



News Release

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**CNL HEALTHCARE PROPERTIES, MONTECITO MEDICAL JOINT VENTURE
ACQUIRES CALIFORNIA MEDICAL OFFICE BUILDING**

-- Purchase marks CNL Healthcare Properties entry into medical office space --

(ORLANDO, Fla.) Feb. 7, 2013 — CNL Healthcare Properties, a real estate investment offering focused on senior housing and healthcare assets, has acquired a majority interest in the Claremont Medical Plaza in Claremont, Calif., through a joint venture the company formed with an affiliate of Montecito Medical Operating Company, a premier owner of medical properties throughout the United States. The medical office building was purchased for \$19.8 million from StoneCreek Company, which will continue to provide property management services.

This is the first medical office building CNL Healthcare Properties has added to its portfolio; the company has also invested in senior housing communities.

“Medical office buildings are a key part of our investment diversification strategy and we believe that the acquisition of Claremont Medical Plaza is an exceptional first step for us as we build out our portfolio,” said Stephen H. Mauldin, president and CEO of CNL Healthcare Properties. “With the aging U.S. population spending a growing amount of their income on healthcare and with healthcare services continuing their shift to lower cost, more convenient settings, we anticipate targeted and value-creating investment opportunities for our shareholders to complement our core senior housing focus.”

Claremont Medical Plaza is a two-story, 48,984-square-foot medical office building that was constructed specifically for the Pomona Valley Health System in 2008. The building is currently 89 percent leased, with lease commitments expected to bring the building’s occupancy to 96 percent within the next few months. Pomona Valley Hospital Medical Center, a dominant regional healthcare system with nearly 40 percent local market share, occupies 77 percent of the facility.

The property, which is located approximately 34 miles east of downtown Los Angeles, is within one of the nation’s five largest metropolitan areas. The Claremont submarket has seen considerable growth in

recent years, due in large part to growth at the Claremont Colleges, a consortium of seven top-tier higher education institutions. Claremont is one of the nation's top medical markets, according to proprietary research conducted by Montecito Medical Investment Company.

Montecito Medical Investment Company was established in 2006 by principals with more than 20 years in the healthcare facility investment business. Based in Santa Barbara, Calif., Montecito has invested in, managed and developed more than 50 medical facilities totaling more than 2.5 million square feet and valued at over \$500 million.

Montecito purchased its share of the joint venture with CNL Healthcare Properties through its affiliate MMAC Berkshire LLC, a platform established in 2012 with an affiliate of Berkshire Realty Ventures, L.L.C. to form joint ventures with institutional partners to acquire a portfolio of \$600 million in medical office properties over the next several years.

“Claremont Medical Plaza not only helps CNL Healthcare Properties drive its investment objectives, it also allows us to create a strategic partnership with Montecito Medical,” Mauldin said. “Montecito and its leadership are very well-respected in the sector and we look forward to an expanding relationship with this dynamic enterprise.”

“Montecito Medical is thrilled to partner with CNL Healthcare Properties in adding Claremont Medical Plaza to our portfolio,” said Chip Conk, CEO of Montecito Medical. “In addition to being located in one of the best medical markets in the country, we value its affiliation with Pomona Valley Hospital. This acquisition fits in nicely with our strategy to acquire and fund development of medical real estate located on-campus, campus adjacent or hub & spoke with ties to strong healthcare systems.”

Financial advisors can contact the managing dealer of the REIT, CNL Securities, member FINRA/SIPC, at (866) 650-0650 (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.

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.

About Montecito Medical

Formed in 2006, Montecito Medical is one of the nation's largest, privately held companies specializing in acquiring and funding developments of medical related real estate. MMOC is dedicated to being the preferred resource for health care real estate developers, owners and health care systems seeking to monetize or expand their real estate holdings.

Montecito Research and Analytics, a wholly owned subsidiary of Montecito Medical, is a proprietary analysis system comprised of more than 10 terabytes of health care and demographic information. This research platform allows MMOC to drill down through 30,000 zip codes in the U.S. to determine medical market viability as well as providing an analysis of additional physician specialty needs within an individual market. For more information, please visit www.MontecitoMac.com.

About Berkshire Realty Ventures

BRV is an affiliate of The Berkshire Group, a real estate and private equity company with more than 40 years of experience which has raised more than \$6 billion in third-party investor equity, and has made more than \$10 billion in direct and entity level real estate investments. To learn more, visit www.BerkshireRealtyVentures.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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