extend necessary financing or to access the debt or equity markets; the use of debt to finance our business activities, including refinancing and interest rate risk and our failure to comply with debt covenants; our ability to identify and close on suitable investments; failure to successfully manage growth or integrate acquired properties and operations; risks related to development projects or acquired property value-add conversions, including construction delays and cost overruns; inability to obtain necessary permits and/or public opposition to these activities; our ability to make necessary improvements to properties on a timely or cost-efficient basis; competition for properties and/or tenants; defaults on or non-renewal of leases by tenants; failure to lease properties on favorable terms or at all; the impact of current and future environmental, zoning and other governmental regulations affecting our properties; the impact of changes in accounting rules; the impact of regulations requiring periodic valuation of the Company on a per share basis; inaccuracies of our accounting estimates; unknown liabilities of acquired properties or liabilities caused by property managers or operators; material adverse actions or omissions by any joint venture partners, if applicable; increases in operating costs and other expenses; uninsured losses or losses in excess of our insurance coverage; the impact of outstanding and/or potential litigation; risks associated with our tax structuring; failure to qualify and maintain our REIT qualification; and our ability to protect our intellectual property and the value of our brand. Given these uncertainties, we caution you not to place undue reliance on such statements. For further information regarding risks and uncertainties associated with our business, please refer to the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors” sections of our documents filed from time to time with the U.S. Securities and Exchange Commission, including, but not limited to, our annual report on Form 10-K and quarterly reports on Form 10-Q, and our registration statement on Form S-11 and the sticker supplements and amendments thereto, copies of which may be obtained from our Web site at <http://www.cnlhealthcareproperties.com>.

We undertake no obligation to publicly release the results of any revisions to these forward looking-statements that may be made to reflect future events or circumstances or to reflect the occurrence of unanticipated events.

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