

Grubb & Ellis Healthcare REIT, Inc.

Form DEF 14A

July 22, 2009

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A  
(RULE 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

GRUBB & ELLIS HEALTHCARE REIT, INC.

(Name of Registrant as Specified In Its Charter)

(To be named Healthcare Trust of America, Inc. by August 28, 2009)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- o Fee paid previously with preliminary materials:
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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The Promenade, Suite 440  
16427 N. Scottsdale Road  
Scottsdale, Arizona 85254  
480.998.3478

**(to be named Healthcare Trust  
of America, Inc. by August 28, 2009)**

[www.gbe-reits.com/healthcare](http://www.gbe-reits.com/healthcare)

July 22, 2009

Dear Stockholder:

On behalf of the Board of Directors, I cordially invite you to attend the *2009 Annual Meeting of Stockholders of Healthcare Trust of America, Inc.*, to be held on August 31, 2009 at 9:00 a.m. local time, at The Westin Kierland Resort & Spa, 6902 East Greenway Parkway, Scottsdale, Arizona 85254. Grubb & Ellis Healthcare REIT, Inc. will change its name to Healthcare Trust of America, Inc. by August 28, 2009. We look forward to your attendance.

The accompanying Notice of Annual Meeting of Stockholders and Proxy Statement describe the formal business to be acted upon by the stockholders. A report on the status of our initial public offering, our transition to self-management and our portfolio of properties will also be presented at the annual meeting, and our stockholders will have an opportunity to ask questions.

I would also like to provide you with a brief update on our transition to complete self-management. The first step of self-management took place in July 2008, when I devoted myself, on a full-time and exclusive basis, as the CEO and President of our company. It is important to point out that even during the time that we were externally advised, all key decisions were made by your CEO and Board of Directors. In November 2008, the Board of Directors concluded that it is in the best interest of our company to proceed toward complete self-management. Accordingly, we amended our advisory agreement on November 14, 2008 to reduce our acquisition and asset management fees and to set the framework for our transition to self-management. Under the amended advisory agreement, our advisor agreed to use reasonable efforts to cooperate with us in connection with our transition to self-management.

We have assembled a highly qualified internal management team focused on efficiency and performance to increase stockholder value. As of July 1, 2009, our management team included me as our President and Chief Executive Officer, Kellie S. Pruitt, our Chief Accounting Officer, Treasurer and Secretary, Mark Engstrom, our Executive Vice President Acquisitions, Chris Balish, our Senior Vice President Asset Management and Kelly Hogan, our Controller and Assistant Secretary. Accordingly, we are now in a position where we consider ourselves to be self-managed. Our self-management team effectively and efficiently manages our internal staff, and third-party service providers, in an environment that focuses on a stockholder first philosophy.

We believe we have a strong balance sheet with ample liquidity to meet our short- and long-term goals and objectives. Our strong balance sheet positions us to make strategic acquisitions of high-quality income properties, which will provide increased and long-term cash flow to pay regular cash distributions. Our objective is to acquire approximately \$600 to \$700 million of new acquisitions in the coming months. We have been an active and prudent buyer in the marketplace.

Under our self-management structure, we will no longer pay asset management fees, acquisition fees or disposition fees to an advisor, property management fees will be significantly reduced with independent, nationally recognized third-party property management service providers, and we will eliminate the need to pay an internalization fee to

acquire the management functions of an external advisor. We anticipate that our future acquisitions, combined with our future cost savings, will increase our ability to cover our distributions.

Your vote is very important. Regardless of the number of our shares you own, it is very important that your shares be represented at the 2009 Annual Meeting of Stockholders. **ACCORDINGLY, WHETHER OR NOT YOU INTEND TO BE PRESENT AT THE 2009 ANNUAL MEETING OF STOCKHOLDERS IN PERSON, I URGE YOU TO SUBMIT YOUR PROXY AS SOON AS POSSIBLE.** You may do this by completing, signing and dating the accompanying proxy card and returning it via fax to (781) 633-4434 or in the accompanying self-addressed postage-paid return envelope. You also may vote via the Internet at

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www.eproxy.com/hta or by telephone by dialing toll-free (866) 977-7699. Please follow the directions provided in the proxy statement. This will not prevent you from voting in person at the 2009 Annual Meeting of Stockholders, but will assure that your vote will be counted if you are unable to attend the 2009 Annual Meeting of Stockholders.

**YOUR VOTE COUNTS. THANK YOU FOR YOUR ATTENTION TO THIS MATTER, AND FOR YOUR CONTINUED SUPPORT OF, AND INTEREST IN, OUR COMPANY.**

Sincerely,

Scott D. Peters  
*Chief Executive Officer, President and Chairman*

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The Promenade, Suite 440  
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480.998.3478

**(to be named Healthcare Trust  
of America, Inc. by August 28, 2009)**

[www.gbe-reits.com/healthcare](http://www.gbe-reits.com/healthcare)

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD AUGUST 31, 2009**

NOTICE IS HEREBY GIVEN that the *2009 Annual Meeting of Stockholders of Healthcare Trust of America, Inc.*, will be held on August 31, 2009 at 9:00 a.m. local time, at The Westin Kierland Resort & Spa, 6902 East Greenway Parkway, Scottsdale, Arizona 85254, for the following purposes:

1. to elect six directors, each for a term of one year; and
2. to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2009.

These items are discussed in the following pages, which are made part of this notice. Our stockholders of record on June 17, 2009 are entitled to vote at the *2009 Annual Meeting of Stockholders of Healthcare Trust of America, Inc.* Grubb & Ellis Healthcare REIT, Inc. will change its name to Healthcare Trust of America, Inc. by August 28, 2009. The list of stockholders entitled to vote will be available for inspection at the offices of Grubb & Ellis Healthcare REIT, Inc., The Promenade, Suite 440, 16427 N. Scottsdale Road, Scottsdale, Arizona 85254, for the ten day period immediately preceding the 2009 Annual Meeting of Stockholders. We reserve the right, in our sole discretion, to adjourn the 2009 Annual Meeting of Stockholders to provide more time to solicit proxies for the meeting.

**Important Notice Regarding Availability of Proxy Materials of the Stockholder Meeting to Be Held on August 31, 2009.**

**The proxy statement and annual report to stockholders are available at [www.eproxy.com/hta](http://www.eproxy.com/hta).**

You may obtain directions to attend the *2009 Annual Meeting of Stockholders of Healthcare Trust of America, Inc.* by calling (480) 998-3478.

Please sign and date the accompanying proxy card and return it promptly by fax to (781) 633-4434 or in the accompanying self-addressed postage-paid return envelope whether or not you plan to attend. You also may authorize a proxy electronically via the Internet at [www.eproxy.com/hta](http://www.eproxy.com/hta) or by telephone by dialing toll-free (866) 977-7699. Instructions are included with the proxy card. Your vote is important to us and thus we urge you to get your ballot in early. You may revoke your proxy at any time prior to its exercise. If you attend the 2009 Annual Meeting of Stockholders, you may vote in person if you wish, even if you previously have returned your proxy card or authorized a proxy electronically.

By Order of the Board of Directors,

Kellie S. Pruitt  
*Secretary*





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**GRUBB & ELLIS HEALTHCARE REIT, INC.**  
**(to be named Healthcare Trust of America, Inc. by August 28, 2009)**  
**The Promenade, Suite 440, 16427 N. Scottsdale Road**  
**Scottsdale, Arizona 85254**  
**Telephone: (480) 998-3478**

**PROXY STATEMENT**

The accompanying proxy is solicited by the Board of Directors of Grubb & Ellis Healthcare REIT, Inc. (to be named Healthcare Trust of America, Inc. by August 28, 2009), or Grubb & Ellis Healthcare REIT, for use in voting at the 2009 Annual Meeting of Stockholders, or the annual meeting, to be held on August 31, 2009 at 9:00 a.m. local time, at The Westin Kierland Resort & Spa, 6902 East Greenway Parkway, Scottsdale, Arizona 85254, and at any adjournment or postponement thereof, for the purposes set forth in the attached notice. The proxy solicitation materials are being mailed to stockholders on or about July 22, 2009.

**About the Meeting**

***What is the purpose of the meeting?***

At the annual meeting, stockholders will vote upon the following:

the election of six directors, each to hold office for a one-year term expiring at the 2010 Annual Meeting of Stockholders and until his successor is duly elected and qualifies; and

the ratification of the appointment of Deloitte & Touche LLP, or Deloitte, as our independent registered public accounting firm for the fiscal year ending December 31, 2009.

Management will report on the status of our initial public offering, or our current offering, our transition to self-management and our portfolio of properties and will respond to questions from stockholders. In addition, representatives of Deloitte are expected to be present at the annual meeting, will have an opportunity to make a statement if they so desire, and will be available to respond to questions from the stockholders.

***What are the Board of Directors voting recommendations?***

Unless you give other instructions on your proxy card, the individuals named on the card as proxy holders will vote in accordance with the recommendations of the Board of Directors. The Board of Directors recommends that you vote your shares **FOR ALL NOMINEES** to the Board of Directors.

The Board of Directors further recommends that you vote your shares **FOR** the ratification of Deloitte as our independent registered public accounting firm. No director has informed us that he intends to oppose any action intended to be taken by us.

***What happens if additional proposals are presented at the annual meeting?***

Other than the matters described in this proxy statement, we do not expect any additional matters to be presented for a vote at the annual meeting. If other matters are presented and you are voting by proxy, your proxy grants the individuals named as proxy holders the discretion to vote your shares on any additional matters properly presented for a vote at the meeting.

***Who is entitled to vote?***

Only stockholders of record at the close of business on June 17, 2009, or the record date, are entitled to receive notice of the annual meeting and to vote the shares of common stock that they hold on that date at the annual meeting, or any postponements or adjournments of the annual meeting. As of the record date, we had 114,007,240 shares of common stock issued and outstanding and entitled to vote. Each outstanding share of common stock entitles its holder to cast one vote on each proposal to be voted on.

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***What constitutes a quorum?***

If 50.0% of the shares outstanding on the record date are present at the annual meeting, either in person or by proxy, we will have a quorum at the meeting, permitting the conduct of business at the meeting. Abstentions and broker non-votes will be counted to determine whether a quorum is present. A broker non-vote occurs when a broker, bank of other nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that matter and has not received voting instructions from the beneficial owner.

***How do I vote my shares at the annual meeting?***

***Authorizing a Proxy by Mail*** Stockholders may authorize a proxy by completing the accompanying proxy card and mailing it in the accompanying self-addressed postage-paid return envelope. Completed proxy cards must be received by August 30, 2009.

***Authorizing a Proxy by Fax*** Stockholders may authorize a proxy by completing the accompanying proxy card and faxing it to (781) 633-4434 until 5:00 p.m. Pacific Daylight Time on August 30, 2009.

***Authorizing a Proxy by Telephone*** Stockholders may authorize a proxy by telephone by dialing toll-free at (866) 977-7699 until 5:00 p.m. Pacific Daylight Time on August 30, 2009.

***Authorizing a Proxy by Internet*** Stockholders may authorize a proxy electronically using the Internet at [www.eproxy.com/hta](http://www.eproxy.com/hta) until 5:00 p.m. Pacific Daylight Time on August 30, 2009.

***Can I revoke my proxy after I return my proxy card or after I authorize a proxy by telephone or over the Internet?***

If you are a stockholder of record as of June 17, 2009, you may revoke your proxy at any time before the proxy is exercised at the annual meeting by: (1) delivering to our Secretary a written notice of revocation; (2) returning a properly signed proxy bearing a later date; or (3) attending the annual meeting and voting in person (although attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically so request). To revoke a proxy previously submitted by telephone or over the Internet, you may simply authorize a proxy again at a later date using the procedures set forth above, but before the deadline for telephone or Internet voting, in which case the later submitted proxy will be recorded and the earlier proxy revoked.

If you hold shares of our common stock in street name, you will need to contact the institution that holds your shares and follow its instructions for revoking a proxy.

***What vote is required to approve each proposal that comes before the annual meeting?***

To elect the director nominees, the affirmative vote of a majority of the shares of our common stock present in person or by proxy at a meeting at which a quorum is present must be cast in favor of the proposal. A proxy card marked Withhold Authority for a nominee will have the same effect as a vote against the nominee.

To approve the ratification of the appointment of Deloitte, the affirmative vote of a majority of all votes cast at a meeting at which a quorum is present must be cast in favor of the proposal. Abstentions and broker non-votes will have no impact on the proposal to ratify the appointment of Deloitte.

***Will my vote make a difference?***

Yes. Your vote is needed to ensure that the proposal can be acted upon. Unlike most other public companies, no large brokerage houses or affiliated groups of stockholders own substantial blocks of our shares. As a result, a large number of our stockholders must be present in person or by proxy at the annual meeting to constitute a quorum. **AS A RESULT, YOUR VOTE IS VERY IMPORTANT EVEN IF YOU OWN ONLY A SMALL NUMBER OF SHARES! Your immediate response will help avoid potential delays and may save us significant additional expense associated with soliciting stockholder proxies.** We

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encourage you to participate in the governance of Grubb & Ellis Healthcare REIT and welcome your attendance at the annual meeting.

***Who will bear the costs of soliciting votes for the meeting?***

Grubb & Ellis Healthcare REIT will bear the entire cost of the solicitation of proxies from its stockholders. We have retained Boston Financial Data Services to assist us in connection with the solicitation of proxies for the annual meeting. We expect to pay approximately \$150,000 for such services. In addition to the mailing of these proxy materials, the solicitation of proxies or votes may be made in person, by telephone or by electronic communication by our directors and officers who will not receive any additional compensation for such solicitation activities. We will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy solicitation materials to our stockholders.

**PROPOSAL NO. 1****ELECTION OF DIRECTORS****Background**

The Board of Directors currently consists of six directors. Our bylaws provide for a minimum of three and a maximum of 15 directors and that our directors each serve a term of one year, but may be re-elected. The Board of Directors has nominated Scott D. Peters, W. Bradley Blair, II, Maurice J. DeWald, Warren D. Fix, Larry L. Mathis and Gary T. Wescombe, each for a term of office commencing on the date of the 2009 Annual Meeting of Stockholders and ending on the date of the 2010 Annual Meeting of Stockholders and until their successors are elected and qualifies. Each of Messrs. Peters, Blair, DeWald, Fix, Mathis and Wescombe currently serves as a member of the Board of Directors. The Board of Directors believes the nominees have played and will continue to play a vital role in our management and operations, particularly in connection with the transition to self-management and the continued growth and success of our company.

Unless otherwise instructed on the proxy, the shares represented by proxies will be voted **FOR ALL NOMINEES** who are named below. Each of the nominees has consented to being named as a nominee in this proxy statement and has agreed that, if elected, he will serve on the Board of Directors for a one-year term and until his successor has been elected and qualifies. If any nominee becomes unavailable for any reason, the shares represented by proxies may be voted for a substitute nominee designated by the Board of Directors. We are not aware of any family relationship among any of the nominees to become directors or executive officers of Grubb & Ellis Healthcare REIT. Each of the nominees for election as director has stated that there is no arrangement or understanding of any kind between him and any other person relating to his election as a director except that such nominees have agreed to serve as our directors if elected.

**Information about Director Nominees:**

The following table and biographical descriptions set forth information with respect to the individuals who are our director nominees.

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Term of Office</b>
Scott D. Peters	51	Chief Executive Officer, President and Chairman of the Board	Since 2006

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W. Bradley Blair, II	65	Independent Director	Since 2006
Maurice J. DeWald	69	Independent Director	Since 2006
Warren D. Fix	71	Independent Director	Since 2006
Larry L. Mathis	66	Independent Director	Since 2007
Gary T. Wescombe	66	Independent Director	Since 2006

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*Scott D. Peters* has served as our Chairman of the Board since July 2006, Chief Executive Officer since April 2006 and President since June 2007. He served as the Chief Executive Officer of Grubb & Ellis Healthcare REIT Advisor, LLC, or REIT Advisor, from July 2006 until July 2008. He served as the Executive Vice President of Grubb & Ellis Apartment REIT, Inc. from January 2006 to November 2008 and served as one of its directors from April 2007 to June 2008. He also served as the Chief Executive Officer, President and a director of Grubb & Ellis Company, or Grubb & Ellis, our sponsor, from December 2007 to July 2008, and as the Chief Executive Officer, President and director of NNN Realty Advisors from its formation in September 2006 and as its Chairman of the Board from December 2007 to July 2008. NNN Realty Advisors became a wholly owned subsidiary of Grubb & Ellis upon its merger with Grubb & Ellis in December 2007. Mr. Peters also served as the Chief Executive Officer of Grubb & Ellis Realty Investors from November 2006 to July 2008, having served from September 2004 to October 2006, as the Executive Vice President and Chief Financial Officer. From December 2005 to January 2008, Mr. Peters also served as the Chief Executive Officer and President of G REIT, Inc., having previously served as its Executive Vice President and Chief Financial Officer since September 2004. Mr. Peters also served as the Executive Vice President and Chief Financial Officer of T REIT, Inc. from September 2004 to December 2006. From February 1997 to February 2007, Mr. Peters served as Senior Vice President, Chief Financial Officer and a director of Golf Trust of America, Inc., a publicly traded REIT. Mr. Peters received a B.B.A. degree in accounting and finance from Kent State University.

*W. Bradley Blair, II* has served as an independent director of our company since September 2006. Mr. Blair served as the Chief Executive Officer, President and Chairman of the board of directors of Golf Trust of America, Inc. from the time of its formation and initial public offering in 1997 as a REIT until his resignation and retirement in November 2007. During such term, Mr. Blair managed the acquisition, operation, leasing and disposition of the assets of the portfolio. From 1993 until February 1997, Mr. Blair served as Executive Vice President, Chief Operating Officer and General Counsel for The Legends Group. As an officer of The Legends Group, Mr. Blair was responsible for all aspects of operations, including acquisitions, development and marketing. From 1978 to 1993, Mr. Blair was the Managing Partner at Blair Conaway Bograd & Martin, P.A., a law firm specializing in real estate, finance, taxation and acquisitions. Currently, Mr. Blair operates the Blair Group consulting practice, which focuses on real estate acquisitions and finance. Mr. Blair received a B.S. degree in Business from Indiana University and a Juris Doctorate degree from the University of North Carolina School of Law. Mr. Blair serves as the chairman of the Investment Committee.

*Maurice J. DeWald* has served as an independent director of our company since September 2006. He has served as the Chairman and Chief Executive Officer of Verity Financial Group, Inc., a financial advisory firm, since 1992, where the primary focus has been in both the healthcare and technology sectors. Mr. DeWald also serves as a Director of Mizuho Corporate Bank of California, Advanced Materials Group, Inc. and as Chairman of Integrated Healthcare Holdings, Inc. Mr. DeWald also previously served as a Director of Tenet Healthcare Corporation as well as ARV Assisted Living, Inc. From 1962 to 1991, Mr. DeWald was with the international accounting and auditing firm of KPMG, LLP, where he served at various times as an audit partner, a member of their board of directors as well as the managing partner of Orange County and Los Angeles California offices as well as its Chicago office. Mr. DeWald has served as Chairman and Director of both the United Way of Greater Los Angeles and the United Way of Orange County California. Mr. DeWald received a B.B.A. degree in Accounting and Finance from the University of Notre Dame in Indiana and is a member of its Mendoza School of Business Advisory Council. Mr. DeWald is a Certified Public Accountant. Mr. DeWald serves as chairman of the Audit Committee.

*Warren D. Fix* has served as an independent director of our company since September 2006. He is the Chairman of FDW, LLC, a real estate investment and management firm. Mr. Fix also serves as a director of Clark Investment Group, Clark Equity Capital, The Keller Financial Group, First Foundation Bank and Accel Networks. Until November of 2008, when he completed a process of dissolution, he served for five years as the Chief Executive Officer of WCH, Inc., formerly Candlewood Hotel Company, Inc., having served as its Executive Vice President,



Chief Financial Officer and Secretary since 1995. During his tenure with Candlewood Hotel Company, Inc., Mr. Fix oversaw the development of a chain of extended-stay hotels, including 117 properties aggregating 13,300 rooms. From July 1994 to October 1995, Mr. Fix was a

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consultant to Doubletree Hotels, primarily developing debt and equity sources of capital for hotel acquisitions and refinancing. Mr. Fix has been a Partner in The Contrarian Group, a business management company since December 1992. From 1989 to December 1992, Mr. Fix served as President of The Pacific Company, a real estate investment and a development company. During his tenure at The Pacific Company, Mr. Fix was responsible for the development, acquisition and management of an apartment portfolio comprising in excess of 3,000 units. From 1964 to 1989, Mr. Fix held numerous positions, including Chief Financial Officer, within The Irvine Company, a major California-based real estate firm that develops residential property, for-sale housing, apartments, commercial, industrial, retail, hotel and other land related uses. Mrs. Fix was one of the initial team of ten professionals hired by The Irvine Company to initiate the development of 125,000 acres of land in Orange County, California. Mr. Fix is a Certified Public Accountant. He received a B.A. degree from Claremont McKenna College in California and is a graduate of the UCLA Executive Management Program, the Stanford Financial Management Program and the UCLA Anderson Corporate Director Program. Mr. Fix serves as chairman of the Nominating and Corporate Governance Committee.

*Larry L. Mathis* has served as an independent director of our company since April 2007. Since 1998 he has served as an executive consultant with D. Peterson & Associates in Houston, Texas, providing counsel to select clients on leadership, management, governance, and strategy and is the author of *The Mathis Maxims, Lessons in Leadership*. For over 35 years, Mr. Mathis has held numerous leadership positions in organizations charged with planning and directing the future of healthcare delivery in the United States. Mr. Mathis is the founding President and Chief Executive Officer of The Methodist Hospital System in Houston, Texas, having served that institution in various executive positions for 27 years, the last 14 years before his retirement in 1997 as Chief Executive Officer. During his extensive career in the healthcare industry, he has served as a member of the board of directors of a number of national, state and local industry and professional organizations, including Chairman of the board of directors of the Texas Hospital Association, the American Hospital Association and the American College of Healthcare Executives, and has served the federal government as Chairman of the National Advisory Council on Health Care Technology Assessment and as a member of the Medicare Prospective Payment Assessment Commission. From 1997 to 2003, Mr. Mathis was a member of the board of directors and Chairman of the compensation committee of Centerpulse, Inc., and from 2004 to present a member of the board and Chairman of the nominating and governance committee of Alexion Pharmaceuticals, Inc., both U.S. publicly traded companies. Mr. Mathis received a B.A. degree in Social Sciences from Pittsburg State University in Kansas and an M.A. degree in Health Administration from Washington University in St. Louis. Mr. Mathis serves as chairman of the Risk Management Committee.

*Gary T. Wescombe* has served as an independent director of our company since October 2006. He manages and develops real estate operating properties through American Oak Properties, LLC, where he is a Principal. He is also director, Chief Financial Officer and Treasurer of the Arnold and Mabel Beckman Foundation, a nonprofit foundation established for the purpose of supporting scientific research. From October 1999 to December 2001, he was a Partner in Warmington Wescombe Realty Partners in Costa Mesa, California, where he focused on real estate investments and financing strategies. Prior to retiring in 1999, Mr. Wescombe was a Partner with Ernst & Young, LLP (previously Kenneth Leventhal & Company) from 1970 to 1999. In addition, Mr. Wescombe also served as a director of G REIT, Inc. from December 2001 to January 2008 and has served as Chairman of the trustees of G REIT Liquidating Trust since January 2008. Mr. Wescombe received a B.S. degree in Accounting and Finance from California State University, San Jose in 1965 and is a member of the American Institute of Certified Public Accountants and California Society of Certified Public Accountants. Mr. Wescombe serves as chairman of the Compensation Committee.

**The Board of Directors recommends a vote FOR ALL NOMINEES for election as directors.**

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The following table and biographical descriptions set forth information with respect to our executive officers:

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Term of Office</b>
Scott D. Peters	51	Chief Executive Officer, President and Chairman of the Board	Since 2006
Kellie S. Pruitt	43	Chief Accounting Officer, Secretary and Treasurer	Since 2009
Mark D. Engstrom	49	Executive Vice President Acquisitions	Since 2009
Christopher E. Balish	46	Senior Vice President Asset Management	Since 2009
Kelly T. Hogan	30	Controller and Assistant Secretary	Since 2009

For biographical information regarding Mr. Peters, our Chief Executive Officer and President, see Information about Director Nominees above.

*Kellie S. Pruitt* has served as our Chief Accounting Officer and principal accounting officer since January 2009 and our principal financial officer since March 2009. She has also served as our Assistant Secretary since March 2009, as our Treasurer since April 2009 and as our Secretary since July 2009. Ms. Pruitt also served as our Controller for a portion of January 2009. From September 2007 to December 2008, she served as the Vice President, Financial Reporting and Compliance, for Fender Musical Instruments Corporation. Prior to joining Fender Musical Instruments Corporation in 2007, Ms. Pruitt served as Senior Manager at Deloitte & Touche LLP, from 1995 to 2007, serving both public and privately held companies primarily concentrated in the real estate and consumer business industries. She graduated from the University of Texas, where she received a B.A. degree in Accounting and is a member of the AICPA. Ms. Pruitt is a Certified Public Accountant licensed in Arizona and Texas.

*Mark D. Engstrom* has served as our Executive Vice President Acquisitions since July 2009. From February 2009 to July 2009, Mr. Engstrom served as our independent consultant providing acquisition and asset management support. Mr. Engstrom has 22 years of experience in organizational leadership, acquisitions, management, asset management, project management, leasing, planning, facilities development, financing, and establishing industry leading real estate and facilities groups. From 2006 through 2009, Mr. Engstrom was the Chief Executive Officer of Insite Medical Properties, a real estate services and investment company. From 2001 through 2005, Mr. Engstrom served as a Manager of Real Estate Services for Hammes Company and created a new business unit within the company which was responsible for providing asset and property management. Mr. Engstrom graduated in 1983 from Michigan State University with a Bachelor of Arts degree in Pre-Law and Public Administration. In 1987 he graduated with a Masters Degree in Hospital and Healthcare Administration from the University of Minnesota.

*Christopher E. Balish* has served as our Senior Vice President of Asset Management since May 2009. Mr. Balish has over 23 years of experience in asset and property management, leasing and organizational development. From September 2006 to May 2009 he served as the First Vice President Management Services at Lauth Property Group's 10.8 million square foot portfolio. He also served as the General Manager of the Taubman Group from September 2005 to September 2006 and the Chief Operations Officer of the RMC Property Group from June 2003 to September 2005. Prior to that, he served various other asset management roles at Corporex, Cushman Wakefield and Equity Office Properties. Chris graduated from Western Michigan University in 1984 where he earned a double major for

Bachelor of Science in Business Management-Finance and a Bachelor of Science in Communications Arts & Science.

*Kelly T. Hogan* has served as our Controller since February 2009 and our Assistant Secretary since July 2009. From 2002 to 2008, she served as an Audit Manager at Deloitte & Touche LLP, in both their Phoenix and Minneapolis offices, where she performed financial statement audits of both public and privately held companies and spent three of those years as an Audit Manager of a publicly registered REIT. Prior to

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joining Deloitte & Touche LLP in 2002, Ms. Hogan served as an Accountant at Arthur Andersen from 2000 to 2002. She graduated *cum laude* from the University of St. Thomas in St. Paul, Minnesota with a B.A. degree in Accounting. Ms. Hogan is a Certified Public Accountant licensed in Arizona and Minnesota.

## **CORPORATE GOVERNANCE**

### **Board of Directors**

The Board of Directors held 15 meetings during the fiscal year ended December 31, 2008. Each of our directors attended at least 75% of the aggregate of the total number of meetings of the Board of Directors held during the period for which he served as a director and the aggregate total number of meetings held by all committees of the Board of Directors on which he served during the periods in which he served.

### **Director Attendance at Annual Meetings**

Although we have no policy with regard to attendance by the members of the Board of Directors at our annual meetings, we invite and encourage the members of the Board of Directors to attend our annual meetings to foster communication between stockholders and the Board of Directors. All six members of the Board of Directors attended the 2008 Annual Meeting of Stockholders.

### **Contacting the Board of Directors**

Any stockholder who desires to contact members of the Board of Directors may do so by writing to: Grubb & Ellis Healthcare REIT, Inc., Board of Directors, The Promenade, Suite 440, 16427 N. Scottsdale Road, Scottsdale, Arizona 85254, Attention: Secretary. Communications received will be distributed by our Secretary to such member or members of the Board of Directors as deemed appropriate by our Secretary, depending on the facts and circumstances outlined in the communication received. For example, if any questions regarding accounting, internal accounting controls and auditing matters are received, they will be forwarded by our Secretary to the Audit Committee for review.

### **Director Independence**

We have a six-member Board of Directors. Our charter provides that a majority of the directors must be independent directors. One of our directors, Scott D. Peters, is affiliated with us and we do not consider him to be an independent director. Our remaining directors qualify as independent directors as defined in our charter in compliance with the requirements of the North American Securities Administrators Association's Statement of Policy Regarding Real Estate Investment Trusts. As defined in our charter, the term independent director means a director who is not on the date of determination, and within the last two years from the date of determination has not been, directly or indirectly associated with our sponsor or REIT Advisor by virtue of: (1) ownership of an interest in our sponsor, REIT Advisor or any of their affiliates, other than the company; (2) employment by our sponsor, REIT Advisor or any of their affiliates; (3) service as an officer or director of our sponsor, REIT Advisor or any of their affiliates; (4) performance of services, other than as a director for us; (5) service as a director or trustee of more than three REITs organized by our sponsor or advised by REIT Advisor; or (6) maintenance of a material business or professional relationship with our sponsor, REIT Advisor or any of their affiliates.

Each of our independent directors would also qualify as independent under the rules of the New York Stock Exchange and our Audit Committee members would qualify as independent under the New York Stock Exchange's rules applicable to Audit Committee members. However, our stock is not listed on the New York Stock Exchange.

**Committees of the Board of Directors**

Our Board of Directors may establish committees it deems appropriate to address specific areas in more depth than may be possible at a full Board of Directors meeting, provided that the majority of the members of

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each committee are independent directors. Our Board of Directors has established an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee, an Investment Committee and a Risk Management Committee.

***Audit Committee.*** Our Audit Committee's primary function is to assist the Board of Director in fulfilling its oversight responsibilities by reviewing the financial information to be provided to our stockholders and others, the system of internal controls which management has established, and the audit and financial reporting process. The Audit Committee is responsible for the selection, evaluation and, when necessary, replacement of our independent registered public accounting firm. Under our Audit Committee charter, the Audit Committee will always be comprised solely of independent directors. The Audit Committee is currently comprised of W. Bradley Blair, II, Maurice J. DeWald, Warren D. Fix, Larry L. Mathis and Gary T. Wescombe, all of whom are independent directors. Mr. DeWald currently serves as the chairman and has been designated as the Audit Committee financial expert.

The Audit Committee has adopted a written charter under which it operates. The charter is available on our sponsor's website at [www.gbe-reits.com/Healthcare/Company/CorporateGovernance.aspx](http://www.gbe-reits.com/Healthcare/Company/CorporateGovernance.aspx). The Audit Committee held five meetings during the fiscal year ended December 31, 2008.

***Compensation Committee.*** The primary responsibilities of our Compensation Committee are to advise the Board of Directors on compensation policies, establish performance objectives for our executive officers, prepare the report on executive compensation for inclusion in our annual proxy statement, review and recommend to our Board of Directors the appropriate level of director compensation and annually review our compensation strategy and assess its effectiveness. The Compensation Committee has the authority to engage outside advisors to assist it in fulfilling these responsibilities. In fiscal year 2008, the Compensation Committee retained Christenson Advisors, LLC ( Christenson Advisors ) as its independent compensation consultant. In this capacity, Christenson Advisors reported directly to the Compensation Committee, and the Compensation Committee directed Christenson Advisors' work. The Compensation Committee instructed Christenson Advisors to provide it with information regarding the compensation packages of chief executive officers of other REITs, as further described under Compensation Discussion and Analysis How We Determined Mr. Peters' Initial Compensation Package below and to provide guidance regarding the compensation that should be paid to our independent directors. For 2009, the Compensation Committee has engaged Towers Perrin as its independent compensation consultant. In this capacity, Towers Perrin reports directly to the Compensation Committee, and the Compensation Committee directs Towers Perrin's work. The Compensation Committee has instructed Towers Perrin to provide it with advice regarding Mr. Peters' compensation package as well as compensation of other executive officers.

Under our Compensation Committee charter, the Compensation Committee will always be comprised solely of independent directors. The Compensation Committee is currently comprised of W. Bradley Blair, II, Warren D. Fix and Gary T. Wescombe, all of whom are independent directors. Mr. Wescombe currently serves as the chairman.

The Compensation Committee has adopted a written charter under which it operates. Under its charter, the Compensation Committee has authority to delegate any of its responsibilities to subcommittees as the Compensation Committee may deem necessary or advisable in its sole discretion. The charter is available on our sponsor's website at [www.gbe-reits.com/Healthcare/Company/CorporateGovernance.aspx](http://www.gbe-reits.com/Healthcare/Company/CorporateGovernance.aspx). The Compensation Committee held two meetings during the fiscal year ended December 31, 2008. Additional information regarding the Compensation Committee's processes and procedures for consideration of executive compensation is provided in the Compensation Discussion and Analysis below.

***Nominating and Corporate Governance Committee.*** The Nominating and Corporate Governance Committee's primary purposes are to identify qualified individuals to become members of the Board of Directors, to recommend to the Board of Directors the selection of director nominees for election at the annual meeting of stockholders, to make

recommendations regarding the composition of our Board of Directors and its committees, to assess director independence and the effectiveness of the Board of Directors, to develop and implement corporate governance guidelines and to oversee our compliance and ethics program. The Nominating and Corporate



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Governance Committee is currently comprised of W. Bradley Blair, II, Warren D. Fix and Larry L. Mathis, all of whom are independent directors. Mr. Fix currently serves as the chairman.

The Nominating and Corporate Governance Committee has adopted a written charter under which it operates. The charter is available on our sponsor's website at [www.gbe-reits.com/Healthcare/Company/CorporateGovernance.aspx](http://www.gbe-reits.com/Healthcare/Company/CorporateGovernance.aspx). The Nominating and Corporate Governance Committee held one meeting during the fiscal year ended December 31, 2008.

The Nominating and Corporate Governance Committee will consider nominees for our Board of Directors recommended by stockholders. Notice of proposed stockholder nominations for director must be delivered not less than 120 days prior to any meeting at which directors are to be elected. Nominations must include the full name of the proposed nominee, a brief description of the proposed nominee's business experience for at least the previous five years and a representation that the nominating stockholder is a beneficial or record owner of our common stock. Any such submission must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director if elected. Nominations should be delivered to: Grubb & Ellis Healthcare REIT, Inc., Board of Directors, The Promenade, Suite 440, 16427 N. Scottsdale Road, Scottsdale, Arizona 85254, Attention: Secretary.

In considering possible candidates for election as a director, the Nominating and Corporate Governance Committee is guided by the principle that each director should: (1) be an individual of high character and integrity; (2) be accomplished in his or her respective field, with superior credentials and recognition; (3) have relevant expertise and experience upon which to be able to offer advice and guidance to management; (4) have sufficient time available to devote to our affairs; (5) represent the long-term interests of our stockholders as a whole and (6) represent a diversity of background and experience.

Qualified candidates for membership on the Board of Directors will be considered without regard to race, color, religion, gender, ancestry, national origin or disability. The Nominating and Corporate Governance Committee will review the qualifications and backgrounds of directors and nominees (without regard to whether a nominee has been recommended by stockholders), as well as the overall composition of the Board of Directors, and recommend the slate of directors to be nominated for election at the annual meeting. We do not currently employ or pay a fee to any third party to identify or evaluate, or assist in identifying or evaluating, potential director nominees.

**Investment Committee.** Our Investment Committee's primary function is to assist the Board of Directors in reviewing proposed acquisitions presented by our management. The Investment Committee has the authority to reject but not to approve proposed acquisitions, which must receive the approval of the Board of Directors. The Investment Committee is currently comprised of W. Bradley Blair, II, Warren D. Fix, Scott D. Peters and Gary T. Wescombe. Messrs. Blair, Fix and Wescombe are independent directors. Mr. Blair currently serves as the chairman.

The Investment Committee has adopted a written charter under which it operates. The charter is available on our sponsor's website at [www.gbe-reits.com/Healthcare/Company/CorporateGovernance.aspx](http://www.gbe-reits.com/Healthcare/Company/CorporateGovernance.aspx). The Investment Committee held three meetings during the fiscal year ended December 31, 2008.

**Risk Management Committee.** Our Risk Management Committee's primary function is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing, assessing and discussing with our management team, general counsel and auditors: (1) material risks or exposures associated with the conduct of our business; (2) internal risk management systems management has implemented to identify, minimize, monitor or manage such risks or exposures; and (3) management's policies and procedures for risk management. The Risk Management Committee is currently comprised of Messrs. W. Bradley Blair, II, Maurice J. DeWald and Larry L. Mathis, all of whom are independent directors. Mr. Mathis currently serves as the chairman.

The Risk Management Committee has adopted a written charter under which it operates. The charter is available on our sponsor's website at [www.gbe-reits.com/Healthcare/Company/CorporateGovernance.aspx](http://www.gbe-reits.com/Healthcare/Company/CorporateGovernance.aspx). The Risk Management Committee was formed in June 2009 and therefore did not hold any meetings during the fiscal year ended December 31, 2008.

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**IMPLEMENTATION OF SELF-MANAGEMENT AND RECENT DEVELOPMENTS**

**Self-Management Team**

In July 2008, Scott D. Peters assumed the positions of President and Chief Executive officer of our company on a full-time and exclusive basis. This was the first major step toward self-management. Last year, our Board of Directors with the assistance of outside consultants, undertook a thorough assessment of various organizational model structures available to our company. In that process, our Board of Directors reviewed the external advisor model and compared it to a self-management model. They concluded that it was in the best interest of our company to proceed toward complete self-management.

We began our transition to complete self-management in November of 2008 when we modified our advisory agreement on November 14, 2008. Our objective was to transition key services (e.g., accounting, asset management and acquisitions) in-house and thereby eliminate and/or significantly reduce various fees relating to such services to the benefit of our company.

We are now in a position where we consider ourselves to be self-managed. We have assembled a highly qualified and experienced management team which is focused on efficiency and performance to increase stockholder value. Our internal management team includes (1) Scott D. Peters, our President and Chief Executive Officer, (2) Kellie S. Pruitt as our Chief Accounting Officer, Treasurer and Secretary, (3) Mark Engstrom as our Executive Vice President Acquisitions, (4) Christopher Balish as our Senior Vice President Asset Management and (5) Kelly Hogan as our Controller and Assistant Secretary.

We have approximately 18 employees, including approximately 11 in our corporate and property accounting team, 2 in our asset management team and 3 in our acquisition team. We have engaged nationally recognized property management groups to perform property management services at the direction of our asset management team. In addition and where cost beneficial, we have outsourced certain administrative-related services to third party service providers. Our internal management team manages our day-to-day operations, oversees our employees and closely supervises the services provided to us by our third party service providers, who are retained on an as needed basis.

**Key Reasons for Transitioning to Self-Management**

We moved to self-management for a number of reasons, including: (1) the experience and expertise of our management team and its ability to efficiently and effectively operate our company; (2) our experienced board of directors, which provides effective oversight of our company; (3) our ability to achieve substantial cost savings due to the elimination of fees to our external advisor (on a going forward basis) and the elimination of the need to pay any internalization fees to acquire the management functions of our external advisor; (4) the substantial cost savings we anticipate achieving in the future as a result of our transition to self-management, and the costs of self-management being more than funded by such cost savings; (5) the removal of the inherent conflicts of interest that necessarily exist between an externally advised REIT and its advisor; and (6) the emphasis on performance-based compensation under our self-management program rather than a fee-based structure.

**Recent Developments**

The following are recent developments regarding our company, including those achieved in connection with our transition to self-management:

Entered into employment agreements with Scott D. Peters, Kellie S. Pruitt and Mark Engstrom, each with a performance-based compensation structure, as further described below under Compensation Discussion and Analysis.

Hired a number of additional key, qualified employees.

Raised approximately \$395 million of equity in the first half of 2009.

Saved approximately \$3 million in the first half of 2009 directly from reduced advisor-related fees.

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Maintained a strong balance sheet with over \$380 million in cash on hand to purchase quality assets as of June 30, 2009.

Completed our 45th acquisition, enhancing our approximately \$1 billion geographically diverse portfolio.

Established relationships with key third party service providers that will supplement the internal capabilities of our company.

Leased office space and established new principal executive offices.

Commenced implementation of a dealer manager transition program and a property manager and leasing transition program in connection with our transition to self-management.

Filed a registration statement for a follow-on offering, which is not yet effective and is subject to regulatory approvals.

**COMPENSATION DISCUSSION AND ANALYSIS**

In the paragraphs that follow, we provide an overview of the material compensation decisions that we have made with respect to Mr. Peters, our Chief Executive Officer and President, and the material factors that we considered in making those decisions, during 2008. This Compensation Discussion and Analysis also highlights the material changes to our compensation