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| Record Date: Oct 23rd, 2017 Mail Date: Oct 25th, 2017Meeting InformationThursday Dec 21st, 2017 @ 4pm Eastern TimeThe Core Club66 East 55th StreetNew York, NYInbound:855-973-0094 Company: 212-415-6500ARC HT III |

**Proposals**

1. To consider and vote on a proposal to approve the sale of substantially all of the assets of the Company to Healthcare Trust, Inc., a Maryland corporation (‘‘HTI’’), pursuant to and on the terms set forth in the Purchase Agreement, dated as of June 16, 2017 (the ‘‘Purchase Agreement’’), by and among the Company, American Realty Capital Healthcare Trust III Operating Partnership, L.P., a Delaware limited partnership and the Company’s operating partnership (the ‘‘OP’’), ARHC TRS Holdco III, LLC, a subsidiary of the OP, HTI, HTI’s operating partnership and one of its subsidiaries (together with the other transactions contemplated by the Purchase Agreement, the ‘‘Asset Sale’’);
2. To consider and vote on a proposal to approve the plan of liquidation and dissolution of the Company (the ‘‘Plan of Liquidation’’), including the complete liquidation and dissolution of the Company as contemplated thereby;
3. To consider and vote on the election of three directors to serve for one year, until the Company’s 2018 annual meeting of stockholders and their successors are duly elected and qualified;
4. To consider and vote on a proposal to ratify the appointment of KPMG LLP (‘‘KPMG’’) as the Company’s independent registered public accounting firm for the year ending December 31, 2017;
5. To consider and vote on a proposal to adjourn the Annual Meeting to a later date or dates, if necessary or appropriate as determined by the chairperson of the Annual Meeting, to solicit additional proxies in favor of the proposals above

The Board recommends that you vote in favor of the proposals

**Why are the proposals to approve the Asset Sale and the Plan of Liquidation being submitted to**

**stockholders?**

On June 16, 2017, the Company entered into the Purchase Agreement with HTI, an entity sponsored and advised by affiliates of the Company’s advisor, American Realty Capital Healthcare III Advisors, LLC

(the ‘‘Advisor’’), pursuant to which the Company agreed to sell substantially all of its assets to HTI in the Asset Sale. The Plan of Liquidation will not become effective until the date the Asset Sale is consummated (the ‘‘Closing Date’’). The Asset Sale may only be consummated if stockholders approve the Asset Sale and the Plan of Liquidation. Subject to the Asset Sale being completed, the Company intends to wind up its affairs and distribute its assets, which are expected to consist primarily of cash after satisfying the Company’s liabilities, to the holders of its common stock in accordance with the Plan of Liquidation.

**Why did the Company enter into the Purchase Agreement?**

Based on the recommendation of the special transaction committee comprised entirely of the two independent directors on the Board (the ‘‘Special Committee’’), the Board has determined that each of the Purchase Agreement, the other documents and agreements contemplated thereby and the Asset Sale are fair and reasonable, both financially and otherwise, to the Company, and advisable and in the best interests of the Company and its stockholders, and that the Asset Sale and the Plan of Liquidation are substantively and procedurally fair to the Company’s unaffiliated stockholders, after careful consideration of a number of factors including:

* the fixed cash consideration to be paid in connection with the Asset Sale by HTI, consisting of $120.0 million, less the $4.9 million principal amount of the Philip Center Loan, which will be assumed by HTI or repaid by the Company, and associated costs
* in light of the Special Committee’s consideration of potential strategic alternatives, the likelihood that the Company would have difficulty achieving access to public equity capital markets and continuing to grow on a stand-alone basis;
* in light of the Special Committee’s consideration of potential strategic alternatives, the likelihood that the Company would have difficulty achieving a liquidity event that would provide greater value to the Company’s stockholders in both the near-term and long-term future; and
* the fact that the Special Committee conducted a thorough and diligent strategic review process, including communicating with 25 potential buyers regarding a potential transaction.

The Board and the Special Committee also considered a variety of other factors, including risks and other potentially negative factors. For a more complete discussion of the factors and risks considered by the Board and the Special Committee, see ‘‘Special Factors — Recommendation of the Board of Directors and the Company’s Purposes and Reasons for the Asset Sale and the Plan of Liquidation’’ and ‘‘—Position of the Company, the OP and HT III Holdco as to Fairness to the Company’s Unaffiliated Stockholders.’’

**Who is HTI?**

HTI, the purchaser in the Asset Sale, is a Maryland corporation formed and sponsored by affiliates of the Advisor. Like the Company, HTI invests in healthcare real estate, focusing on seniors housing and medical office buildings (‘‘MOB’’) located in the United States. As of June 30, 2017, HTI owned 163 properties located in 29 states and comprised of 8.5 million rentable square feet. HTI is externally managed by Healthcare Trust Advisors, LLC (the ‘‘HTI Advisor’’), an entity controlled by American Realty Capital VII, LLC (the ‘‘Sponsor’’), which is wholly owned by AR Global Investments, LLC (‘‘AR Global’’). The HTI Advisor and the Advisor are under common control with AR Global.

**What is the purchase price for the Company’s assets and when will it be paid?**

Under the Purchase Agreement, HTI has agreed to purchase all of the Company’s properties for a purchase price of $120.0 million (the ‘‘Purchase Price’’). The Purchase Price is subject to customary prorations and closing adjustments in accordance with the terms of the Purchase Agreement, which are estimated to be $0.8 million payable to HTI assuming the Asset Sale closes on November 30, 2017, and will be payable on the Closing Date less the principal amount of the loan secured by the Company’s Philip Center property (the ‘‘Philip Center Loan’’), which was $4.9 million as of the date of this proxy statement. Pursuant to the terms of the Purchase Agreement, HTI has agreed to use commercially reasonable efforts (including paying early termination fees not to exceed $200,000) to assume the Philip Center Loan and to cause the Company to be released from the guaranty associated with the Philip Center Loan. If HTI does not assume the Philip Center Loan on the Closing Date or if the Company is not released from the guaranty associated with the Philip Center Loan, the Philip Center Loan will be repaid in full by the Company on the Closing Date and any early termination fee in excess of $200,000 will be subtracted from the Purchase Price.

On the Closing Date, HTI will deposit $6.0 million of the Purchase Price (the ‘‘Escrow Amount’’) payable into an escrow account for the benefit of the Company on the Closing Date, and the Escrow Amount, less any amounts paid or reserved for pending or unsatisfied indemnification claims of HTI made pursuant to the Purchase Agreement, will be released in installments thereafter over a period of 14 months following the Closing Date.

**What assets are being sold by the Company pursuant to the Purchase Agreement?**

The assets subject to the Asset Sale represent the membership interests in indirect subsidiaries of the

Company which collectively own all 19 of the Company’s properties and comprise substantially all of the Company’s assets. These properties are referred to individually as a ‘‘Property’’ and collectively as the ‘‘Properties’’ throughout this proxy statement. See ‘‘The Company — Properties’’ for further details regarding the Properties.

**What assets will not be sold by the Company?**

Following the completion of the Asset Sale, the only distributable assets of the Company are expected to be cash on hand, which the Company expects will ultimately be distributed in one or more liquidating distributions to its stockholders.

**What liabilities will and will not be assumed by HTI?**

As part of the Asset Sale, HTI is required to use commercially reasonable efforts to assume the Philip Center Loan. None of the other Properties are encumbered by indebtedness, and HTI will not assume any of the Company’s other liabilities.

**When does the Company expect to complete the Asset Sale?**

The Company expects to complete the Asset Sale as soon as practicable following stockholder approval of the Asset Sale and the Plan of Liquidation. However, there can be no assurance regarding the timing of completing the Asset Sale because the transaction is subject to a number of customary closing conditions.

**What will happen if the Asset Sale or the Plan of Liquidation is not approved?**

If stockholders do not approve the Asset Sale or the Plan of Liquidation, a condition to the closing of the

Asset Sale will have failed and the Company or HTI may terminate the Purchase Agreement. In connection with any termination of the Purchase Agreement on this basis, the Company will be responsible for reimbursing HTI for up to $850,000 of actual third party, non-HTI Advisor expenses, including non-HTI Advisor legal fees and any fee paid to the HTI Special Committee’s financial advisor, incurred in connection with the transactions contemplated by the Purchase Agreement.

**What will happen if the Asset Sale does not close?**

If the Asset Sale does not close, the Plan of Liquidation will not become effective and the Company will not be permitted to liquidate and dissolve but will instead continue to operate its business, including potentially pursuing other strategic options.

**What will happen under the Plan of Liquidation?**

Under the Plan of Liquidation, which becomes effective when the Asset Sale closes, the Company will be authorized to sell all of its remaining assets, liquidate and dissolve the Company and its subsidiaries, and distribute the net proceeds of such liquidation in accordance with the provisions of the Company’s charter (the ‘‘Charter’’), the Company’s bylaws and the laws of the State of Maryland.

**What is the range of net liquidation proceeds estimated by the Board to be available for distribution pursuant to the Plan of Liquidation, including any initial distribution immediately following the closing of the Asset Sale, and how were those estimates determined?**

The Board estimates that the net cash proceeds available for distribution to the Company’s stockholders pursuant to the Plan of Liquidation will be $17.67 to $17.81 per outstanding share of common stock. This range is an increase from the prior estimated range of $17.49 to $17.64 per share included in the Company’s proxy statement dated July 18, 2017. The increase resulted primarily from the additional cash from operations due to a later estimated Closing Date. To assist the Board in estimating the range of total liquidating distributions, the Advisor prepared an estimate of the range of net proceeds from the Asset Sale that may be available to distribute to the Company’s stockholders in one or more liquidating distributions pursuant to the Plan of Liquidation (the ‘‘Liquidation Analysis’’).

Based on the Liquidation Analysis and subject to review and approval by the Board and the closing of the Asset Sale, we expect to pay an initial liquidating distribution of $15.75 per outstanding share of common stock within two weeks following the closing of the Asset Sale. This estimate of an initial liquidating distribution is based on certain assumptions, including that the Company retains the Escrow Amount and a certain amount of cash on hand for unknown and outstanding liabilities and expenses.

The Liquidation Analysis reflects, among other things, the Advisor’s best estimate of:

1. the prorations that would be payable to HTI pursuant to the Purchase Agreement;
2. the costs and expenses of consummating the Asset Sale and implementing the Plan of Liquidation; and
3. the Company’s assets and liabilities on the Closing Date.

These, and other estimates used in the Liquidation Analysis, are based on a number of assumptions, including that:

* the Closing Date occurred on either
	+ December 31, 2017 (the high end of the range), or
	+ November 30, 2017 (the low end of the range);
* the final liquidating distribution will occur before there is any need to transfer the Company’s assets to a liquidating trust on either (A) the 14-month anniversary of the Closing Date, which is the earliest date the Company is permitted to make its final liquidating distribution to stockholders under the Plan of Liquidation (the high end of the range), or (B) the two-year anniversary of the Closing Date, which is the latest date the Company is permitted to make its final liquidating distribution to stockholders under the Plan of Liquidation (the low end of the range);
* all $6.0 million of the Purchase Price payable into an escrow account for the benefit of the Company on the Closing Date reserved for pending or unsatisfied indemnification claims of HTI made pursuant to the Purchase Agreement will be released in installments thereafter over a period of 14 months following the Closing Date; and
* 2,666 restricted shares of the Company’s common stock (‘‘restricted shares’’) issued under the Company’s employee and director incentive restricted share plan (the ‘‘RSP’’), will be issued to the Company’s independent directors in connection with the Annual Meeting.

**When will I receive my liquidating distributions?**

The Board expects to authorize an initial liquidating distribution to be paid to stockholders within two weeks following the closing of the Asset Sale, but the Board has not established a definitive timetable for paying additional liquidating distributions. The Plan of Liquidation requires the Company to use commercially reasonable efforts to cause the liquidation and dissolution of the Company to occur and to make the complete distribution of all assets of the Company to the holders of outstanding shares of common stock no later than the second anniversary of the effective date of the Plan of Liquidation. The Plan of Liquidation also provides, however, that this final distribution will not occur earlier than the end of the 14-month survival period of the representations and warranties under the Purchase Agreement and will not occur prior to final resolution of any unsatisfied indemnification claims that are first made prior to the end of that period.

If the Board decides it would not be feasible for the Company to pay, or adequately provide for, all debts and liabilities of the Company (including costs and expenses incurred and anticipated to be incurred in connection with the liquidation of the Company) at the time the final distribution is to be paid, the Board may establish a liquidating trust and the Company may transfer its remaining assets and liabilities to that liquidating trust. The Company would then distribute beneficial interests in the liquidating trust to its stockholders. If the Company establishes a reserve fund, the Company may pay a final distribution from any funds remaining in the reserve fund after it determines that all of the Company’s liabilities and obligations have been paid.

The actual amounts and timing of the liquidating distributions will be determined by the Board or, if a liquidating trust is formed, by the trustees of the liquidating trust, in their discretion. We cannot predict the timing or amount of any liquidating distributions, as uncertainties exist regarding the precise value of any remaining assets after the Asset Sale, the final amount of our liabilities and obligations, the operating costs and amounts to be set aside in a reserve fund for claims, obligations and provisions during the liquidation and dissolution process.

**Will I still be able to sell or transfer my shares of common stock following the closing of the Asset**

**Sale and the effectiveness of the Plan of Liquidation?**

There is no established public trading market for shares of common stock because common stock is not listed on a stock exchange. However, shares of common stock will be transferable following the closing

of the Asset Sale to the same extent as before the closing of the Asset Sale up until the Company files its Articles of Dissolution. If the Plan of Liquidation is approved by the Company’s stockholders, the Board will then decide when to file the Articles of Dissolution with the State Department of Assessments and Taxation of Maryland (the ‘‘SDAT’’). From and after the date the Company files the Articles of

Dissolution with the SDAT, the Company will close its stock transfer books and discontinue recording transfers of shares of common stock. Thereafter, certificates representing shares of common stock will not be assignable or transferable on the Company’s books.

If the Company transfers its remaining assets and liabilities to a liquidating trust and distributes beneficial interests in the liquidating trust to its stockholders, the shares of beneficial interest in the liquidating trust will be generally non-transferable except by will, intestate succession or operation of law.

**Will I continue to receive regular distributions on my common stock prior to the completion of the**

**dissolution?**

No. On July 18, 2017, in light of the pending Asset Sale and Plan of Liquidation, the Board determined that the Company would cease declaring and paying regular distributions to its stockholders following the distributions to stockholders of record with respect to each day during the month of July 2017 which were paid on August 1, 2017. If the Asset Sale and the Plan of Liquidation are approved by the Company’s stockholders at the Annual Meeting and the Plan of Liquidation becomes effective, the Company anticipates paying periodic liquidating distributions, including an initial liquidating distribution of $15.75 expected to be paid within two weeks following the closing of the Asset Sale, as further described in this proxy statement, subject to satisfying its liabilities and obligations, in lieu of regular distributions. If, for some reason, the Asset Sale and the Plan of Liquidation are not approved by the

Company’s stockholders at the Annual Meeting, the Board will further evaluate the Company’s distribution policy.

**When can I expect to receive my cash proceeds?**

ARC-HTIII will provide stockholders with total liquidating distributions of between $17.67 to $17.81 pershare1. The initial cash distribution of $15.75 per share is expected be paid to you within two weeks of the transaction closing. If approved at the December 21, 2017 Annual Meeting you will receive $15.75 per share in early January 2018.

 These estimates are based on certain assumptions and there can be no guarantee as to the exact amount that you will receive.

Proposal 2

The Company is seeking stockholder approval of the Plan of Liquidation. The Plan of Liquidation was approved by the Board on June 16, 2017 and becomes effective upon stockholder approval of the Plan of Liquidation and the Closing Date. By approving the Plan of Liquidation, stockholders will be approving the liquidation and dissolution of the Company as well as granting the Board the authority to transfer and assign the Company’s assets to a liquidating trust and appoint trustees of the liquidating trust, among other things, if deemed necessary by the Board.

The closing of the Asset Sale is conditioned upon stockholder approval of both the Asset Sale and the Plan of Liquidation. Thus, if stockholders do not approve the Plan of Liquidation, the Asset Sale will not be completed even if stockholders approve the Asset Sale. Likewise, the effectiveness of the Plan of Liquidation is conditioned upon stockholder approval of the Plan of Liquidation and the closing of the Asset Sale. If the Asset Sale is not approved and does not close, the Plan of Liquidation will not become effective regardless of whether or not it has been approved.

Proposal 3

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| **Name** | **Age** | **Position** |
| Edward M. Weil, Jr. | 50 | Executive Chairman |
| P. Sue Perrotty | 64 | Independent Director |
| B.J. Penn | 79 | Independent Director |

Proposal 4

The audit committee of the Board of Directors has selected and appointed KPMG as the Company’s independent registered public accounting firm to audit the Company’s consolidated financial statements for the year ending December 31, 2017. KPMG has audited the Company’s consolidated financial statements since the year ended December 31, 2014.