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AMERICAN HEALTHCARE REIT, INC.

FORM 10-Q
(Quarterly Report)

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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **June 30, 2016**

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: **333-205960 (1933 Act)**

GRIFFIN-AMERICAN HEALTHCARE REIT IV, INC.
(Exact name of registrant as specified in its charter)

Maryland	**47-2887436**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
18191 Von Karman Avenue, Suite 300, Irvine, California	**92612**
(Address of principal executive offices)	(Zip Code)

(949) 270-9200
(Registrant’s telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of August 5, 2016 , there were 2,844,048 shares of Class T and Class I common stock of Griffin-American Healthcare REIT IV, Inc. outstanding.

GRIFFIN-AMERICAN HEALTHCARE REIT IV, INC.
(A Maryland Corporation)

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

GRIFFIN-AMERICAN HEALTHCARE REIT IV, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
As of June 30, 2016 and December 31, 2015
(Unaudited)

	June 30, 2016	December 31, 2015
ASSETS		
Real estate investment	$ 5,006,000	$ —
Cash	9,052,000	202,000
Accounts and other receivables	573,000	—
Real estate deposit	150,000	—
Identified intangible assets	386,000	—
Prepaid expenses	173,000	—
Total assets	$ 15,340,000	$ 202,000
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND EQUITY		
Liabilities:		
Accounts payable and accrued liabilities	$ 694,000	$ —
Accounts payable due to affiliates	2,731,000	—
Total liabilities	3,425,000	—
Commitments and contingencies (Note 5)		
Redeemable noncontrolling interest (Note 6)	2,000	—
Equity:		
Stockholders' equity:		
Preferred stock, $0.01 par value per share; 200,000,000 shares authorized; none issued and outstanding	—	—
Class T common stock, $0.01 par value per share; 900,000,000 shares authorized; 1,670,905 and 20,833 shares issued and outstanding as of June 30, 2016 and December 31, 2015, respectively	17,000	—
Class I common stock, $0.01 par value per share; 100,000,000 shares authorized; none issued and outstanding	—	—
Additional paid-in capital	12,747,000	200,000
Accumulated deficit	(851,000)	—
Total stockholders' equity	11,913,000	200,000
Noncontrolling interest (Note 7)	—	2,000
Total equity	11,913,000	202,000
Total liabilities, redeemable noncontrolling interest and equity	$ 15,340,000	$ 202,000

The accompanying notes are an integral part of these condensed consolidated financial statements.

GRIFFIN-AMERICAN HEALTHCARE REIT IV, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three Months Ended June 30, 2016 and 2015 ,
for the Six Months Ended June 30, 2016 and
for the Period from January 23, 2015 (Date of Inception) through June 30, 2015
(Unaudited)

	Three Months Ended June 30,		Six Months Ended	Period from January 23, 2015 (Date of Inception) through
	2016	2015	June 30, 2016	June 30, 2015
Revenue:				
Real estate revenue	$ 26,000	$ —	$ 26,000	$ —
Expenses:				
Rental expenses	23,000	—	23,000	—
General and administrative	246,000	—	396,000	—
Acquisition related expenses	370,000	—	370,000	—
Total expenses	639,000	—	789,000	—
Net loss	(613,000)	—	(763,000)	—
Less: net loss attributable to redeemable noncontrolling interest	—	—	—	—
Net loss attributable to controlling interest	$ (613,000)	$ —	$ (763,000)	$ —
Net loss per common share attributable to controlling interest — basic and diluted	$ (0.96)	$ —	$ (2.32)	$ —
Weighted average number of common shares outstanding — basic and diluted	635,808	20,833	328,321	20,833
Distributions declared per common share	$ 0.10	$ —	$ 0.10	$ —

The accompanying notes are an integral part of these condensed consolidated financial statements.

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GRIFFIN-AMERICAN HEALTHCARE REIT IV, INC.

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
For the Six Months Ended June 30, 2016 and
for the Period from January 23, 2015 (Date of Inception) through June 30, 2015
(Unaudited)

	Stockholders' Equity						
	Common Stock						
	Number of Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
BALANCE — December 31, 2015	20,833	$ —	$ 200,000	$ —	$ 200,000	$ 2,000	$ 202,000
Issuance of common stock	1,633,069	17,000	16,242,000	—	16,259,000	—	16,259,000
Offering costs — common stock	—	—	(3,766,000)	—	(3,766,000)	—	(3,766,000)
Issuance of vested and nonvested restricted common stock	15,000	—	30,000	—	30,000	—	30,000
Issuance of common stock under the DRIP	2,003	—	19,000	—	19,000	—	19,000
Amortization of nonvested common stock compensation	—	—	22,000	—	22,000	—	22,000
Reclassification of noncontrolling interest	—	—	—	—	—	(2,000)	(2,000)
Distributions declared	—	—	—	(88,000)	(88,000)	—	(88,000)
Net loss	—	—	—	(763,000)	(763,000)	—	(763,000)
BALANCE — June 30, 2016	1,670,905	$ 17,000	$ 12,747,000	$ (851,000)	$ 11,913,000	$ —	$ 11,913,000

	Stockholder's Equity						
	Common Stock						
	Number of Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total Stockholder's Equity	Noncontrolling Interest	Total Equity
BALANCE — January 23, 2015 (Date of Inception)	—	$ —	$ —	$ —	$ —	$ —	$ —
Issuance of common stock	20,833	—	200,000	—	200,000	—	200,000
Issuance of limited partnership units	—	—	—	—	—	2,000	2,000
BALANCE — June 30, 2015	20,833	$ —	$ 200,000	$ —	$ 200,000	$ 2,000	$ 202,000

The accompanying notes are an integral part of these condensed consolidated financial statements.

GRIFFIN-AMERICAN HEALTHCARE REIT IV, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2016 and
for the Period from January 23, 2015 (Date of Inception) through June 30, 2015
(Unaudited)

	Six Months Ended June 30, 2016	Period from January 23, 2015 (Date of Inception) through June 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (763,000)	$ —
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation	52,000	—
Share discounts	40,000	—
Changes in operating assets and liabilities:		
Accounts and other receivables	(21,000)	—
Prepaid expenses	(152,000)	—
Accounts payable and accrued liabilities	126,000	—
Accounts payable due to affiliates	14,000	—
Prepaid rent	(5,000)	—
Net cash used in operating activities	(709,000)	—
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of real estate investment	(5,404,000)	—
Real estate deposit	(150,000)	—
Net cash used in investing activities	(5,554,000)	—
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock	15,644,000	200,000
Contribution from noncontrolling interest to operating partnership	—	2,000
Payment of offering costs	(519,000)	—
Distributions paid	(12,000)	—
Net cash provided by financing activities	15,113,000	202,000
NET CHANGE IN CASH	8,850,000	202,000
CASH — Beginning of period	202,000	—
CASH — End of period	$ 9,052,000	$ 202,000
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES		
Investing Activities:		
The following represents the increase in certain assets and liabilities in connection with our acquisition of a real estate investment:		
Prepaid expenses	$ 21,000	$ —
Accounts payable and accrued liabilities	$ 4,000	$ —
Prepaid rent	$ 5,000	$ —
Financing Activities:		
Issuance of common stock under the DRIP	$ 19,000	$ —
Distributions declared but not paid	$ 57,000	$ —
Accrued Contingent Advisor Payment	$ 2,717,000	$ —
Accrued stockholder servicing fee	$ 507,000	$ —
Reclassification of noncontrolling interest	$ 2,000	$ —
Receivable from transfer agent	$ 552,000	$ —

The accompanying notes are an integral part of these condensed consolidated financial statements.

GRIFFIN-AMERICAN HEALTHCARE REIT IV, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
For the Three Months Ended June 30, 2016 and 2015 , for the Six Months Ended June 30, 2016 and for the Period from January 23, 2015 (Date of Inception) through June 30, 2015

The use of the words "we," "us" or "our" refers to Griffin-American Healthcare REIT IV, Inc. and its subsidiaries, including Griffin-American Healthcare REIT IV Holdings, LP, except where the context otherwise requires.

1. Organization and Description of Business

Griffin-American Healthcare REIT IV, Inc., a Maryland corporation, was incorporated on January 23, 2015 and therefore we consider that our date of inception. We were initially capitalized on February 6, 2015 . We invest in a diversified portfolio of real estate properties, focusing primarily on medical office buildings, hospitals, skilled nursing facilities, senior housing and other healthcare-related facilities. We may also originate and acquire secured loans and real estate-related investments on an infrequent and opportunistic basis. We generally seek investments that produce current income. We intend to elect to be treated as a real estate investment trust, or REIT, under the Internal Revenue Code of 1986, as amended, or the Code, for federal income tax purposes beginning with our taxable year ending December 31, 2016.

On February 16, 2016, we commenced our initial public offering, or our offering, in which we were offering to the public a minimum of $2,000,000 in shares of our Class T common stock, or the minimum offering, and a maximum of $3,000,000,000 in shares of our Class T common stock in our primary offering at a purchase price of $10.00 per share. Effective June 17, 2016, we reallocated certain of the unsold shares being offered, such that we are currently offering up to approximately $2,800,000,000 in shares of Class T common stock at a price of $10.00 per share and $200,000,000 in shares of Class I common stock at a price of $9.30 per share in our primary offering, and up to $150,000,000 in shares of our common stock pursuant to our distribution reinvestment plan, or the DRIP, at a purchase price of $9.50 per share, aggregating up to $3,150,000,000 , or the maximum offering. We reserve the right to reallocate the shares of common stock we are offering between the primary offering and the DRIP, and among classes of stock.

The conditions of our minimum offering were satisfied on April 12, 2016, and we admitted our initial public subscribers as stockholders, excluding shares purchased by residents of Ohio, Washington and Pennsylvania (who were subject to higher minimum offering amounts). Having raised the minimum offering, the offering proceeds were released by the escrow agent to us on April 13, 2016 and were made available for the acquisition of properties and other purposes as disclosed in our prospectus dated February 16, 2016, or our prospectus, as filed with the United States Securities and Exchange Commission, or the SEC (provided that subscriptions from residents of Ohio, Washington and Pennsylvania were to continue to be held in escrow until we had received and accepted subscriptions aggregating at least $10,000,000 , $20,000,000 and $150,000,000 , respectively). On June 14, 2016, the conditions of our minimum offering in Ohio were satisfied, and as of such date we were able to admit Ohio subscribers as stockholders.

As of June 30, 2016 , we had received and accepted subscriptions in our offering for 1,633,069 shares of our Class T common stock, or approximately $16,209,000 , excluding subscriptions from residents in Washington (who were not admitted as stockholders until July 8, 2016, when we had received and accepted subscriptions aggregating at least $20,000,000) and Pennsylvania (who will not be admitted as stockholders until we have received and accepted subscriptions aggregating at least $150,000,000) and shares of our common stock issued pursuant to the DRIP.

We conduct substantially all of our operations through Griffin-American Healthcare REIT IV Holdings, LP, or our operating partnership. We are externally advised by Griffin-American Healthcare REIT IV Advisor, LLC, or Griffin-American Healthcare REIT IV Advisor, or our advisor, pursuant to an advisory agreement, or the Advisory Agreement, between us and our advisor that has a one -year term that expires on February 16, 2017 and is subject to successive one -year renewals upon the mutual consent of the parties. Our advisor uses its best efforts, subject to the oversight and review of our board of directors, to, among other things, research, identify, review and make investments in and dispositions of properties and securities on our behalf consistent with our investment policies and objectives. Our advisor performs its duties and responsibilities under the Advisory Agreement as our fiduciary. Our a dvisor is 75.0% owned and managed by American Healthcare Investors, LLC, or American Healthcare Investors, and 25.0% owned by a wholly owned subsidiary of Griffin Capital Corporation, or Griffin Capital, or collectively, our co-sponsors. Effective March 1, 2015, American Healthcare Investors is 47.1% owned by AHI Group Holdings, LLC, or AHI Group Holdings, 45.1% indirectly owned by NorthStar Asset Management Group Inc., or NSAM, and 7.8% owned by James F. Flaherty III, one of NSAM's partners. We are not affiliated with Griffin Capital, Griffin Capital Securities, LLC, or Griffin Capital Securities, or our dealer manager, NSAM or Mr. Flaherty; however, we are affiliated with Griffin-American Healthcare REIT IV Advisor, American Healthcare Investors and AHI Group Holdings.

As of June 30, 2016 , we had completed one property acquisition comprising one building, or approximately 19,000 square feet of gross leasable area, or GLA, for an aggregate contract purchase price of $5,450,000 .

2. Summary of Significant Accounting Policies

The summary of significant accounting policies presented below is designed to assist in understanding our condensed consolidated financial statements. Such condensed consolidated financial statements and the accompanying notes thereto are the representations of our management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, or GAAP, in all material respects, and have been consistently applied in preparing our accompanying condensed consolidated financial statements.

Basis of Presentation

Our accompanying condensed consolidated financial statements include our accounts and those of our operating partnership and the wholly owned subsidiaries of our operating partnership, as well as any variable interest entities, or VIEs, in which we are the primary beneficiary. We evaluate our ability to control an entity, and whether the entity is a VIE and of which we are the primary beneficiary, by considering substantive terms of the arrangement and identifying which enterprise has the power to direct the activities of the entity that most significantly impacts the entity's economic performance as defined in Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 810, Consolidation, or ASC Topic 810.

We operate and intend to continue to operate in an umbrella partnership REIT structure in which our operating partnership, or wholly owned subsidiaries of our operating partnership, will own substantially all of the properties acquired on our behalf. We are the sole general partner of o ur operating partnership, and as of June 30, 2016 and December 31, 2015 , we owned a 99.99% and 99.00% general partnership interest, respectively, therein. Our advisor is a limited partner, and as of June 30, 2016 and December 31, 2015 , our advisor owned a 0.01% and 1.00% noncontrolling limited partnership interest, respectively, in our operating partnership.

Because we are the sole general partner of our operating partnership and have unilateral control over its management and major operating decisions (even if additional limited partners are admitted to our operating partnership), the accounts of our operating partnership are consolidated in our condensed consolidated financial statements. All intercompany accounts and transactions are eliminated in consolidation.

Interim Unaudited Financial Data

Our accompanying condensed consolidated financial statements have been prepared by us in accordance with GAAP in conjunction with the rules and regulations of the SEC. Certain information and footnote disclosures required for annual financial statements have been condensed or excluded pursuant to SEC rules and regulations. Accordingly, our accompanying condensed consolidated financial statements do not include all of the information and footnotes required by GAAP for complete financial statements. Our accompanying condensed consolidated financial statements reflect all adjustments which are, in our view, of a normal recurring nature and necessary for a fair presentation of our financial position, results of operations and cash flows for the interim period. Interim results of operations are not necessarily indicative of the results to be expected for the full year; such full year results may be less favorable.

In preparing our accompanying condensed consolidated financial statements, management has evaluated subsequent events through the financial statement issuance date. We believe that although the disclosures contained herein are adequate to prevent the information presented from being misleading, our accompanying condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and the notes thereto included in our 2015 Annual Report on Form 10-K, as filed with the SEC on March 7, 2016.

Use of Estimates

The preparation of our accompanying condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of our condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are made and evaluated on an on-going basis using information that is currently available as well as various other assumptions believed to be reasonable under the circumstances. Actual results could differ from those estimates, perhaps in material adverse ways, and those estimates could be different under different assumptions or conditions.

Cash

Cash consists of all highly liquid investments with a maturity of three months or less when purchased.

Restricted Cash Held in Escrow

Restricted funds held in escrow of $32,000 as of June 30, 2016 are not included in our assets in our accompanying condensed consolidated balance sheets and consist of funds received in connection with subscription agreements from residents of Washington to purchase shares of our common stock in connection with our offering. Such funds were held in an escrow account and would not be released to or available to us until we had raised the minimum offering of $20,000,000 required by the state of Washington. See Note 13, Subsequent Events — Status of our Offering, for a further discussion.

Revenue Recognition, Tenant Receivables and Allowance for Uncollectible Accounts

We recognize revenue in accordance with ASC Topic 605, *Revenue Recognition* , or ASC Topic 605. ASC Topic 605 requires that all four of the following basic criteria be met before revenue is realized or realizable and earned: (i) there is persuasive evidence that an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) the seller's price to the buyer is fixed or determinable; and (iv) collectability is reasonably assured. Tenant receivables are placed on nonaccrual status when management determines that collectability is not reasonably assured, and thus revenue is recognized using the cash basis method.

In accordance with ASC Topic 840, *Leases* , minimum annual rental revenue is recognized on a straight-line basis over the term of the related lease (including rent holidays). Differences between real estate revenue recognized and cash amounts contractually due from tenants under the lease agreements are recorded to deferred rent receivable or deferred rent liability, as applicable. Tenant reimbursement revenue, which comprises additional amounts recoverable from tenants for common area maintenance expenses and certain other recoverable expenses, is recognized as revenue in the period in which the related expenses are incurred. Tenant reimbursements are recognized and presented in accordance with ASC Subtopic 605-45, *Revenue Recognition — Principal Agent Consideration* , or ASC Subtopic 605-45. ASC Subtopic 605-45 requires that these reimbursements be recorded on a gross basis as we are generally the primary obligor with respect to purchasing goods and services from third-party suppliers, have discretion in selecting the supplier and have credit risk. We recognize lease termination fees at such time when there is a signed termination letter agreement, all of the conditions of such agreement have been met and the tenant is no longer occupying the property.

Tenant receivables and unbilled deferred rent receivables are carried net of an allowance for uncollectible amounts. An allowance is maintained for estimated losses resulting from the inability of certain tenants to meet the contractual obligations under their lease agreements. We also maintain an allowance for deferred rent receivables arising from the straight line recognition of rents. Such allowances are charged to bad debt expense, which is included in general and administrative in our accompanying condensed consolidated statements of operations. Our determination of the adequacy of these allowances is based primarily upon evaluations of historical loss experience, the tenant's financial condition, security deposits, letters of credit, lease guarantees, current economic conditions and other relevant factors. As of June 30, 2016 and December 31, 2015 , we did not have any allowances for uncollectible accounts.

Real Estate Investments, Net

We carry our operating properties at historical cost less accumulated depreciation. The cost of operating properties includes the cost of land and completed buildings and related improvements. Expenditures that increase the service life of properties are capitalized and the cost of maintenance and repairs is charged to expense as incurred. The cost of buildings and capital improvements is depreciated on a straight-line basis over the estimated useful lives of the buildings and capital improvements, up to 39 years , and the cost for tenant improvements is depreciated over the shorter of the lease term or useful life, or four years . Furniture, fixtures and equipment, if any, is depreciated over the estimated useful life, ranging from five years to 10 years . When depreciable property is retired, replaced or disposed of, the related costs and accumulated depreciation is removed from the accounts and any gain or loss is reflected in earnings.

As part of the leasing process, we may provide the lessee with an allowance for the construction of leasehold improvements. These leasehold improvements are capitalized and recorded as tenant improvements and depreciated over the shorter of the useful life of the improvements or the lease term. If the allowance represents a payment for a purpose other than funding leasehold improvements, or in the event we are not considered the owner of the improvements, the allowance is considered to be a lease inducement and is recognized over the lease term as a reduction of rental revenue on a straight-line basis. Factors considered during this evaluation include, among other things, who holds legal title to the improvements as well as other controlling rights provided by the lease agreement and provisions for substantiation of such costs, *e.g* ., unilateral control of the tenant space during the build-out process. Determination of the appropriate accounting for the payment of a tenant allowance is made on a lease-by-lease basis, considering the facts and circumstances of the individual tenant lease.

Recognition of lease revenue commences when the lessee is given possession of the leased space upon completion of tenant improvements when we are the owner of the leasehold improvements. However, when the leasehold improvements are owned by the tenant, the lease inception date (and the date on which recognition of lease revenue commences) is the date the tenant obtains possession of the leased space for purposes of constructing its leasehold improvements.

Impairment of Long-Lived and Intangible Assets

We periodically evaluate our long-lived assets, primarily consisting of investments in real estate, for impairment indicators. If indicators of impairment are present, we evaluate the carrying value of the related real estate investments in relation to the future undiscounted cash flows of the underlying operations. In performing this evaluation, we consider market conditions and our current intentions with respect to holding or disposing of the asset. We adjust the net book value of leased properties and other long-lived assets to fair value if the sum of the expected future undiscounted cash flows, including sales proceeds, is less than book value. We recognize an impairment loss at the time we make any such determination.

If impairment indicators arise with respect to intangible assets with finite useful lives, we evaluate impairment by comparing the carrying amount of the asset to the estimated future undiscounted net cash flows expected to be generated by the asset. If estimated future undiscounted net cash flows are less than the carrying amount of the asset, we estimate the fair value of the asset and compare the estimated fair value to the intangible asset's carrying value. We recognize any shortfall from carrying value as an impairment loss in the current period.

For the three months ended June 30, 2016 and 2015 , for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 , there were no impairment losses recorded.

Property Acquisitions

In accordance with ASC Topic 805, *Business Combinations* , or ASC Topic 805, we, with assistance from independent valuation specialists, measure the fair value of tangible and identified intangible assets and liabilities, as applicable, based on their respective fair values for acquired properties. Our method for allocating the purchase price to acquired investments in real estate requires us to make subjective assessments for determining fair value of the assets acquired and liabilities assumed. This includes determining the value of the buildings, land, leasehold interests, furniture, fixtures and equipment, above- or below-market rent, in-place leases, master leases, above- or below-market debt assumed and derivative financial instruments assumed. These estimates require significant judgment and in some cases involve complex calculations. These allocation assessments directly impact our results of operations, as amounts allocated to certain assets and liabilities have different depreciation or amortization lives. In addition, we amortize the value assigned to above- or below-market rent as a component of revenue, unlike in-place leases and other intangibles, which we include in depreciation and amortization in our accompanying condensed consolidated statements of operations.

The determination of the fair value of land is based upon comparable sales data. In cases where a leasehold interest in the land is acquired, the value of the leasehold interest is determined by discounting the difference between the contract ground lease payments and a market ground lease payment back to a present value as of the acquisition date. The market ground lease payment is estimated as a percentage of the land value. The fair value of buildings is based upon our determination of the value as if it were to be replaced and vacant using cost data and discounted cash flow models similar to those used by independent appraisers. Factors considered by us include an estimate of carrying costs during the expected lease-up periods considering current market conditions and costs to execute similar leases. We also recognize the fair value of furniture, fixtures and equipment on the premises, if any, as well as the above- or below-market rent, the value of in-place leases, master leases, above- or below-market debt and derivative financial instruments assumed.

The value of the above- or below-market component of the acquired in-place leases is determined based upon the present value (using a discount rate that reflects the risks associated with the acquired leases) of the difference between: (i) the level payment equivalent of the contract rent paid pursuant to the lease; and (ii) our estimate of market rent payments taking into account rent steps throughout the lease. In the case of leases with options, a case-by-case analysis is performed based on all facts and circumstances of the specific lease to determine whether the option will be assumed to be exercised. The amounts related to above-market leases are included in identified intangible assets, net in our accompanying condensed consolidated balance sheets and are amortized to real estate revenue over the remaining non-cancelable lease term of the acquired leases with each property. The amounts related to below-market leases are included in identified intangible liabilities, net in our accompanying condensed consolidated balance sheets and are amortized to real estate revenue over the remaining non-cancelable lease term plus any below-market renewal options of the acquired leases with each property.

The value of in-place lease costs, if any, are based on management's evaluation of the specific characteristics of the tenant's lease and our overall relationship with the tenants. Characteristics considered by us in allocating these values include the nature and extent of the credit quality and expectations of lease renewals, among other factors. The net amounts related to in-place lease costs are included in identified intangible assets, in our accompanying condensed consolidated balance sheets and are amortized to depreciation and amortization expense over the average downtime of the acquired leases with each property. The net amounts related to the value of tenant relationships, if any, would be included in identified intangible assets, in our accompanying condensed consolidated balance sheets and would be amortized to depreciation and amortization expense over the average remaining non-cancelable lease term of the acquired leases plus the market renewal lease term. The value of a master lease, if any, in which a previous owner or a tenant is relieved of specific rental obligations as additional space is leased, is determined by discounting the expected real estate revenue associated with the master lease space over the assumed lease-up period.

The value of above- or below-market debt, if any, is determined based upon the present value of the difference between the cash flow stream of the assumed mortgage and the cash flow stream of a market rate mortgage at the time of assumption. The net value of above- or below-market debt is included in mortgage loans payable, in our accompanying condensed consolidated balance sheets and is amortized to interest expense over the remaining term of the assumed mortgage.

The value of derivative financial instruments, if any, would be determined in accordance with ASC Topic 820, *Fair Value Measurements and Disclosures* , or ASC Topic 820, and would be included in derivative financial instruments in our accompanying condensed consolidated balance sheets.

The values of contingent consideration assets and liabilities, if any, are analyzed at the time of acquisition. For contingent purchase options, the fair market value of the acquired asset is compared to the specified option price at the exercise date. If the option price is below market, it is assumed to be exercised and the difference between the fair market value and the option price is discounted to the present value at the time of acquisition.

These values are preliminary estimates in nature and subject to adjustments, which could be material. Any necessary adjustments will be finalized within one year from the date of acquisition.

Fair Value Measurements

We follow ASC Topic 820 to account for the fair value of certain assets and liabilities. ASC Topic 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. ASC Topic 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, ASC Topic 820 establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that we have the ability to access. An active market is defined as a market in which transactions for the assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

See Note 9, Fair Value Measurements , for a further discussion.

Real Estate Deposits

Real estate deposits include funds held by escrow agents and others to be applied towards the purchase of real estate.

Prepaid Expenses

As of June 30, 2016 , prepaid expenses consists primarily of annual directors' and officers' liability insurance premiums of $148,000 . We did no t have any prepaid expenses as of December 31, 2015 . Prepaid expenses are amortized over the related contract periods.

Stock Compensation

We follow ASC Topic 718, *Compensation — Stock Compensation* , or ASC Topic 718, to account for our stock compensation pursuant to the 2015 Incentive Plan, or our incentive plan, and the 2015 Independent Directors Compensation Plan. See Note 7, Equity — 2015 Incentive Plan and Independent Directors Compensation Plan, for a further discussion of grants under such plans.

Income Taxes

We have not yet elected to be taxed as a REIT under the Code. We intend to elect to be taxed as a REIT under Sections 856 through 860 of the Code beginning with our taxable year ending December 31, 2016, and we intend to continue to qualify to be taxed as a REIT. To qualify and maintain our qualification as a REIT, we must meet certain organizational and operational requirements, including a requirement to currently distribute at least 90.0% of our annual ordinary taxable income, excluding net capital gains, to stockholders. As a REIT, we generally will not be subject to federal income tax on taxable income that we distribute to our stockholders.

If we fail to qualify and maintain our qualification as a REIT in any taxable year, we will then be subject to federal income taxes on our taxable income at regular corporate rates and will not be permitted to elect to be treated as a REIT for federal income tax purposes for four years following the year during which qualification is lost unless the Internal Revenue Service grants us relief under certain statutory provisions. Such an event could have a material adverse affect on our net income and net cash available for distribution to stockholders. Because of our intention to elect REIT status for our taxable year ending December 31, 2016, we will not benefit from the loss incurred for the three and six months ended June 30, 2016 .

We follow ASC Topic 740, *Income Taxes* , to recognize, measure, present and disclose in our accompanying condensed consolidated financial statements uncertain tax positions that we have taken or expect to take on a tax return. As of June 30, 2016 and December 31, 2015 , we did not have any tax benefits nor liabilities for uncertain tax positions that we believe should be recognized in our accompanying condensed consolidated financial statements.

Segment Disclosure

ASC Topic 280, *Segment Reporting* , establishes standards for reporting financial and descriptive information about a public entity's reportable segments. We segregate our operations into reporting segments in order to assess the performance of our business in the same way that management reviews our performance and makes operating decisions. As of June 30, 2016 , we have determined that we operate through one reportable business segment, with activities related to investing in medical office buildings.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update, or ASU, 2014-09, *Revenue from Contracts with Customers* , or ASU 2014-09, which replaces the existing accounting standards for revenue recognition. ASU 2014-09 provides a five-step framework to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration expected to be received in exchange for those goods or services. Since its issuance, the FASB has amended several aspects of ASU 2014-09, including provisions that address principal-versus-agent implementation guidance and identifying performance obligations. ASU 2014-09 is effective for interim and annual reporting periods beginning after December 15, 2017. It may be adopted either by restating all years presented in the financial statements or by recording the impact of adoption as an adjustment to retained earnings at the beginning of the year of adoption. We have not yet selected a transition method nor have we determined the impact the adoption of ASU 2014-09 and its amendments on January 1, 2018 will have on our consolidated financial statements.

In February 2015, the FASB issued ASU 2015-02, *Amendments to the Consolidation Analysis,* or ASU 2015-02, which amends the consolidation analysis required under ASC Topic 810. Specifically, ASU 2015-02: (i) modifies the evaluation of whether limited partnerships and similar legal entities are variable interest entities; (ii) eliminates the presumption that a general partner should consolidate a limited partnership; and (iii) amends the effect of fee arrangements in the primary beneficiary determination. Further, the application of ASU 2015-02 permits the use of either the full retrospective or modified retrospective

adoption approach. ASU 2015-02 is effective for interim and annual reporting periods beginning after December 15, 2015 with early adoption permitted. We adopted ASU 2015-02 on January 1, 2016, which did not have a material impact on our consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs,* or ASU 2015-03, which amends the presentation of debt issuance costs in the financial statements to present such costs as a direct deduction from the carrying amount of the related debt liability rather than as an asset. Amortization of such costs is required to be reported as interest expense. In August 2015, the FASB issued ASU 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements* , which clarified that debt issuance costs associated with line of credit arrangements may continue to be presented as an asset, regardless of whether there are any outstanding borrowings on the line of credit arrangemen t. T he application of ASU 2015-03 requires retrospective adjustment of all prior periods presented. ASU 2015-03 is effective for interim and annual reporting periods beginning after December 15, 2015 with early adoption permitted. We adopted ASU 2015-03 on January 1, 2016, which did not have an impact on our consolidated financial statements.

In September 2015, the FASB issued ASU 2015-16, *Simplifying the Accounting for Measurement-Period Adjustments,* or ASU 2015-16, which eliminates the requirement to restate prior period financial statements for measurement period adjustments in a business combination. The cumulative effect of a measurement period adjustment as a result of a change in the provisional amounts, calculated as if the accounting had been completed as of the acquisition date, is required to be recorded in the reporting period in which the adjustment amount is determined, rather than retrospectively. Further, ASU 2015-16 requires that the acquirer present separately on the face of the income statement, or disclose in the notes, the portion of the amount recorded in the current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. ASU 2015-16 is effective for interim and annual reporting periods beginning after December 15, 2015 and should be applied prospectively to adjustments to provisional amounts that occur after the effective date. Early adoption is permitted for financial statements that have not yet been made available for issuance. We adopted ASU 2015-16 on January 1, 2016, which did not have an impact on our consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities* , or ASU 2016-01, which amends the classification and measurement of financial instruments. ASU 2016-01 revises the accounting related to: (i) the classification and measurement of investments in equity securities; and (ii) the presentation of certain fair value changes for financial liabilities measured at fair value. ASU 2016-01 also amends certain disclosure requirements associated with the fair value of financial instruments. ASU 2016-01 is effective for interim and annual reporting periods beginning after December 15, 2017. Early adoption is permitted, with respect to only certain of the amendments in ASU 2016-01, for financial statements that have not yet been made available for issuance. ASU 2016-01 requires the application of the amendments by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption, with certain exceptions. We have not yet determined the impact the adoption of ASU 2016-01 on January 1, 2018 will have on our consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases* , or ASU 2016-02, which amends the guidance on accounting for leases, including extensive amendments to the disclosure requirements. Under ASU 2016-02, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: (i) a lease liability, which is a lessee's obligation to make lease payments arising from a lease; and (ii) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Under ASU 2016-02, lessor accounting is largely unchanged. ASU 2016-02 is effective for fiscal years and interim periods beginning after December 15, 2018. Early adoption is permitted for financial statements that have not yet been made available for issuance. ASU 2016-02 requires a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. We have not yet determined the impact the adoption of ASU 2016-02 on January 1, 2019 will have on our consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, *Improvements to Employee Share-Based Payment Accounting,* or ASU 2016-09, which simplifies several aspects of the accounting for employee share-based payment transactions, including the accounting for income taxes, forfeitures and statutory withholding requirements, as well as classification in the statement of cash flows. ASU 2016-09 requires disclosures about a change in accounting principle under ASC 250, *Accounting Changes and Error Corrections,* in the period of adoption. ASU 2016-09 is effective for fiscal years and interim periods beginning after December 15, 2016. Early adoption is permitted for financial statements that have not yet been made available for issuance. We do not expect the adoption of ASU 2016-09 on January 1, 2017 to have a material impact on our consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments — Credit Losses,* or ASU 2016-13, which introduces a new approach to estimate credit losses on certain types of financial instruments based on expected losses. It also modifies the impairment model for available-for-sale debt securities and provides for a simplified accounting model for purchased financial assets with credit deterioration since their origination. ASU 2016-13 is effective for fiscal years and interim periods beginning after December 15, 2019. Early adoption is permitted after December 15, 2018. We have not yet determined the impact the adoption of ASU 2016-13 on January 1, 2020 will have on our consolidated financial statements.

3. Real Estate Investment

Our real estate investment consisted of the following as of June 30, 2016 and December 31, 2015 :

	June 30, 2016	December 31, 2015
Building and improvements	$ 4,600,000	$ —
Land	406,000	—
	$ 5,006,000	$ —

For the three and six months ended June 30, 2016 , we did not have any capital expenditures other than the acquisition noted below. We reimburse our advisor or its affiliates for acquisition expenses related to selecting, evaluating and acquiring assets. The reimbursement of acquisition expenses, acquisition fees and real estate commissions and other fees paid to unaffiliated parties will not exceed, in the aggregate, 6.0% of the contract purchase price or total development costs, unless fees in excess of such limits are approved by a majority of our directors, including a majority of our independent directors. For the three and six months ended June 30, 2016 , such fees and expenses paid did not exceed 6.0% of the contract purchase price of our property acquisition. We did not incur such fees and expenses for the three months ended June 30, 2015 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 .

Acquisition in 2016

For the six months ended June 30, 2016 , we completed one property acquisition comprising one building from an unaffiliated third party. The aggregate contract purchase price of this property was $5,450,000 and we incurred $245,000 in acquisition fees to our advisor in connection with this property acquisition. The following is a summary of our property acquisition for the six months ended June 30, 2016 :

Acquisition(1)	Location	Type	Date Acquired	Contract Purchase Price	Total Acquisition Fee
Auburn MOB	Auburn, CA	Medical Office	06/28/16	$ 5,450,000	$ 245,000 (2)

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(1) We own 100% of the property acquired in 2016.

(2) Our advisor was paid, as compensation for services rendered in connection with the investigation, selection and acquisition of the property, a base acquisition fee of 2.25% of the contract purchase price upon the closing of the acquisition. In addition, the total acquisition fee includes a Contingent Advisor Payment, as defined in Note 8, Related Party Transactions , in the amount of 2.25% of the contract purchase price of the property acquired, which shall be paid by us to our advisor, subject to the satisfaction of certain conditions. See Note 8, Related Party Transactions — Acquisition and Development Stage — Acquisition Fee, for a further discussion.

4. Identified Intangible Assets

As of June 30, 2016 , identified intangible assets consisted of in-place leases of $386,000 . We did no t have any identified intangible assets as of December 31, 2015 . T he aggregate weighted average remaining life of in-place leases was 4.0 years as of June 30, 2016 . As of June 30, 2016 , estimated amortization expense on the in-place leases for the six months ending December 31, 2016 and for each of the next four years ending December 31 and thereafter was as follows:

Year	Amount
2016	$ 48,000
2017	97,000
2018	97,000
2019	96,000
2020	48,000
Thereafter	—
	$ 386,000

5. Commitments and Contingencies

Litigation

We are not presently subject to any material litigation nor, to our knowledge, is any material litigation threatened against us, which if determined unfavorably to us, would have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Environmental Matters

We follow a policy of monitoring our properties for the presence of hazardous or toxic substances. While there can be no assurance that a material environmental liability does not exist at our property, we are not currently aware of any environmental liability with respect to our property that would have a material effect on our consolidated financial position, results of operations or cash flows. Further, we are not aware of any material environmental liability or any unasserted claim or assessment with respect to an environmental liability that we believe would require additional disclosure or the recording of a loss contingency.

Other

Our other commitments and contingencies include the usual obligations of real estate owners and operators in the normal course of business, which include calls/puts to sell/acquire properties. In our view, these matters are not expected to have a material adverse effect on our consolidated financial position, results of operations or cash flows.

6. Redeemable Noncontrolling Interest

As of June 30, 2016 and December 31, 2015 , we owned a 99.99% and a 99.00% general partnership interest, respectively, in our operating partnership and our advisor owned a 0.01% and 1.00% limited partnership interest, respectively, in our operating partnership. The noncontrolling interest of our advisor in our operating partnership, which has redemption features outside of our control, is accounted for as a redeemable noncontrolling interest and is presented outside of permanent equity in our accompanying condensed consolidated balance sheets. See Note 7, Equity — Noncontrolling Interest of Limited Partner in Operating Partnership, for a further discussion. In addition, see Note 8, Related Party Transactions — Liquidity Stage — Subordinated Participation Interest — Subordinated Distribution Upon Listing, and Note 8, Related Party Transactions — Subordinated Distribution Upon Termination, for a further discussion of the redemption features of the limited partnership units.

We record the carrying amount of redeemable noncontrolling interest at the greater of: (i) the initial carrying amount, increased or decreased for the noncontrolling interest's share of net income or loss and distributions; or (ii) the redemption value. The changes in the carrying amount of redeemable noncontrolling interest consisted of the following for the six months ended June 30, 2016 :

	Amount
Balance — December 31, 2015	$ —
Reclassification from equity	2,000
Net loss attributable to redeemable noncontrolling interest	—
Balance — June 30, 2016	$ 2,000

7. Equity

Preferred Stock

Our charter authorizes us to issue 200,000,000 shares of our preferred stock, par value $0.01 per share. As of June 30, 2016 and December 31, 2015 , no shares of preferred stock were issued and outstanding.

Common Stock

Our charter authorizes us to issue 1,000,000,000 shares of our common stock, par value $0.01 per share. We commenced our public offering of shares of our common stock on February 16, 2016, and as of such date we were offering to the public up to $3,150,000,000 of shares of our common stock, consisting of up to $3,000,000,000 of shares of our Class T common stock for $10.00 per share in our primary offering and up to $150,000,000 of shares of our common stock for $9.50 per share pursuant to the DRIP. Effective June 17, 2016, we reallocated certain of the unsold shares of our Class T common stock being offered, such that we are currently offering up to approximately $2,800,000,000 in shares of Class T common stock at a price of $10.00 per share and $200,000,000 in shares of Class I common stock at a price of $9.30 per share in our primary offering, and up to $150,000,000 in shares of our common stock pursuant to the DRIP at a purchase price of $9.50 per share. Subsequent to the reallocation, of the 1,000,000,000 shares of common stock authorized, 900,000,000 shares are classified as Class T common stock and 100,000,000 shares are classified as Class I common stock. We reserve the right to reallocate the shares of common stock we are offering between the primary offering and the DRIP, and among classes of stock.

Each share of our common stock, regardless of class, will be entitled to one vote per share on matters presented to the common stockholders for approval; provided, however, that stockholders of one share class shall have exclusive voting rights on any amendment to our charter that would alter only the contract rights of that share class, and no stockholders of another share class shall be entitled to vote thereon.

On February 6, 2015, our advisor acquired 22,222 shares of our Class T common stock for total cash consideration of $200,000 and was admitted as our initial stockholder. We used the proceeds from the sale of shares of our Class T common stock to our advisor to make an initial capital contribution to our operating partnership. We effected a reverse stock split as of July 23, 2015, whereby every 2.50 shares of our Class T common stock issued and outstanding were combined into one share of our Class T common stock, resulting in our advisor owning 8,889 shares of our Class T common stock following the reverse stock split. On October 22, 2015, we effected a stock split, whereby every share of our Class T common stock issued and outstanding was split into 2.343749 shares of our Class T common stock, resulting in our advisor owning 20,833 shares of our Class T common stock.

On April 13, 2016, we granted an aggregate of 15,000 shares of our restricted common stock to our independent directors. Through June 30, 2016 , we had issued 1,633,069 shares of our Class T common stock in connection with the primary portion of our offering and 2,003 shares of our Class T common stock pursuant to the DRIP. As of June 30, 2016 and December 31, 2015 , we had 1,670,905 and 20,833 shares of our Class T common stock issued and outstanding, respectively.

As of June 30, 2016 , we had a receivable of $552,000 for offering proceeds, net of selling commissions and dealer manager fees, from our transfer agent, which was received on July 1, 2016.

Distribution Reinvestment Plan

We have registered and reserved $150,000,000 in shares of our common stock for sale pursuant to the DRIP in our offering. The DRIP allows stockholders to purchase additional Class T shares and Class I shares of our common stock through

the reinvestment of distributions during our offering at an offering price equal to 95.0% of the primary offering price for Class T shares, or $9.50 assuming a $10.00 per share primary offering price for Class T shares. Pursuant to the DRIP, distributions with respect to Class T shares are reinvested in Class T shares and distributions with respect to Class I shares are reinvested in Class I shares.

For the three and six months ended June 30, 2016 , $19,000 in distributions were reinvested and 2,003 shares of our common stock were issued pursuant to the DRIP. No reinvestment of distributions were made for three months ended June 30, 2015 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 . As of June 30, 2016 and December 31, 2015 , a total of $19,000 and $0 , respectively, in distributions were reinvested and 2,003 and 0 shares of our common stock, respectively, were issued pursuant to the DRIP.

Share Repurchase Plan

In February 2016, our board of directors approved a share repurchase plan. The share repurchase plan allows for repurchases of shares of our common stock by us when certain criteria are met. Share repurchases will be made at the sole discretion of our board of directors. Subject to the availability of the funds for share repurchases, we will limit the number of shares of our common stock repurchased during any calendar year to 5.0% of the weighted average number of shares of our common stock outstanding during the prior calendar year; provided, however, that shares subject to a repurchase requested upon the death of a stockholder will not be subject to this cap. Funds for the repurchase of shares of our common stock will come exclusively from the cumulative proceeds we receive from the sale of shares of our common stock pursuant to the DRIP.

All repurchases will be subject to a one -year holding period, except for repurchases made in connection with a stockholder's death or "qualifying disability," as defined in our share repurchase plan. Further, all share repurchases will be repurchased following a one -year holding period at 92.5% to 100% of each stockholder's repurchase amount depending on the period of time their shares have been held. At any time while we are engaged in an offering of shares of our common stock, the repurchase amount for shares repurchased under our share repurchase plan will always be equal to or lower than the applicable per share offering price. However, if shares of our common stock are repurchased in connection with a stockholder's death or qualifying disability, the repurchase price will be no less than 100% of the price paid to acquire the shares of our common stock from us. Furthermore, our share repurchase plan provides that if there are insufficient funds to honor all repurchase requests, pending requests will be honored among all requests for repurchase in any given repurchase period, as follows: first, pro rata as to repurchases sought upon a stockholder's death; next, pro rata as to repurchases sought by stockholders with a qualifying disability; and, finally, pro rata as to other repurchase requests. No share repurchases were requested or made for the three months ended June 30, 2016 and 2015 , for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 .

2015 Incentive Plan and Independent Directors Compensation Plan

In February 2016, we adopted our incentive plan, pursuant to which our board of directors or a committee of our independent directors may make grants of options, restricted shares of common stock, stock purchase rights, stock appreciation rights or other awards to our independent directors, employees and consultants. The maximum number of shares of our common stock that may be issued pursuant to our incentive plan is 4,000,000 shares.

Upon the election of our three independent directors to our board of directors on February 12, 2016, or the service inception date, the independent directors each became entitled to 5,000 shares of our restricted common stock, as defined in our incentive plan, upon the initial release from escrow of the minimum offering. Having raised the minimum offering and upon the initial release from escrow, on April 13, 2016, or the grant date, we granted 5,000 shares of our restricted common stock, as defined in our incentive plan, to each of our three independent directors in connection with their initial election to our board of directors, of which 20.0% immediately vested on the grant date and 20.0% will vest on each of the first four anniversaries of the grant date. Shares of our restricted common stock may not be sold, transferred, exchanged, assigned, pledged, hypothecated or otherwise encumbered. Such restrictions expire upon vesting. Shares of our restricted common stock will have full voting rights and rights to distributions.

From the service inception date to the grant date, we recognized compensation expense related to the shares of our restricted common stock based on the reporting date fair value, which was estimated at $10.00 per share, the price paid to acquire one share of Class T common stock in our offering. After the grant date, compensation cost related to the shares of our restricted common stock is measured based on the grant date fair value. Stock compensation expense is recognized from the service inception date to the vesting date for each vesting tranche (i.e., on a tranche-by-tranche basis) using the accelerated attribution method.

GRIFFIN-AMERICAN HEALTHCARE REIT IV, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

For the three and six months ended June 30, 2016 , we recognized compensation expense of $20,000 and $52,000 , respectively, which is included in general and administrative in our accompanying condensed consolidated statements of operations. We did not incur compensation expense for the three months ended June 30, 2015 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 . ASC Topic 718, *Compensation — Stock Compensation,* requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. For the three and six months ended June 30, 2016 , we did not assume any forfeitures.

As of June 30, 2016 and December 31, 2015 , there was $98,000 and $0 , respectively, of total unrecognized compensation expense, net of estimated forfeitures, related to nonvested shares of our restricted common stock. This expense is expected to be recognized over a remaining weighted average period of 2.29 years.

As of June 30, 2016 and December 31, 2015 , the weighted average grant date fair value of the nonvested shares of our restricted common stock was $120,000 and $0 , respectively. A summary of the status of the nonvested shares of our restricted common stock as of June 30, 2016 and December 31, 2015 and the changes for the six months ended June 30, 2016 is presented below:

	Number of Nonvested Shares of our Restricted Common Stock	Weighted Average Grant Date Fair Value
Balance — December 31, 2015	—	$ —
Granted	15,000	$ 10.00
Vested	(3,000)	$ 10.00
Forfeited	—	$ —
Balance — June 30, 2016	12,000	$ 10.00
Expected to vest — June 30, 2016	12,000	$ 10.00

Offering Costs

Selling Commissions

Generally, we pay our dealer manager selling commissions of up to 3.0% of the gross offering proceeds from the sale of Class T shares of our common stock pursuant to the primary offering other than shares of our common stock sold pursuant to the DRIP. Our dealer manager may re-allow all or a portion of these fees to participating broker-dealers. For the three and six months ended June 30, 2016 , we incurred $380,000 in selling commissions to our dealer manager, which are charged to stockholders' equity as such amounts are reimbursed to our dealer manager from the gross proceeds of our offering. Our dealer manager did not receive selling commissions for the three months ended June 30, 2015 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 .

Dealer Manager Fee

Generally, our dealer manager receives a dealer manager fee of up to 3.0% of the gross offering proceeds from the sale of shares of our common stock sold pursuant to the primary offering, of which 1.0% of the gross offering proceeds is funded by us. Our dealer manager may re-allow all or a portion of these fees to participating broker-dealers. For the three and six months ended June 30, 2016 , we incurred $151,000 in dealer manager fees to our dealer manager, which are charged to stockholders' equity as such amounts are reimbursed to our dealer manager or its affiliates from the gross proceeds of our offering. Our dealer manager did not receive dealer manager fees for the three months ended June 30, 2015 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 . See Note 8, Related Party Transactions — Offering Stage — Dealer Manager Fee, for a further discussion of the dealer manager fee funded by our advisor.

Stockholder Servicing Fee

We will pay our dealer manager a stockholder servicing fee with respect to the Class T shares sold as additional compensation to the dealer manager and participating broker-dealers. The stockholder servicing fee will accrue daily equal to 1/365th of 1.0% of the purchase price per share of the Class T shares sold and will be paid quarterly. We will cease paying the stockholder servicing fee with respect to the Class T shares sold in our offering upon the occurrence of certain defined events. Our dealer manager may re-allow to participating broker-dealers all or a portion of the stockholder servicing fee for services that such participating broker-dealers perform in connection with the shares of our Class T common stock. No stockholder servicing fee shall be paid with respect to Class I shares or shares sold pursuant to the DRIP. For the three and six months ended June 30, 2016 , we incurred $507,000 in connection with the stockholder servicing fee to our dealer manager. As of June 30, 2016 , we accrued $507,000 in connection with the stockholder servicing fee payable, which is included in accounts payable and accrued liabilities with a corresponding offset to stockholders' equity in our accompanying condensed consolidated balance sheets.

Noncontrolling Interest of Limited Partner in Operating Partnership

On February 6, 2015, our advisor made an initial capital contribution of $2,000 to our operating partnership in exchange for 222 Class T partnership units. Following our reverse stock split and the corresponding conversion of the partnership units of our operating partnership, our advisor owned 89 Class T partnership units effective as of July 23, 2015. On October 22, 2015, we effected a stock split, which increased the number of Class T partnership units outstanding to 208 . Upon the effectiveness of the Advisory Agreement on February 16, 2016, Griffin-American Healthcare REIT IV Advisor became our advisor. As our advisor, Griffin-American Healthcare REIT IV Advisor is entitled to redemption rights of its limited partnership units. Therefore, as of February 16, 2016, such limited partnership units no longer meet the criteria for classification within the equity section of our accompanying condensed consolidated balance sheets, and as such, were reclassified outside of permanent equity, as a mezzanine item, in our accompanying condensed consolidated balance sheets. See Note 6, Redeemable Noncontrolling Interest , for a further discussion.

8. Related Party Transactions

Fees and Expenses Paid to Affiliates

All of our executive officers and one of our non-independent directors are also executive officers and employees and/or holders of a direct or indirect interest in our advisor, one of our co-sponsors or other affiliated entities. We are affiliated with our advisor, American Healthcare Investors and AHI Group Holdings; however, we are not affiliated with Griffin Capital, Griffin Capital Securities, NSAM or Mr. Flaherty. We entered into the Advisory Agreement, which entitles our advisor and its affiliates to specified compensation for certain services, as well as reimbursement of certain expenses. For the three and six months ended June 30, 2016 , we incurred $2,862,000 and $3,169,000 , respectively, in fees and expenses to our affiliates as detailed below. We did not incur fees and expense to our affiliates for the three months ended June 30, 2015 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 .

Offering Stage

Dealer Manager Fee

Generally, our dealer manager receives a dealer manager fee of up to 3.0% of the gross offering proceeds from the sale of shares of our common stock sold pursuant to the primary offering, of which 2.0% of the gross offering proceeds is funded by our advisor. Our advisor intends to recoup the portion of the dealer manager fee it funds through the receipt of the Contingent Advisor Payment from us, as described below, through the payment of acquisition fees. No dealer manager fee is payable on shares of our common stock sold pursuant to the DRIP. For the three and six months ended June 30, 2016 , we incurred $302,000 to our advisor as part of the Contingent Advisor Payment in connection with the dealer manager fee that our advisor had incurred. We did not incur any dealer manager fees to our advisor for the three months ended June 30, 2015 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 .

As of December 31, 2015 , our advisor had no t incurred any dealer manager fees as we commenced our offering in February 2016. As of June 30, 2016 , we accrued $302,000 as part of the Contingent Advisor Payment related to the dealer manager fee that our advisor had incurred, which is included in accounts payable due to affiliates with a corresponding offset to stockholders' equity in our accompanying condensed consolidated balance sheets. As of June 30, 2016, we have not paid any amounts to our advisor in connection with the Contingent Advisor Payment. See Note 7, Equity — Offering Costs — Dealer Manager Fee, for a further discussion.

Other Organizational and Offering Expenses

Our other organizational and offering expenses in connection with our offering (other than selling commissions, the dealer manager fee and the stockholder servicing fee) are funded by our advisor. Our advisor intends to recoup such expenses it funds through the receipt of the Contingent Advisor Payment from us, as described below, through the payment of acquisition fees. We anticipate that our other organizational and offering expenses will not exceed 1.0% of the gross offering proceeds for shares of our common stock sold pursuant to our primary offering. No other organizational and offering expenses will be paid with respect to shares of our common stock sold pursuant to the DRIP. For the three and six months ended June 30, 2016 , we incurred $2,415,000 to our advisor as part of the Contingent Advisor Payment in connection with the other organizational and offering expenses that our advisor had incurred. We did not incur any other organizational and offering expenses to our advisor or its affiliates for the three months ended June 30, 2015 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 .

As of December 31, 2015 , our advisor has incurred other organizational and offering expenses of approximately $1,606,000 on our behalf, which expenses were not recorded in our condensed consolidated balance sheets because such costs did not become our liability until we reached the minimum offering on April 12, 2016. As of June 30, 2016 , we recorded $2,415,000 as part of the Contingent Advisor Payment related to the other organizational and offering expenses that our advisor had incurred, which is included in accounts payable due to affiliates with a corresponding offset to stockholders' equity in our accompanying condensed consolidated balance sheets. As of June 30, 2016, we have not paid any amounts to our advisor in connection with the Contingent Advisor Payment.

Acquisition and Development Stage

Acquisition Fee

We pay our advisor an acquisition fee of up to 4.50% of the contract purchase price, including any contingent or earn-out payments that may be paid, of each property we acquire or, with respect to any real estate-related investment we originate or acquire, up to 4.25% of the origination or acquisition price, including any contingent or earn-out payments that may be paid. The 4.50% or 4.25% acquisition fees consist of a 2.25% or 2.00% base acquisition fee, or the base acquisition fee, for real estate and real estate-related acquisitions, respectively, and an additional 2.25% contingent advisor payment, or the Contingent Advisor Payment. The Contingent Advisor Payment allows our advisor to recoup the portion of the dealer manager fee and other organizational and offering expenses funded by our advisor. Therefore, the amount of the Contingent Advisor Payment paid upon the closing of an acquisition shall not exceed the then outstanding amounts paid by our advisor for dealer manager fees and other organizational and offering expenses at the time of such closing. For these purposes, the amounts paid by our advisor and considered as "outstanding" will be reduced by the amount of the Contingent Advisor Payment previously paid. Notwithstanding the foregoing, the initial $7,500,000 of amounts paid by our advisor to fund the dealer manager fee and other organizational and offering expenses, or the Contingent Advisor Payment Holdback, shall be retained by us until the later of the termination of our last public offering or the third anniversary of the commencement date of our initial public offering, at which time such amount shall be paid to our advisor or its affiliates. In connection with any subsequent public offering of shares of our common stock, the Contingent Advisor Payment Holdback may increase, based upon the maximum offering amount in such subsequent public offering and the amount sold in prior offerings. Our advisor or its affiliates will be entitled to receive these acquisition fees for properties and real estate-related investments acquired with funds raised in our offering, including acquisitions completed after the termination of the Advisory Agreement (including imputed leverage of 50.0% on funds raised in our offering), or funded with net proceeds from the sale of a property or real estate-related investment, subject to certain conditions. Our advisor may waive or defer all or a portion of the acquisition fee at any time and from time to time, in our advisor's sole discretion.

The base acquisition fee in connection with the acquisition of properties is expensed as incurred in accordance with ASC Topic 805 and included in acquisition related expenses in our accompanying condensed consolidated statements of operations. The base acquisition fee in connection with the acquisition of real estate-related investments is capitalized as part of the associated investment in our accompanying condensed consolidated balance sheets. For the three and six months ended June 30, 2016 , we paid a base acquisition fee of $123,000 to our advisor. We did not pay any base acquisition fees to our advisor for the three months ended June 30, 2015 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 . The Contingent Advisor Payment is used to decrease the liability we incur to our advisor in connection with the dealer manager fee and other organizational and offering expenses. For a further discussion of amounts paid in connection with the Contingent Advisor Payment, see Dealer Manager Fee and Other Organizational and Offering Expenses, above. In addition, see Note 3, Real Estate Investment , for a further discussion.

Development Fee

In the event our advisor or its affiliates provide development-related services, we pay our advisor or its affiliates a development fee in an amount that is usual and customary for comparable services rendered for similar projects in the geographic market where the services are provided; however, we will not pay a development fee to our advisor or its affiliates if our advisor or its affiliates elect to receive an acquisition fee based on the cost of such development.

For the three months ended June 30, 2016 and 2015 , for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 , we did not incur any development fees to our advisor or its affiliates.

Reimbursement of Acquisition Expenses

We reimburse our advisor or its affiliates for acquisition expenses related to selecting, evaluating and acquiring assets, which will be reimbursed regardless of whether an asset is acquired. The reimbursement of acquisition expenses, acquisition fees and real estate commissions paid to unaffiliated parties will not exceed, in the aggregate, 6.0% of the contract purchase price of the property or real estate-related investment or total development costs, unless fees in excess of such limits are approved by a majority of our directors, including a majority of our independent directors, not otherwise interested in the transaction.

Reimbursements of acquisition expenses are expensed as incurred in accordance with ASC Topic 805 and included in acquisition related expenses in our accompanying condensed consolidated statements of operations. Reimbursements of acquisition expenses in connection with the acquisition of real estate-related investments are capitalized as part of the associated investment in our accompanying condensed consolidated balance sheets. For the three months ended June 30, 2016 and 2015 , for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 , we did not incur any acquisition expenses to our advisor or its affiliates.

Operational Stage

Asset Management Fee

We pay our advisor or its affiliates a monthly fee for services rendered in connection with the management of our assets equal to one-twelfth of 0.80% of average invested assets. For such purposes, average invested assets means the average of the aggregate book value of our assets invested in real estate properties and real estate-related investments, before deducting depreciation, amortization, bad debt and other similar non-cash reserves, computed by taking the average of such values at the end of each month during the period of calculation.

Asset management fees are included in general and administrative in our accompanying condensed consolidated statements of operations. We did not incur any asset management fees for the three and six months ended June 30, 2016 as a result of our advisor waiving $2,000 in asset management fees. Our advisor agreed to waive certain asset management fees that may otherwise be due to our advisor pursuant to the Advisory Agreement until such time as the amount of such waived asset management fees is equal to the amount of distributions payable to our stockholders for the period beginning on May 1, 2016 and ending on the date of the acquisition of our first property or real estate-related investment, as such terms are defined in the Advisory Agreement. As such, the asset management fees of $2,000 that would have been incurred through June 2016 were waived by our advisor and an additional $78,000 in asset management fees will be waived in subsequent months. Our advisor will not receive any additional securities, shares of our stock, or any other form of consideration or any repayment as a result of the waiver of such asset management fees. We did not incur any asset management fees to our advisor or its affiliates for the three months ended June 30, 2015 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 .

Property Management Fee

Our advisor or its affiliates may provide property management services with respect to our properties or may sub-contract these duties to any third party and provide oversight of such third-party property manager. We pay our advisor or its affiliates a monthly management fee equal to a percentage of the gross monthly cash receipts of such property as follows: (i) a 1.0% property management oversight fee for any stand-alone, single-tenant, net leased property, except for such properties operated utilizing the structure permitted by the REIT Investment Diversification and Empowerment Act of 2007, which is commonly referred to as a "RIDEA" structure (the provisions of the Code authorizing the RIDEA structure were enacted as part of the Housing and Economic Recovery Act of 2008), for which we pay a property management oversight fee of 1.5% of the gross monthly cash receipts with respect to such property; (ii) a 1.5% property management oversight fee for any property that is not a stand-alone, single-tenant, net leased property and for which our advisor or its affiliates provide oversight of a third

party that performs the duties of a property manager with respect to such property; or (iii) a fair and reasonable property management fee that is approved by a majority of our directors, including a majority of our independent directors, that is not less favorable to us than terms available from unaffiliated third parties for any property that is not a stand-alone, single-tenant, net leased property and for which our advisor or its affiliates directly serve as the property manager without sub-contracting such duties to a third party.

Property management fees are included in rental expenses in our accompanying condensed consolidated statements of operations. For the three months ended June 30, 2016 and 2015 , for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 , we did not incur any property management fees to our advisor or its affiliates.

Lease Fees

We may pay our advisor or its affiliates a separate fee for any leasing activities in an amount not to exceed the fee customarily charged in arm's-length transactions by others rendering similar services in the same geographic area for similar properties as determined by a survey of brokers and agents in such area. Such fee is generally expected to range from 3.0% to 6.0% of the gross revenues generated during the initial term of the lease.

Lease fees are capitalized as lease commissions and will be included in other assets in our accompanying condensed consolidated balance sheets. For the three months ended June 30, 2016 and 2015 , for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 , we did not incur any lease fees to our advisor or its affiliates.

Construction Management Fee

In the event that our advisor or its affiliates assist with planning and coordinating the construction of any capital or tenant improvements, we pay our advisor or its affiliates a construction management fee of up to 5.0% of the cost of such improvements. Construction management fees are capitalized as part of the associated asset and included in real estate investments, net in our accompanying condensed consolidated balance sheets or are expensed and included in our accompanying condensed consolidated statements of operations, as applicable. For the three months ended June 30, 2016 and 2015 , for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 , we did not incur any construction management fees to our advisor or its affiliates.

Operating Expenses

We reimburse our advisor or its affiliates for operating expenses incurred in rendering services to us, subject to certain limitations. However, we cannot reimburse our advisor or its affiliates at the end of any fiscal quarter for total operating expenses that, in the four consecutive fiscal quarters then ended, exceed the greater of: (i) 2.0% of our average invested assets, as defined in the Advisory Agreement; or (ii) 25.0% of our net income, as defined in the Advisory Agreement, unless our independent directors determined that such excess expenses were justified based on unusual and nonrecurring factors which they deem sufficient.

For the 12 months ended June 30, 2016 , our operating expenses exceeded this limitation by $336,000 . Our operating expenses as a percentage of average invested assets and as a percentage of net income were 39.3% and (46.4)% , respectively, for the 12 months ended June 30, 2016 . We raised the minimum offering and had funds held in escrow released to us to commence real estate operations in April 2016. We purchased our first property in June 2016. At this early stage of our operations, our general and administrative expenses are relatively high compared with our net income and our average invested assets. Our board of directors determined that the relationship of our general and administrative expenses to our funds from operations and our average invested assets was justified for the 12 months ended June 30, 2016 given the costs of operating a public company and the early stage of our operations.

For the three and six months ended June 30, 2016 , our advisor incurred operating expenses on our behalf of $22,000 and $329,000 , respectively. Our advisor or its affiliates did not incur any operating expenses on our behalf for the three months ended June 30, 2015 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 . Operating expenses are generally included in general and administrative in our accompanying condensed consolidated statements of operations.

Compensation for Additional Services

We pay our advisor and its affiliates for services performed for us other than those required to be rendered by our advisor or its affiliates under the Advisory Agreement. The rate of compensation for these services has to be approved by a majority of

our board of directors, including a majority of our independent directors, and cannot exceed an amount that would be paid to unaffiliated parties for similar services. For the three months ended June 30, 2016 and 2015 , for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 , our advisor and its affiliates were not compensated for any additional services.

Liquidity Stage

Disposition Fees

For services relating to the sale of one or more properties, we pay our advisor or its affiliates a disposition fee up to the lesser of 2.0% of the contract sales price or 50.0% of a customary competitive real estate commission given the circumstances surrounding the sale, in each case as determined by our board of directors, including a majority of our independent directors, upon the provision of a substantial amount of the services in the sales effort. The amount of disposition fees paid, when added to the real estate commissions paid to unaffiliated parties, will not exceed the lesser of the customary competitive real estate commission or an amount equal to 6.0% of the contract sales price. For the three months ended June 30, 2016 and 2015 , for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 , we did not incur any disposition fees to our advisor or its affiliates.

Subordinated Participation Interest

Subordinated Distribution of Net Sales Proceeds

In the event of liquidation, we will pay our advisor a subordinated distribution of net sales proceeds. The distribution will be equal to 15.0% of the remaining net proceeds from the sales of properties, after distributions to our stockholders, in the aggregate, of: (i) a full return of capital raised from stockholders (less amounts paid to repurchase shares of our common stock pursuant to our share repurchase plan); plus (ii) an annual 6.0% cumulative, non-compounded return on the gross proceeds from the sale of shares of our common stock, as adjusted for distributions of net sales proceeds. Actual amounts to be received depend on the sale prices of properties upon liquidation. For the three months ended June 30, 2016 and 2015 , for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 , we did not pay any such distributions to our advisor.

Subordinated Distribution Upon Listing

Upon the listing of shares of our common stock on a national securities exchange, in redemption of our advisor's limited partnership units, we will pay our advisor a distribution equal to 15.0% of the amount by which: (i) the market value of our outstanding common stock at listing plus distributions paid prior to listing exceeds (ii) the sum of the total amount of capital raised from stockholders (less amounts paid to repurchase shares of our common stock pursuant to our share repurchase plan) and the amount of cash that, if distributed to stockholders as of the date of listing, would have provided them an annual 6.0% cumulative, non-compounded return on the gross proceeds from the sale of shares of our common stock through the date of listing. Actual amounts to be received depend upon the market value of our outstanding stock at the time of listing, among other factors. For the three months ended June 30, 2016 and 2015 , for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 , we did not pay any such distributions to our advisor.

Subordinated Distribution Upon Termination

Pursuant to the Agreement of Limited Partnership, as amended, of our operating partnership upon termination or non-renewal of the Advisory Agreement, our advisor will also be entitled to a subordinated distribution in redemption of its limited partnership units from our operating partnership equal to 15.0% of the amount, if any, by which: (i) the appraised value of our assets on the termination date, less any indebtedness secured by such assets, plus total distributions paid through the termination date, exceeds (ii) the sum of the total amount of capital raised from stockholders (less amounts paid to repurchase shares of our common stock pursuant to our share repurchase plan) an d the total amount of cash equal to an annual 6.0% cumula tive, non-compounded return on the gross proceeds from the sale of shares of our common stock through the termination date. In addition, our advisor may elect to defer its right to receive a subordinated distribution upon termination until either a listing or other liquidity event, including a liquidation, sale of substantially all of our assets or merger in which our stockholders receive in exchange for their shares of our common stock, shares of a company that are traded on a national securities exchange.

As of June 30, 2016 , we had not recorded any charges to earnings related to the subordinated distribution upon termination.

Stock Purchase Plans

On February 29, 2016, our Chief Executive Officer and Chairman of the Board of Directors, Jeffrey T. Hanson, our President and Chief Operating Officer, Danny Prosky, and our Executive Vice President and General Counsel, Mathieu B. Streiff, each executed stock purchase plans, or the stock purchase plans, whereby they each irrevocably agreed to invest 100% of their net after-tax base salary and cash bonus compensation earned as employees of American Healthcare Investors directly into our company by purchasing shares of our common stock. In addition, on February 29, 2016, three Executive Vice Presidents of American Healthcare Investors, including our Executive Vice President of Acquisitions, Stefan K.L. Oh, executed similar stock purchase plans, whereby each individual irrevocably agreed to invest a portion of their net after-tax base salary or a portion of their net after-tax base salary and cash bonus compensation, ranging from 10.0% to 15.0% , earned as employees of American Healthcare Investors directly into our company by purchasing shares of our common stock.

Purchases of shares of our common stock pursuant to the stock purchase plans commenced beginning with the officers' regularly scheduled payroll payment after the initial release from escrow of the minimum offering amount, on April 13, 2016. The stock purchase plans terminate on December 31, 2016 or earlier upon the occurrence of certain events, unless otherwise renewed or extended. The shares of common stock were purchased at a price of $9.60 per share, reflecting the purchase price of the Class T shares in our offering, exclusive of selling commissions and the dealer manager fee.

For the three and six months ended June 30, 2016 , our officers invested the following amounts and we issued the following shares of our Class T common stock pursuant to the applicable stock purchase plan:

Officer's Name	Title	Amount	Shares
Jeffrey T. Hanson	Chief Executive Officer and Chairman of the Board of Directors	$ 51,000	5,283
Danny Prosky	President and Chief Operating Officer	61,000	6,347
Mathieu B. Streiff	Executive Vice President and General Counsel	58,000	6,065
Stefan K.L. Oh	Executive Vice President of Acquisitions	7,000	730
		$ 177,000	18,425

Accounts Payable Due to Affiliates

As of June 30, 2016 , the amounts due to our affiliates primarily related to the Contingent Advisor Payment of $2,717,000 and operating expenses of $14,000 . We did no t incur any accounts payable due to affiliates as of December 31, 2015 .

9. Fair Value Measurements

Financial Instruments Disclosed at Fair Value

ASC Topic 825, *Financial Instruments,* requires disclosure of the fair value of financial instruments, whether or not recognized on the face of the balance sheet. Fair value is defined under ASC Topic 820.

Our accompanying condensed consolidated balance sheets include the following financial instruments: cash, accounts and other receivables, a real estate deposit, accounts payable and accrued liabilities and accounts payable due to affiliates.

We consider the carrying values of cash, accounts and other receivables, real estate deposits and accounts payable and accrued liabilities to approximate the fair value for these financial instruments based upon an evaluation of the underlying characteristics, market data and the short period of time since origination of the instruments or the short period of time between origination of the instruments and their expected realization. The fair value of cash is classified in Level 1 of the fair value hierarchy. The fair value of accounts payable due to affiliates is not determinable due to the related party nature of the accounts payable. The fair value of the other financial instruments is classified in Level 2 of the fair value hierarchy.

10. Business Combinations

For the six months ended June 30, 2016 , using net proceeds from our offering, we completed one property acquisition comprising one building, which has been accounted for as a business combination. The aggregate contract purchase price for this property acquisition was $5,450,000 , plus closing costs and a base acquisition fee of $285,000 , which are included in acquisition related expenses in our accompanying condensed consolidated statements of operations. See Note 3, Real Estate Investment , for a listing of the property acquired and acquisition date. In addition, we incurred a Contingent Advisor Payment

of $123,000 to our advisor for this property acquisition. See Note 8, Related Party Transactions , for a further discussion of the Contingent Advisor Payment. We did not complete any property acquisitions for the six months ended June 30, 2015 .

Results of operations for the property acquisition of Auburn MOB during the six months ended June 30, 2016 are reflected in our accompanying condensed consolidated statements of operations for the period from the date of acquisition of Auburn MOB through June 30, 2016 . For the period from the acquisition date through June 30, 2016 , we recognized $26,000 of revenue and $3,000 of net income for Auburn MOB.

The following table summarizes the acquisition date fair value of Auburn MOB:

	Amount
Building and improvements	$ 4,600,000
Land	406,000
In-place leases	386,000
Total assets acquired	$ 5,392,000

Assuming the property acquisition in 2016 discussed above had occurred on January 23, 2015 (Date of Inception), for the three months ended June 30, 2016 and 2015 , for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 , unaudited pro forma revenue, net loss, net loss attributable to controlling interest and net loss per common share attributable to controlling interest — basic and diluted would have been as follows:

	Three Months Ended June 30,		Six Months Ended	Period from January 23, 2015 (Date of Inception) through
	2016	2015	June 30, 2016	June 30, 2015
Revenue	$ 111,000	$ 108,000	$ 222,000	$ 216,000
Net loss	$ (350,000)	$ (25,000)	$ (524,000)	$ (324,000)
Net loss attributable to controlling interest	$ (350,000)	$ (25,000)	$ (524,000)	$ (324,000)
Net loss per common share attributable to controlling interest — basic and diluted	$ (0.28)	$ (0.04)	$ (0.57)	$ (0.53)

The unaudited pro forma adjustments assume that the offering proceeds, at a price of $10.00 per share, net of offering costs, were raised as of January 1, 2015. In addition, acquisition related expenses associated with the acquisition of Auburn MOB have been excluded from the pro forma results in 2016 and added to the 2015 pro forma results. The pro forma results are not necessarily indicative of the operating results that would have been obtained had the acquisition occurred at the beginning of the periods presented, nor are they necessarily indicative of future operating results.

11. Concentration of Credit Risk

Financial instruments that potentially subject us to a concentration of credit risk are primarily cash, accounts and other receivables and real estate deposits. Cash is generally invested in investment-grade, short-term instruments with a maturity of three months or less when purchased. We have cash in financial institutions that are insured by the Federal Deposit Insurance Corporation, or FDIC. As of June 30, 2016 and December 31, 2015 , we had cash in excess of FDIC insured limits. We believe this risk is not significant. Concentration of credit risk with respect to accounts receivable from tenants is limited. In general, we perform credit evaluations of prospective tenants and security deposits are obtained at the time of property acquisition and upon lease execution.

As of June 30, 2016 , we owned one property in California, which accounts for 100% of our annualized base rent. Accordingly, there is a geographic concentration of risk subject to fluctuations in such state’s economy.

GRIFFIN-AMERICAN HEALTHCARE REIT IV, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

As of June 30, 2016 , we had one tenant that accounted for 10.0% or more of our annualized base rent, as follows:

Tenant	Annualized Base Rent(1)	Percentage of Annualized Base Rent	Acquisition	Reportable Segment	GLA (Sq Ft)	Lease Expiration Date
The Regents of the University of California	$ 422,000	100%	Auburn MOB	Medical Office	19,000	06/30/20

(1) Annualized base rent is based on contractual base rent from the lease in effect as of June 30, 2016 . The loss of this tenant or its inability to pay rent could have a material adverse effect on our business and results of operations.

For the period from January 23, 2015 (Date of Inception) through June 30, 2015 , we did not own any properties.

12. Per Share Data

We report earnings (loss) per share pursuant to ASC Topic 260, *Earnings per Share* . Basic earnings (loss) per share for all periods presented are computed by dividing net income (loss) applicable to common stock by the weighted average number of shares of our common stock outstanding during the period. Net income (loss) applicable to common stock is calculated as net income (loss) attributable to controlling interest less distributions allocated to participating securities. For the three months ended June 30, 2016 and 2015 , for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 , we did not allocate any distributions to participating securities. Diluted earnings (loss) per share are computed based on the weighted average number of shares of our common stock and all potentially dilutive securities, if any. Nonvested shares of our restricted common stock and redeemable limited partnership units of our operating partnership are participating securities and give rise to potentially dilutive shares of our common stock. As of June 30, 2016 and 2015 , there were 12,000 and 0 nonvested shares, respectively, of our restricted common stock outstanding, but such shares were excluded from the computation of diluted earnings per share because such shares were anti-dilutive during these periods. As of June 30, 2016 , there were 208 units of redeemable limited partnership units of our operating partnership outstanding, but such units were excluded from the computation of diluted earnings per share because such units were anti-dilutive during these periods.

13. Subsequent Events

Status of Our Offering

On July 8, 2016, we satisfied the conditions of the $20,000,000 minimum offering amount required by the state of Washington in connection with our offering, and as of such date we were able to admit Washington subscribers as stockholders.

As of August 5, 2016, we had received and accepted subscriptions in our offering for 2,795,069 shares of our Class T and Class I common stock, or $27,783,000 , excluding subscriptions from residents of Pennsylvania (who will not be admitted as stockholders until we have received and accepted subscriptions aggregating at least $150,000,000) and shares of our common stock issued pursuant to the DRIP.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The use of the words "we," "us" or "our" refers to Griffin-American Healthcare REIT IV, Inc. and its subsidiaries, including Griffin-American Healthcare REIT IV Holdings, LP, except where the context otherwise requires.

The following discussion should be read in conjunction with our accompanying condensed consolidated financial statements and notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q and in our 2015 Annual Report on Form 10-K, as filed with the United States Securities and Exchange Commission, or the SEC, on March 7, 2016. Such condensed consolidated financial statements and information have been prepared to reflect our financial position as of June 30, 2016 and December 31, 2015 , together with our results of operations for the three months ended June 30, 2016 and 2015 , for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 and cash flows for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 .

Forward-Looking Statements

Historical results and trends should not be taken as indicative of future operations. Our statements contained in this report that are not historical facts are forward-looking. Actual results may differ materially from those included in the forward-looking statements. Forward-looking statements, which are based on certain assumptions and describe future plans, strategies and expectations, are generally identifiable by use of the words "expect," "project," "may," "will," "should," "could," "would," "intend," "plan," "anticipate," "estimate," "believe," "continue," "predict," "potential" or the negative of such terms and other comparable terminology. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse effect on our operations and future investments on a consolidated basis include, but are not limited to: changes in economic conditions generally and the real estate market specifically; legislative and regulatory changes, including changes to laws governing the taxation of real estate investment trusts, or REITs; the availability of capital; changes in interest rates; competition in the real estate industry; the supply and demand for operating properties in our proposed market areas; changes in accounting principles generally accepted in the United States of America, or GAAP, policies and guidelines applicable to REITs; the success of our best efforts initial public offering; the availability of properties to acquire; the availability of financing; and our ongoing relationship with American Healthcare Investors, LLC, or American Healthcare Investors, and Griffin Capital Corporation, or Griffin Capital, and their affiliates. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Additional information concerning us and our business, including additional factors that could materially affect our financial results, is included herein and in our other filings with the SEC.

Overview and Background

Griffin-American Healthcare REIT IV, Inc., a Maryland corporation, was incorporated on January 23, 2015 and therefore we consider that our date of inception. We were initially capitalized on February 6, 2015 . We invest in a diversified portfolio of real estate properties, focusing primarily on medical office buildings, hospitals, skilled nursing facilities, senior housing and other healthcare-related facilities. We may also originate and acquire secured loans and real estate-related investments on an infrequent and opportunistic basis. We generally seek investments that produce current income. We intend to elect to be treated as a REIT under the Internal Revenue Code of 1986, as amended, or the Code, for federal income tax purposes beginning with our taxable year ending December 31, 2016.

On February 16, 2016, we commenced our initial public offering, or our offering, in which we were offering to the public a minimum of $2,000,000 in shares of our Class T common stock, or the minimum offering, and a maximum of $3,000,000,000 in shares of our Class T common stock in our primary offering at a purchase price of $10.00 per share. Effective June 17, 2016, we reallocated certain of the unsold shares being offered, such that we are currently offering up to approximately $2,800,000,000 in shares of Class T common stock at a price of $10.00 per share and $200,000,000 in shares of Class I common stock at a price of $9.30 per share in our primary offering, and up to $150,000,000 in shares of our common stock pursuant to our distribution reinvestment plan, or the DRIP, at a purchase price of $9.50 per share, aggregating up to $3,150,000,000 , or the maximum offering. We reserve the right to reallocate the shares of common stock we are offering between the primary offering and the DRIP, and among classes of stock.

The conditions of our minimum offering were satisfied on April 12, 2016, and we admitted our initial public subscribers as stockholders, excluding shares purchased by residents of Ohio, Washington and Pennsylvania (who were subject to higher minimum offering amounts). Having raised the minimum offering, the offering proceeds were released by the escrow agent to us on April 13, 2016 and were made available for the acquisition of properties and other purposes as disclosed in our prospectus dated February 16, 2016, or our prospectus, as filed with the SEC (provided that subscriptions from residents of Ohio, Washington and Pennsylvania were to continue to be held in escrow until we had received and accepted subscriptions

aggregating at least $10,000,000 , $20,000,000 and $150,000,000 , respectively). On June 14, 2016, the conditions of our minimum offering in Ohio were satisfied, and as of such date we were able to admit Ohio subscribers as stockholders .

As of June 30, 2016 , we had received and accepted subscriptions in our offering for 1,633,069 shares of our Class T common stock, or approximately $16,209,000 , excluding subscriptions from residents in Washington (who were not admitted as stockholders until July 8, 2016, when we had received and accepted subscriptions aggregating at least $20,000,000) and Pennsylvania (who will not be admitted as stockholders until we have received and accepted subscriptions aggregating at least $150,000,000) and shares of our common stock issued pursuant to the DRIP.

We conduct substantially all of our operations through Griffin-American Healthcare REIT IV Holdings, LP, or our operating partnership. We are externally advised by Griffin-American Healthcare REIT IV Advisor, LLC, or Griffin-American Healthcare REIT IV Advisor, or our advisor, pursuant to an advisory agreement, or the Advisory Agreement, between us and our advisor that has a one -year term that expires on February 16, 2017 and is subject to successive one - year renewals upon the mutual consent of the parties. Our advisor uses its best efforts, subject to the oversight and review of our board of directors, to, among other things, research, identify, review and make investments in and dispositions of properties and securities on our behalf consistent with our investment policies and objectives. Our advisor performs its duties and responsibilities under the Advisory Agreement as our fiduciary. Our a dvisor is 75.0% owned and managed by American Healthcare Investors and 25.0% owned by a wholly owned subsidiary of Griffin Capital Corporation, or collectively, our co-sponsors. Effective March 1, 2015, American Healthcare Investors is 47.1% owned by AHI Group Holdings, LLC, or AHI Group Holdings, 45.1% indirectly owned by NorthStar Asset Management Group Inc., or NSAM, and 7.8% owned by James F. Flaherty III, one of NSAM's partners. We are not affiliated with Griffin Capital, Griffin Capital Securities, LLC, or Griffin Capital Securities, or our dealer manager, NSAM or Mr. Flaherty; however, we are affiliated with Griffin-American Healthcare REIT IV Advisor, American Healthcare Investors and AHI Group Holdings.

As of June 30, 2016 , we had completed one property acquisition comprising one building, or approximately 19,000 square feet of gross leasable area, or GLA, for an aggregate contract purchase price of $5,450,000 .

Critical Accounting Policies

The complete listing of our Critical Accounting Policies was previously disclosed in our 2015 Annual Report on Form 10-K, as filed with the SEC on March 7, 2016, and there have been no material changes to our Critical Accounting Policies as disclosed therein.

Interim Unaudited Financial Data

Our accompanying condensed consolidated financial statements have been prepared by us in accordance with GAAP in conjunction with the rules and regulations of the SEC. Certain information and footnote disclosures required for annual financial statements have been condensed or excluded pursuant to SEC rules and regulations. Accordingly, our accompanying condensed consolidated financial statements do not include all of the information and footnotes required by GAAP for complete financial statements. Our accompanying condensed consolidated financial statements reflect all adjustments, which are, in our view, of a normal recurring nature and necessary for a fair presentation of our financial position, results of operations and cash flows for the interim period. Interim results of operations are not necessarily indicative of the results to be expected for the full year; such full year results may be less favorable. Our accompanying condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and the notes thereto included in our 2015 Annual Report on Form 10-K, as filed with the SEC on March 7, 2016.

Recently Issued Accounting Pronouncements

For a discussion of recently issued accounting pronouncements, see Note 2, Summary of Significant Accounting Policies — Recently Issued Accounting Pronouncements, to our accompanying condensed consolidated financial statements.

Acquisition in 2016

For a discussion of our property acquisition in 2016, see Note 3, Real Estate Investment , to our accompanying condensed consolidated financial statements.

Factors Which May Influence Results of Operations

We are not aware of any material trends or uncertainties, other than national economic conditions affecting real estate generally, that may reasonably be expected to have a material impact, favorable or unfavorable, on revenues or income from the acquisition, management and operation of properties other than those listed in Part II, Item 1A. Risk Factors, of this Quarterly Report on Form 10-Q and those Risk Factors previously disclosed in our 2015 Annual Report on Form 10-K, as filed with the SEC on March 7, 2016.

Real Estate Revenue

The amount of revenue generated by our property depends principally on our ability to maintain the occupancy rates of leased space and to lease available space and space available from lease terminations at the then existing rental rates. Negative trends in one or more of these factors could adversely affect our revenue in the future.

Offering Proceeds

If we fail to raise significant proceeds above our minimum offering, we will not have enough proceeds to invest in a diversified real estate portfolio. Our real estate portfolio would be concentrated in a small number of properties, resulting in increased exposure to local and regional economic downturns and the poor performance of one or more of our properties and, therefore, expose our stockholders to increased risk. In addition, many of our expenses are fixed regardless of the size of our real estate portfolio. Therefore, depending on the amount of proceeds we raise from our offering, we would expend a larger portion of our income on operating expenses. This would reduce our profitability and, in turn, the amount of net income available for distribution to our stockholders.

Scheduled Lease Expirations

As of June 30, 2016, our property was 100% leased and during the remainder of 2016, none of the occupied GLA is scheduled to expire. Our leasing strategy focuses on negotiating renewals for leases scheduled to expire during the remainder of the year. In the future, if we are unable to negotiate renewals, we will try to identify new tenants or collaborate with existing tenants who are seeking additional space to occupy.

As of June 30, 2016, our remaining weighted average lease term was 4.0 years.

Sarbanes-Oxley Act

The Sarbanes-Oxley Act of 2002, as amended, or the Sarbanes-Oxley Act, and related laws, regulations and standards relating to corporate governance and disclosure requirements applicable to public companies have increased the costs of compliance with corporate governance, reporting and disclosure practices. These costs may have a material adverse effect on our results of operations and could impact our ability to pay distributions at current rates to our stockholders. Furthermore, we expect that these costs will increase in the future due to our continuing implementation of compliance programs mandated by these requirements. Any increased costs may affect our ability to distribute funds to our stockholders. As part of our compliance with the Sarbanes-Oxley Act, we will be providing management’s assessment of our internal control over financial reporting as of December 31, 2016.

In addition, these laws, rules and regulations create new legal bases for potential administrative enforcement, civil and criminal proceedings against us in the event of non-compliance, thereby increasing the risks of liability and potential sanctions against us. We expect that our efforts to comply with these laws and regulations will continue to involve significant and potentially increasing costs, and that our failure to comply with these laws could result in fees, fines, penalties or administrative remedies against us.

Results of Operations

We had no results of operations for the period from January 23, 2015 (Date of Inception) through June 30, 2015 , and therefore our results of operations for the three months ended June 30, 2016 and 2015 , for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 , are not comparable. In general, we expect all amounts to increase in the future based on a full year of operations as well as increased activity as we acquire additional real estate or real estate-related investments. Our results of operations are not indicative of those expected in future periods.

Except for income derived from our medical office building acquired as of June 30, 2016 and where otherwise noted, our results of operations for the three and six months ended June 30, 2016 are primarily comprised of acquisition related expenses, as well as general and administrative expenses.

Real Estate Revenue

For the three and six months ended June 30, 2016 , real estate revenue was $26,000 and was primarily comprised of expense recoveries of $23,000 and base rent of $3,000.

Rental Expenses

For the three and six months ended June 30, 2016 , rental expenses were $23,000 and primarily consisted of real estate taxes of $15,000 and utilities of $7,000.

General and Administrative

For the three and six months ended June 30, 2016 , general and administrative expenses were $246,000 and $396,000 , respectively. For the three months ended June 30, 2016 , general and administrative primarily consisted of professional and legal fees of $66,000, directors’ and officers’ liability insurance of $59,000, board of directors fees of $53,000 and restricted stock compensation expense of $20,000. For the six months ended June 30, 2016 , general and administrative primarily consisted of professional and legal fees of $119,000, directors’ and officers’ liability insurance of $88,000, board of directors fees of $83,000 and restricted stock compensation expense of $52,000.

We did not incur any asset management fees for the three and six months ended June 30, 2016 as a result of our advisor waiving $2,000 in asset management fees for June 2016. See Note 8, Related Party Transactions — Operational Stage — Asset Management Fee, to our accompanying condensed consolidated financial statements, and — Distributions below, for a further discussion of the waiver.

Acquisition Related Expenses

For the three and six months ended June 30, 2016 , acquisition related expenses of $370,000 were related to expenses associated with the acquisition of our first medical office building, including a base acquisition fee of $123,000 incurred to our advisor.

Liquidity and Capital Resources

Our sources of funds will primarily be the net proceeds of our offering, operating cash flows and borrowings. We believe that these resources will be sufficient to satisfy our cash requirements for the foreseeable future, and we do not anticipate a need to raise funds from other sources within the next 12 months.

We are dependent upon the net proceeds to be received from our offering to conduct our proposed activities. Our ability to raise funds through our offering is dependent on general economic conditions, general market conditions for REITs and our operating performance. We expect a relative increase in liquidity as additional subscriptions for shares of our common stock are received and a relative decrease in liquidity as net offering proceeds are expended in connection with the acquisition, management and operation of our investments in real estate and real estate-related investments.

Our principal demands for funds will be for acquisitions of real estate and real estate-related investments, payment of operating expenses and interest on our future indebtedness and payment of distributions to our stockholders. In addition, we require resources to make certain payments to our advisor and our dealer manager, which during our offering will include payments to our dealer manager and its affiliates for selling commissions, the dealer manager fee and the stockholder servicing fee. See Note 7, Equity — Offering Costs, and Note 8, Related Party Transactions , to our accompanying condensed consolidated financial statements, for a further discussion of our payments to our advisor and our dealer manager.

Generally, cash needs for items other than acquisitions of real estate and real estate-related investments will be met from operations, borrowings and the net proceeds of our offering, including the proceeds raised through the DRIP. However, there may be a delay between the sale of our shares of common stock and our investments in real estate and real estate-related investments, which could result in a delay in the benefits to our stockholders, if any, of returns generated from our investment operations.

Our advisor evaluates potential investments and engages in negotiations with real estate sellers, developers, brokers, investment managers, lenders and others on our behalf. Investors should be aware that after a purchase contract for a property is executed that contains specific terms, the property will not be purchased until the successful completion of due diligence, which includes review of the title insurance commitment, market evaluation, review of leases, review of financing options and an environmental analysis. In some instances, the proposed acquisition will require the negotiation of final binding agreements, which may include financing documents. Until we invest the proceeds of our offering in real estate and real estate-related investments, we may invest in short-term, highly liquid or other authorized investments. Such short-term investments will not earn significant returns, and we cannot predict how long it will take to fully invest the proceeds in real estate and real estate related-investments. The number of properties we may acquire and other investments we will make will depend upon the number of shares of our common stock sold and the resulting amount of the net proceeds available for investment from our offering as well as our ability to arrange debt financing.

When we acquire a property, our advisor prepares a capital plan that contemplates the estimated capital needs of that investment. In addition to operating expenses, capital needs may also include costs of refurbishment, tenant improvements or other major capital expenditures. The capital plan will also set forth the anticipated sources of the necessary capital, which may include a line of credit or other loan established with respect to the investment, other borrowings, operating cash generated by the investment, additional equity investments from us or joint venture partners or, when necessary, capital reserves. Any capital

reserve would be established from the net proceeds of our offering, proceeds from sales of other investments, operating cash generated by other investments or other cash on hand. In some cases, a lender may require us to establish capital reserves for a particular investment. The capital plan for each investment will be adjusted through ongoing, regular reviews of our portfolio or as necessary to respond to unanticipated additional capital needs.

Based on the property we own as of June 30, 2016 , we estimate that our expenditures for capital improvements will require up to $69,000 for the remaining six months of 2016. As of June 30, 2016 , we did not have any restricted cash in reserve accounts for such capital expenditures. We cannot provide assurance, however, that we will not exceed these estimated expenditure and distribution levels or be able to obtain additional sources of financing on commercially favorable terms or at all.

Other Liquidity Needs

In the event that there is a shortfall in net cash available due to various factors, including, without limitation, the timing of distributions or the timing of the collection of receivables, we may seek to obtain capital to pay distributions by means of secured or unsecured debt financing through one or more third parties, or our advisor or its affiliates. There are currently no limits or restrictions on the use of proceeds from our advisor or its affiliates which would prohibit us from making the proceeds available for distribution. We may also pay distributions from cash from capital transactions, including, without limitation, the sale of one or more of our properties.

If we experience lower occupancy levels, reduced rental rates, reduced revenues as a result of asset sales, or increased capital expenditures and leasing costs compared to historical levels due to competitive market conditions for new and renewed leases, the effect would be a reduction of net cash provided by operating activities. If such a reduction of net cash provided by operating activities is realized, we may have a cash flow deficit in subsequent periods. Our estimate of net cash available is based on various assumptions which are difficult to predict, including the levels of leasing activity and related leasing costs. Any changes in these assumptions could impact our financial results and our ability to fund working capital and unanticipated cash needs.

Cash Flows

Cash flows used in operating activities for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 , were $709,000 and $0 , respectively. For the six months ended June 30, 2016 , cash flows used in operating activities related primarily to the payment of acquisition related expenses and general and administrative expenses. We anticipate cash flows from operating activities to increase as we purchase additional real estate investments and have a full year of operations.

Cash flows used in investing activities for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 , were $5,554,000 and $0 , respectively. For the six months ended June 30, 2016 , cash flows used in investing activities related to the acquisition of our first medical office building in the amount of $5,404,000 and the payment of $150,000 for a real estate deposit. Cash flows used in investing activities are heavily dependent upon the investment of our offering proceeds in real estate investments. We anticipate cash flows used in investing activities to increase as we acquire additional properties.

Cash flows provided by financing activities for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 , were $15,113,000 and $202,000 , respectively. For the six months ended June 30, 2016 , such cash flows related to funds raised from investors in our offering in the amount of $ 15,644,000 , partially offset by the payment of offering costs of $ 519,000 in connection with our offering and distributions to our common stockholders of $ 12,000 . For the period from January 23, 2015 (Date of Inception) through June 30, 2015 , such cash flows related to $200,000 received from our advisor for the purchase of 20,833 shares of our common stock and an initial capital contribution of $2,000 from our advisor into our operating partnership. We anticipate cash flows from financing activities to increase in the future as we raise additional funds from investors and incur debt to purchase properties.

Distributions

On April 13, 2016, our board of directors authorized a daily distribution to our Class T stockholders of record as of the close of business on each day of the period from May 1, 2016 through June 30, 2016. Our advisor agreed to waive certain asset management fees that may otherwise be due to our advisor pursuant to the Advisory Agreement until such time as the amount of such waived asset management fees is equal to the amount of distributions payable to our stockholders for the period beginning on May 1, 2016 and ending on the date of the acquisition of our first property or real estate-related investment, as such terms are defined in the Advisory Agreement. Having raised the minimum offering in April 2016, the distributions declared for each record date in the May 2016 and June 2016 periods were paid in June 2016 and July 2016, respectively, from legally available funds. The daily distributions were calculated based on 365 days in the calendar year and were equal to

$0.001643836 per share of our Class T common stock. These distributions were aggregated and paid in cash or shares of our common stock pursuant to the DRIP monthly in arrears. We acquired our first property on June 28, 2016, and as such, our advisor will waive asset management fees equal to the amount of distributions paid from May 1, 2016 through June 27, 2016. See Note 8, Related Party Transactions — Operational Stage — Asset Management Fee, to our accompanying condensed consolidated financial statements for a further discussion of such waiver. Our advisor will not receive any additional securities, shares of our stock, or any other form of consideration or any repayment as a result of the waiver of such asset management fees.

On June 28, 2016, our board of directors authorized a daily distribution to our Class T stockholders of record as of the close of business on each day of the period commencing on July 1, 2016 and ending September 30, 2016 and to our Class I stockholders of record as of the close of business on each day of the period commencing on the date that the first Class I share is sold and ending on September 30, 2016. The daily distributions will be calculated based on 365 days in the calendar year and will be equal to $0.001643836 per share of our Class T and Class I common stock. These distributions will be aggregated and paid in cash or shares of our common stock pursuant to the DRIP monthly in arrears. The distributions to our Class T stockholders declared for each record date in the July 2016, August 2016 and September 2016 periods will be paid in August 2016, September 2016 and October 2016, respectively, only from legally available funds. The distributions to our Class I stockholders, if any, declared for each record date in the June 2016, July 2016, August 2016 and September 2016 periods will be paid in July 2016, August 2016, September 2016 and October 2016, respectively, only from legally available funds.

The amount of distributions paid to our stockholders is determined quarterly by our board of directors and is dependent on a number of factors, including funds available for payment of distributions, our financial condition, capital expenditure requirements and annual distribution requirements needed to qualify and maintain our status as a REIT under the Code. We have not established any limit on the amount of offering proceeds that may be used to fund distributions, except that, in accordance with our organizational documents and Maryland law, we may not make distributions that would: (i) cause us to be unable to pay our debts as they become due in the usual course of business; or (ii) cause our total assets to be less than the sum of our total liabilities plus senior liquidation preferences.

We did not pay any distributions for the period from January 23, 2015 (Date of Inception) through June 30, 2015 . The distributions paid for the six months ended June 30, 2016 , along with the amount of distributions reinvested pursuant to the DRIP and the sources of distributions as compared to cash flows from operations were as follows:

	Six Months Ended June 30, 2016	
Distributions paid in cash	$ 12,000	
Distributions reinvested	19,000	
	$ 31,000	
Sources of distributions:		
Cash flows from operations	$ —	—%
Offering proceeds	31,000	100
	$ 31,000	100%

Under GAAP, acquisition related expenses are expensed, and therefore, subtracted from cash flows from operations. However, these expenses may be paid from offering proceeds or debt.

Our distributions of amounts in excess of our current and accumulated earnings and profits have resulted in a return of capital to our stockholders, and all or any portion of a distribution to our stockholders may be paid from offering proceeds. The payment of distributions from our offering proceeds could reduce the amount of capital we ultimately invest in assets and negatively impact the amount of income available for future distributions.

As of June 30, 2016 , we had an amount payable of $2,731,000 to our advisor or its affiliates primarily for the Contingent Advisor Payment and operating expenses, which will be paid from cash flows from operations in the future as it becomes due and payable by us in the ordinary course of business consistent with our past practice.

As of June 30, 2016 , no amounts due to our advisor or its affiliates had been deferred, waived or forgiven other than the $2,000 in asset management fees waived by our advisor, as discussed above. Other than the waiver of asset management fees by our advisor to provide us with additional funds to pay initial distributions to our stockholders through June 27, 2016, our advisor and its affiliates, including our co-sponsors, have no obligation to defer or forgive fees owed by us to our advisor or its affiliates or to advance any funds to us. In the future, if our advisor or its affiliates do not defer, waive or forgive amounts due to them, this would negatively affect our cash flows from operations, which could result in us paying distributions, or a portion

thereof, using borrowed funds. As a result, the amount of proceeds available for investment and operations would be reduced, or we may incur additional interest expense as a result of borrowed funds.

We did not pay distributions for the period from January 23, 2015 (Date of Inception) through June 30, 2015 . The distributions paid for the six months ended June 30, 2016 , along with the amount of distributions reinvested pursuant to the DRIP and the sources of our distributions as compared to funds from operations attributable to controlling interest, or FFO, were as follows:

	Six Months Ended June 30, 2016	
Distributions paid in cash	$ 12,000	
Distributions reinvested	19,000	
	$ 31,000	
Sources of distributions:		
FFO attributable to controlling interest	$ —	—%
Offering proceeds	31,000	100
	$ 31,000	100%

The payment of distributions from sources other than FFO may reduce the amount of proceeds available for investment and operations or cause us to incur interest expense as a result of borrowed funds. For a further discussion of FFO, a non-GAAP financial measure, including a reconciliation of our GAAP net income (loss) to FFO, see Funds from Operations and Modified Funds from Operations, below.

Financing

We intend to finance a portion of the purchase price of our investments in real estate and real estate-related investments by borrowing funds. We anticipate that, after an initial phase of our operations (prior to the investment of all of the net proceeds of our offering) when we may employ greater amounts of leverage to enable us to purchase properties more quickly and therefore generate distributions for our stockholders sooner, our overall leverage will not exceed 50.0% of the combined market value of all of our properties and other real estate-related investments, as determined at the end of each calendar year beginning with our first full year of operations. For these purposes, the fair market value of each asset will be equal to the purchase price paid for the asset or, if the asset was appraised subsequent to the date of purchase, then the fair market value will be equal to the value reported in the most recent independent appraisal of the asset. Our policies do not limit the amount we may borrow with respect to any individual investment.

Under our charter, we have a limitation on borrowing that precludes us from borrowing in excess of 300% of our net assets without the approval of a majority of our independent directors. Net assets for purposes of this calculation are defined to be our total assets (other than intangibles), valued at cost prior to deducting depreciation, amortization, bad debt and other non-cash reserves, less total liabilities. Generally, the preceding calculation is expected to approximate 75.0% of the aggregate cost of our real estate and real estate-related investments before depreciation, amortization, bad debt and other similar non-cash reserves. In addition, we may incur mortgage debt and pledge some or all of our real properties as security for that debt to obtain funds to acquire additional real estate or for working capital. We may also borrow funds to satisfy the REIT tax qualification requirement that we distribute at least 90.0% of our annual taxable income, excluding net capital gains, to our stockholders. Furthermore, we may borrow if we otherwise deem it necessary or advisable to ensure that we qualify and maintain our qualification as a REIT for federal income tax purposes.

As of June 30, 2016 , we did not have any borrowings outstanding.

REIT Requirements

In order to qualify and maintain our qualification as a REIT for federal income tax purposes, we are required to make distributions to our stockholders of at least 90.0% of our annual taxable income, excluding net capital gains. In the event that there is a shortfall in net cash available due to factors including, without limitation, the timing of such distributions or the timing of the collection of receivables, we may seek to obtain capital to pay distributions by means of secured debt financing through one or more unaffiliated parties. We may also pay distributions from cash from capital transactions including, without limitation, the sale of one or more of our properties or from the proceeds of our offering.

Commitments and Contingencies

For a discussion of our commitments and contingencies, see Note 5, Commitments and Contingencies , to our accompanying condensed consolidated financial statements.

Debt Service Requirements

As of June 30, 2016 , we had no outstanding debt.

Contractual Obligations

As of June 30, 2016 , we had no contractual obligations.

Off-Balance Sheet Arrangements

As of June 30, 2016 , we had no off-balance sheet transactions, nor do we currently have any such arrangements or obligations.

Inflation

We expect to be exposed to inflation risk as income from future long-term leases will be the primary source of our cash flows from operations. We expect there to be provisions in the majority of our tenant leases that will protect us from the impact of inflation. These provisions will include negotiated rental increases, reimbursement billings for operating expense pass-through charges, and real estate tax and insurance reimbursements on a per square foot allowance. However, due to the long-term nature of the anticipated leases, among other factors, the leases may not re-set frequently enough to cover inflation.

Related Party Transactions

For a discussion of related party transactions, see Note 8, Related Party Transactions , to our accompanying condensed consolidated financial statements.

Funds from Operations and Modified Funds from Operations

Due to certain unique operating characteristics of real estate companies, the National Association of Real Estate Investment Trusts, or NAREIT, an industry trade group, has promulgated a measure known as funds from operations, which we believe to be an appropriate supplemental measure to reflect the operating performance of a REIT. The use of funds from operations is recommended by the REIT industry as a supplemental performance measure, and our management uses FFO to evaluate our performance over time. FFO is not equivalent to our net income (loss) as determined under GAAP.

We define FFO, a non-GAAP measure, consistent with the standards established by the White Paper on funds from operations approved by the Board of Governors of NAREIT, as revised in February 2004, or the White Paper. The White Paper defines funds from operations as net income (loss) computed in accordance with GAAP, excluding gains or losses from sales of property and asset impairment writedowns, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect funds from operations. Our FFO calculation complies with NAREIT’s policy described above.

The historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, which implies that the value of real estate assets diminishes predictably over time, which is the case if such assets are not adequately maintained or repaired and renovated as required by relevant circumstances and/or as requested or required by lessees for operational purposes in order to maintain the value disclosed. We believe that, since real estate values historically rise and fall with market conditions, including inflation, interest rates, the business cycle, unemployment and consumer spending, presentations of operating results for a REIT using historical accounting for depreciation may be less informative. In addition, we believe it is appropriate to exclude impairment charges, as this is a fair value adjustment that is largely based on market fluctuations and assessments regarding general market conditions, which can change over time. Testing for an impairment of an asset is a continuous process and is analyzed on a quarterly basis. If certain impairment indications exist in an asset, and if the asset’s carrying, or book value, exceeds the total estimated undiscounted future cash flows (including net rental and lease revenues, net proceeds on the sale of the property, and any other ancillary cash flows at a property or group level under GAAP) from such asset, an impairment charge would be recognized. Investors should note, however, that determinations of whether impairment charges have been incurred are based partly on anticipated operating performance, because estimated undiscounted future cash flows from a property, including estimated future net rental and lease revenues, net proceeds on the sale of the property, and certain other ancillary cash flows, are taken into account in determining whether an impairment charge has been incurred. While impairment charges are excluded from the calculation of FFO as described above, investors are cautioned that due to the fact that impairments are based on estimated future undiscounted cash

flows and that we intend to have a relatively limited term of our operations, it could be difficult to recover any impairment charges through the eventual sale of the property.

Historical accounting for real estate involves the use of GAAP. Any other method of accounting for real estate such as the fair value method cannot be construed to be any more accurate or relevant than the comparable methodologies of real estate valuation found in GAAP. Nevertheless, we believe that the use of FFO, which excludes the impact of real estate-related depreciation and amortization and impairments, provides a more complete understanding of our performance to investors and to our management, and when compared year over year, reflects the impact on our operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses and interest costs, which may not be immediately apparent from net income (loss).

However, FFO and modified funds from operations attributable to controlling interest, or MFFO, as described below, should not be construed to be more relevant or accurate than the current GAAP methodology in calculating net income (loss) or in its applicability in evaluating our operating performance. The method utilized to evaluate the value and performance of real estate under GAAP should be construed as a more relevant measure of operational performance and considered more prominently than the non-GAAP FFO and MFFO measures and the adjustments to GAAP in calculating FFO and MFFO.

Changes in the accounting and reporting rules under GAAP that were put into effect and other changes to GAAP accounting for real estate subsequent to the establishment of NAREIT's definition of FFO have prompted an increase in cash-settled expenses, specifically acquisition fees and expenses, as items that are expensed as operating expenses under GAAP. We believe these fees and expenses do not affect our overall long-term operating performance. Publicly registered, non-listed REITs typically have a significant amount of acquisition activity and are substantially more dynamic during their initial years of investment and operation. While other start up entities may also experience significant acquisition activity during their initial years, we believe that publicly registered, non-listed REITs are unique in that they have a limited life with targeted exit strategies within a relatively limited time frame after the acquisition activity ceases. We will use the proceeds raised in our offering to acquire properties, and we intend to begin the process of achieving a liquidity event (i.e., listing of our shares of common stock on a national securities exchange, a merger or sale, the sale of all or substantially all of our assets, or another similar transaction) within five years after the completion of our offering stage, which is generally comparable to other publicly registered, non-listed REITs. Thus, we do not intend to continuously purchase assets and intend to have a limited life. Due to the above factors and other unique features of publicly registered, non-listed REITs, the Investment Program Association, or the IPA, an industry trade group, has standardized a measure known as modified funds from operations, which the IPA has recommended as a supplemental measure for publicly registered, non-listed REITs, and which we believe to be another appropriate supplemental measure to reflect the operating performance of a publicly registered, non-listed REIT having the characteristics described above. MFFO is not equivalent to our net income (loss) as determined under GAAP, and MFFO may not be a useful measure of the impact of long-term operating performance on value if we do not continue to operate with a limited life and targeted exit strategy, as currently intended. We believe that, because MFFO excludes acquisition fees and expenses that affect our operations only in periods in which properties are acquired and that we consider more reflective of investing activities, as well as other non-operating items included in FFO, MFFO can provide, on a going forward basis, an indication of the sustainability (that is, the capacity to continue to be maintained) of our operating performance after the period in which we are acquiring our properties and once our portfolio is in place. By providing MFFO, we believe we are presenting useful information that assists investors and analysts to better assess the sustainability of our operating performance after our offering stage has been completed and our properties have been acquired. We also believe that MFFO is a recognized measure of sustainable operating performance by the publicly registered, non-listed REIT industry. Further, we believe MFFO is useful in comparing the sustainability of our operating performance after our offering stage and acquisitions are completed with the sustainability of the operating performance of other real estate companies that are not as involved in acquisition activities. Investors are cautioned that MFFO should only be used to assess the sustainability of our operating performance after our offering stage has been completed and properties have been acquired, as it excludes acquisition fees and expenses that have a negative effect on our operating performance during the periods in which properties are acquired.

We define MFFO, a non-GAAP measure, consistent with the IPA's Guideline 2010-01, Supplemental Performance Measure for Publicly Registered, Non-Listed REITs: Modified Funds from Operations, or the Practice Guideline, issued by the IPA in November 2010. The Practice Guideline defines modified funds from operations as funds from operations further adjusted for the following items included in the determination of GAAP net income (loss): acquisition fees and expenses; amounts relating to deferred rent receivables and amortization of above- and below-market leases and liabilities (which are adjusted in order to reflect such payments from a GAAP accrual basis to closer to an expected to be received cash basis of disclosing the rent and lease payments); accretion of discounts and amortization of premiums on debt investments; mark-to-market adjustments included in net income (loss); gains or losses included in net income (loss) from the extinguishment or sale of debt, hedges, foreign exchange, derivatives or securities holdings where trading of such holdings is not a fundamental attribute of the business plan; unrealized gains or losses resulting from consolidation from, or deconsolidation to, equity accounting; and after adjustments for consolidated and unconsolidated partnerships and joint ventures, with such adjustments

calculated to reflect modified funds from operations on the same basis. The accretion of discounts and amortization of premiums on debt investments, unrealized gains and losses on hedges, foreign exchange, derivatives or securities holdings, unrealized gains and losses resulting from consolidations, as well as other listed cash flow adjustments are adjustments made to net income (loss) in calculating cash flows from operations and, in some cases, reflect gains or losses which are unrealized and may not ultimately be realized. We are responsible for managing interest rate, hedge and foreign exchange risk, and we do not rely on another party to manage such risk. Inasmuch as interest rate hedges will not be a fundamental part of our operations, we believe it is appropriate to exclude such gains and losses in calculating MFFO, as such gains and losses are based on market fluctuations and may not be directly related or attributable to our operations.

Our MFFO calculation complies with the IPA's Practice Guideline described above. In calculating MFFO, we exclude acquisition related expenses and redeemable noncontrolling interest. The other adjustments included in the IPA's Practice Guideline are not applicable to us for the three and six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 . Acquisition fees and expenses are paid in cash by us, and we have not set aside or put into escrow any specific amount of proceeds from our offering to be used to fund acquisition fees and expenses. The purchase of real estate and real estate-related investments, and the corresponding expenses associated with that process, is a key operational feature of our business plan in order to generate operating revenues and cash flows to make distributions to our stockholders. However, we do not intend to fund acquisition fees and expenses in the future from operating revenues and cash flows, nor from the sale of properties and subsequent redeployment of capital and concurrent incurring of acquisition fees and expenses. Acquisition fees and expenses include payments to our advisor or its affiliates and third parties. Such fees and expenses will not be reimbursed by our advisor or its affiliates and third parties, and therefore if there are no further proceeds from the sale of shares of our common stock to fund future acquisition fees and expenses, such fees and expenses will need to be paid from either additional debt, operational earnings or cash flows, net proceeds from the sale of properties, or from ancillary cash flows. Certain acquisition related expenses under GAAP are considered operating expenses and as expenses included in the determination of net income (loss) and income (loss) from continuing operations, both of which are performance measures under GAAP. All paid and accrued acquisition fees and expenses will have negative effects on returns to investors, the potential for future distributions and cash flows generated by us, unless earnings from operations or net sales proceeds from the disposition of other properties are generated to cover the purchase price of the property, these fees and expenses and other costs related to such property. In the future, we may pay acquisition fees or reimburse acquisition expenses due to our advisor and its affiliates, or a portion thereof, with net proceeds from borrowed funds, operational earnings or cash flows, net proceeds from the sale of properties or ancillary cash flows. As a result, the amount of proceeds from borrowings available for investment and operations would be reduced, or we may incur additional interest expense as a result of borrowed funds. Nevertheless, our advisor or its affiliates will not accrue any claim on our assets if acquisition fees and expenses are not paid from the proceeds of our offering.

Further, under GAAP, certain contemplated non-cash fair value and other non-cash adjustments are considered operating non-cash adjustments to net income (loss) in determining cash flows from operations. In addition, we view fair value adjustments of derivatives and gains and losses from dispositions of assets as items which are unrealized and may not ultimately be realized or as items which are not reflective of on-going operations and are therefore typically adjusted for when assessing operating performance.

Our management uses MFFO and the adjustments used to calculate it in order to evaluate our performance against other publicly registered, non-listed REITs which intend to have limited lives with short and defined acquisition periods and targeted exit strategies shortly thereafter. As noted above, MFFO may not be a useful measure of the impact of long-term operating performance if we do not continue to operate in this manner. We believe that our use of MFFO and the adjustments used to calculate it allow us to present our performance in a manner that reflects certain characteristics that are unique to publicly registered, non-listed REITs, such as their limited life, limited and defined acquisition period and targeted exit strategy, and hence, that the use of such measures may be useful to investors. For example, acquisition fees and expenses are intended to be funded from the proceeds of our offering and other financing sources and not from operations. By excluding expensed acquisition fees and expenses, the use of MFFO provides information consistent with management's analysis of the operating performance of the properties. Additionally, fair value adjustments, which are based on the impact of current market fluctuations and underlying assessments of general market conditions, but can also result from operational factors such as rental and occupancy rates, may not be directly related or attributable to our current operating performance. By excluding such charges that may reflect anticipated and unrealized gains or losses, we believe MFFO provides useful supplemental information.

Presentation of this information is intended to provide useful information to investors as they compare the operating performance of different REITs, although it should be noted that not all REITs calculate funds from operations and modified funds from operations the same way, so comparisons with other REITs may not be meaningful. Furthermore, FFO and MFFO are not necessarily indicative of cash flow available to fund cash needs and should not be considered as an alternative to net income (loss) or income (loss) from continuing operations as an indication of our performance, as an alternative to cash flows

from operations, which is an indication of our liquidity, or indicative of funds available to fund our cash needs including our ability to make distributions to our stockholders. FFO and MFFO should be reviewed in conjunction with other measurements as an indication of our performance. MFFO has limitations as a performance measure in offerings such as ours where the price of a share of common stock is a stated value and there is no net asset value determination during the offering stage and for a period thereafter. MFFO may be useful in assisting management and investors in assessing the sustainability of operating performance in future operating periods, and in particular, after the offering and acquisition stages are complete and net asset value is disclosed. FFO and MFFO are not useful measures in evaluating net asset value because impairments are taken into account in determining net asset value but not in determining FFO and MFFO.

Neither the SEC, NAREIT nor any other regulatory body has passed judgment on the acceptability of the adjustments that we use to calculate FFO or MFFO. In the future, the SEC, NAREIT or another regulatory body may decide to standardize the allowable adjustments across the publicly registered, non-listed REIT industry and we would have to adjust our calculation and characterization of FFO or MFFO.

The following is a reconciliation of net loss, which is the most directly comparable GAAP financial measure, to FFO and MFFO for the three months ended June 30, 2016 and 2015 , for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 :

	Three Months Ended June 30,		Six Months Ended	Period from January 23, 2015 (Date of Inception) through
	2016	2015	June 30, 2016	June 30, 2015
Net loss	$ (613,000)	$ —	$ (763,000)	$ —
Less:				
Net loss attributable to redeemable noncontrolling interest	—	—	—	—
FFO attributable to controlling interest	$ (613,000)	$ —	$ (763,000)	$ —
Acquisition related expenses(1)	$ 370,000	$ —	$ 370,000	$ —
Adjustments for redeemable noncontrolling interest(2)	—	—	—	—
MFFO attributable to controlling interest	$ (243,000)	$ —	$ (393,000)	$ —
Weighted average common shares outstanding — basic and diluted	635,808	20,833	328,321	20,833
Net loss per common share — basic and diluted	$ (0.96)	$ —	$ (2.32)	$ —
FFO attributable to controlling interest per common share — basic and diluted	$ (0.96)	$ —	$ (2.32)	$ —
MFFO attributable to controlling interest per common share — basic and diluted	$ (0.38)	$ —	$ (1.20)	$ —

(1) In evaluating investments in real estate, we differentiate the costs to acquire the investment from the operations derived from the investment. Such information would be comparable only for publicly registered, non-listed REITs that have completed their acquisition activity and have other similar operating characteristics. By excluding expensed acquisition related expenses, we believe MFFO provides useful supplemental information that is comparable for each type of real estate investment and is consistent with management's analysis of the investing and operating performance of our properties. Acquisition fees and expenses include payments to our advisor or its affiliates and third parties. Acquisition related expenses under GAAP are considered operating expenses and as expenses included in the determination of net income (loss) and income (loss) from continuing operations, both of which are performance measures under GAAP. All paid and accrued acquisition fees and expenses will have negative effects on returns to investors, the potential for future distributions, and cash flows generated by us, unless earnings from operations or net sales proceeds from the disposition of other properties are generated to cover the purchase price of the property, these fees and expenses and other costs related to such property.

(2) Includes all adjustments to eliminate the redeemable noncontrolling interest's share of the adjustment described in Note (1) to convert our FFO to MFFO.

Net Operating Income

Net operating income is a non-GAAP financial measure that is defined as net income (loss), computed in accordance with GAAP, generated from properties before general and administrative expenses, acquisition related expenses, depreciation and amortization, interest expense, and interest and other income. Acquisition fees and expenses are paid in cash by us, and we have not set aside or put into escrow any specific amount of proceeds from our offering to be used to fund acquisition fees and expenses. The purchase of real estate and real estate-related investments, and the corresponding expenses associated with that process, is a key operational feature of our business plan in order to generate operating revenues and cash flows to make distributions to our stockholders. However, we do not intend to fund acquisition fees and expenses in the future from operating revenues and cash flows, nor from the sale of properties and subsequent redeployment of capital and concurrent incurring of acquisition fees and expenses. Acquisition fees and expenses include payments to our advisor or its affiliates and third parties. Such fees and expenses are not reimbursed by our advisor or its affiliates and third parties, and therefore, if there is no further cash on hand from the proceeds from the sale of shares of our common stock to fund future acquisition fees and expenses, such fees and expenses will need to be paid from either additional debt, operational earnings or cash flows, net proceeds from the sale of properties or from ancillary cash flows. As a result, the amount of proceeds available for investment, operations and non-operating expenses would be reduced, or we may incur additional interest expense as a result of borrowed funds. Nevertheless, our advisor or its affiliates will not accrue any claim on our assets if acquisition fees and expenses are not paid from the proceeds of our offering. Acquisition related expenses under GAAP are considered operating expenses and as expenses included in the determination of net income (loss) and income (loss) from continuing operations, both of which are performance measures under GAAP. All paid and accrued acquisition fees and expenses have negative effects on returns to investors, the potential for future distributions and cash flows generated by us, unless earnings from operations or net sales proceeds from the disposition of other properties are generated to cover the purchase price of the property, these fees and expenses and other costs related to such property.

Net operating income is not equivalent to our net income (loss) or income (loss) from continuing operations as determined under GAAP and may not be a useful measure in measuring operational income or cash flows. Furthermore, net operating income is not necessarily indicative of cash flow available to fund cash needs and should not be considered as an alternative to net income (loss) or income (loss) from continuing operations as an indication of our performance, as an alternative to cash flows from operations as an indication of our liquidity, or indicative of funds available to fund our cash needs including our ability to make distributions to our stockholders. Net operating income should not be construed to be more relevant or accurate than the current GAAP methodology in calculating net income (loss) or in its applicability in evaluating our operating performance. Investors are also cautioned that net operating income should only be used to assess our operational performance in periods in which we have not incurred or accrued any acquisition related expenses.

We believe that net operating income is useful for investors as it provides an accurate measure of the operating performance of our operating assets because net operating income excludes certain items that are not associated with the management of the properties. We believe that net operating income is a widely accepted measure of comparative operating performance in the real estate community. However, our use of the term net operating income may not be comparable to that of other real estate companies as they may have different methodologies for computing this amount.

To facilitate understanding of this financial measure, the following is a reconciliation of net loss, which is the most directly comparable GAAP financial measure, to net operating income for the three months ended June 30, 2016 and 2015 , for the six months ended June 30, 2016 and for the period from January 23, 2015 (Date of Inception) through June 30, 2015 :

	Three Months Ended June 30,		Six Months Ended	Period from January 23, 2015 (Date of Inception) through
	2016	2015	June 30, 2016	June 30, 2015
Net loss	$ (613,000)	$ —	$ (763,000)	$ —
General and administrative	246,000	—	396,000	—
Acquisition related expenses	370,000	—	370,000	—
Net operating income	$ 3,000	$ —	$ 3,000	$ —

Subsequent Events

For a discussion of subsequent events, see Note 13, Subsequent Events , to our accompanying condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. In pursuing our business plan, we expect that the primary market risk to which we will be exposed is interest rate risk. There were no material changes in our market risk exposures, or in the methods we use to manage market risk, from those that were provided for in our 2015 Annual Report on Form 10-K, as filed with the SEC on March 7, 2016.

Interest Rate Risk

We may be exposed to the effects of interest rate changes primarily as a result of long-term debt used to acquire properties and make loans and other permitted investments. Our interest rate risk will be monitored using a variety of techniques. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings, prepayment penalties and cash flows and to lower overall borrowing costs while taking into account variable interest rate risk. To achieve our objectives, we may borrow or lend at fixed or variable rates. We may also enter into derivative financial instruments such as interest rate swaps and caps in order to mitigate our interest rate risk on a related financial instrument. We will not enter into derivatives or interest rate transactions for speculative purposes. Because we had not incurred any debt as of June 30, 2016 , we had limited exposure to interest rate market risks.

Other Market Risk

In addition to changes in interest rates, the value of our future investments is subject to fluctuations based on changes in local and regional economic conditions and changes in the creditworthiness of tenants, which may affect our ability to refinance our debt if necessary.

Item 4. Controls and Procedures.

(a) *Evaluation of disclosure controls and procedures.* We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Exchange Act of 1934, as amended, or the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the rules and forms, and that such information is accumulated and communicated to us, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as ours are designed to do, and we necessarily were required to apply our judgment in evaluating whether the benefits of the controls and procedures that we adopt outweigh their costs.

As required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act, an evaluation as of June 30, 2016 was conducted under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures, as of June 30, 2016 , were effective at the reasonable assurance level.

(b) *Changes in internal control over financial reporting.* There were no changes in internal control over financial reporting that occurred during the fiscal quarter ended June 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

There were no material changes from the risk factors previously disclosed in our 2015 Annual Report on Form 10-K, as filed with the SEC on March 7, 2016 except as noted below.

We have not had sufficient cash available from operations to pay distributions, and therefore, we have paid distributions from the net proceeds of our offering, and in the future, may pay distributions from borrowings in anticipation of future cash flows or from other sources. Any such distributions may reduce the amount of capital we ultimately invest in assets, may negatively impact the value of our stockholders' investment and may cause subsequent investors to experience dilution.

Distributions payable to our stockholders may include a return of capital, rather than a return on capital, and it is likely that we will use offering proceeds to fund a majority of our initial distributions. We have not established any limit on the amount of proceeds from our offering that may be used to fund distributions, except that, in accordance with our organizational documents and Maryland law, we may not make distributions that would: (i) cause us to be unable to pay our debts as they become due in the usual course of business; or (ii) cause our total assets to be less than the sum of our total liabilities plus senior liquidation preferences. The actual amount and timing of distributions will be determined by our board of directors in its sole discretion and typically will depend on the amount of funds available for distribution, which will depend on items such as our financial condition, current and projected capital expenditure requirements, tax considerations and annual distribution requirements needed to qualify as a REIT. As a result, our distribution rate and payment frequency may vary from time to time.

We have used net proceeds from our offering and our advisor has waived certain fees payable to it as discussed below, and in the future, may use the net proceeds from our offering, borrowed funds, or other sources, to pay cash distributions to our stockholders in order to qualify as a REIT, which may reduce the amount of proceeds available for investment and operations, cause us to incur additional interest expense as a result of borrowed funds or cause subsequent investors to experience dilution. Further, if the aggregate amount of cash distributed in any given year exceeds the amount of our current and accumulated earnings and profits, the excess amount will be deemed a return of capital.

On April 13, 2016, our board of directors authorized a daily distribution to our Class T stockholders of record as of the close of business on each day of the period from May 1, 2016 through June 30, 2016. Our advisor agreed to waive certain asset management fees that may otherwise be due to our advisor pursuant to the Advisory Agreement until such time as the amount of such waived asset management fees is equal to the amount of distributions payable to our stockholders for the period beginning on May 1, 2016 and ending on the date of the acquisition of our first property or real estate-related investment, as such terms are defined in the Advisory Agreement. Having raised the minimum offering in April 2016, the distributions declared for each record date in the May 2016 and June 2016 periods were paid in June 2016 and July 2016, respectively, from legally available funds. The daily distributions were calculated based on 365 days in the calendar year and were equal to $0.001643836 per share of our Class T common stock. These distributions were aggregated and paid in cash or shares of our common stock pursuant to the DRIP monthly in arrears. We acquired our first property on June 28, 2016, and as such, our advisor will waive asset management fees equal to the amount of distributions paid from May 1, 2016 through June 27, 2016.

On June 28, 2016, our board of directors authorized a daily distribution to our Class T stockholders of record as of the close of business on each day of the period commencing on July 1, 2016 and ending September 30, 2016 and to our Class I stockholders of record as of the close of business on each day of the period commencing on the date that the first Class I share is sold and ending on September 30, 2016. The daily distributions will be calculated based on 365 days in the calendar year and will be equal to $0.001643836 per share of our Class T and Class I common stock. These distributions will be aggregated and paid in cash or shares of our common stock pursuant to the DRIP monthly in arrears. The distributions to our Class T stockholders declared for each record date in the July 2016, August 2016 and September 2016 periods will be paid in August 2016, September 2016 and October 2016, respectively, only from legally available funds. The distributions to our Class I stockholders, if any, declared for each record date in the June 2016, July 2016, August 2016 and September 2016 periods will be paid in July 2016, August 2016, September 2016 and October 2016, respectively, only from legally available funds.

The amount of distributions paid to our stockholders is determined quarterly by our board of directors and is dependent on a number of factors, including funds available for payment of distributions, our financial condition, capital expenditure requirements and annual distribution requirements needed to qualify and maintain our status as a REIT under the Code. We have not established any limit on the amount of offering proceeds that may be used to fund distributions, except that, in accordance with our organizational documents and Maryland law, we may not make distributions that would: (i) cause us to be

unable to pay our debts as they become due in the usual course of business; or (ii) cause our total assets to be less than the sum of our total liabilities plus senior liquidation preferences.

We did not pay any distributions for the period from January 23, 2015 (Date of Inception) through June 30, 2015 . The distributions paid for the six months ended June 30, 2016 , along with the amount of distributions reinvested pursuant to the DRIP and the sources of distributions as compared to cash flows from operations were as follows:

	Six Months Ended June 30, 2016	
Distributions paid in cash	$ 12,000	
Distributions reinvested	19,000	
	$ 31,000	
Sources of distributions:		
Cash flows from operations	$ —	—%
Offering proceeds	31,000	100
	$ 31,000	100%

Under GAAP, acquisition related expenses are expensed, and therefore, subtracted from cash flows from operations. However, these expenses may be paid from offering proceeds or debt.

Our distributions of amounts in excess of our current and accumulated earnings and profits have resulted in a return of capital to our stockholders, and all or any portion of a distribution to our stockholders may be paid from offering proceeds. The payment of distributions from our offering proceeds could reduce the amount of capital we ultimately invest in assets and negatively impact the amount of income available for future distributions.

As of June 30, 2016 , we had an amount payable of $2,731,000 to our advisor or its affiliates primarily for the Contingent Advisor Payment and operating expenses, which will be paid from cash flows from operations in the future as it becomes due and payable by us in the ordinary course of business consistent with our past practice.

As of June 30, 2016 , no amounts due to our advisor or its affiliates had been deferred, waived or forgiven other than the $2,000 in asset management fees waived by our advisor discussed above. Other than the waiver of asset management fees by our advisor to provide us with additional funds to pay initial distributions to our stockholders through June 27, 2016, our advisor and its affiliates, including our co-sponsors, have no obligation to defer or forgive fees owed by us to our advisor or its affiliates or to advance any funds to us. In the future, if our advisor or its affiliates do not defer, waive or forgive amounts due to them, this would negatively affect our cash flows from operations, which could result in us paying distributions, or a portion thereof, using borrowed funds. As a result, the amount of proceeds available for investment and operations would be reduced, or we may incur additional interest expense as a result of borrowed funds.

We did not pay distributions for the period from January 23, 2015 (Date of Inception) through June 30, 2015 . The distributions paid for the six months ended June 30, 2016 , along with the amount of distributions reinvested pursuant to the DRIP and the sources of our distributions as compared to FFO were as follows:

	Six Months Ended June 30, 2016	
Distributions paid in cash	$ 12,000	
Distributions reinvested	19,000	
	$ 31,000	
Sources of distributions:		
FFO attributable to controlling interest	$ —	—%
Offering proceeds	31,000	100
	$ 31,000	100%

The payment of distributions from sources other than FFO may reduce the amount of proceeds available for investment and operations or cause us to incur interest expense as result of borrowed funds. For a further discussion of FFO, a non-GAAP financial measure, including a reconciliation of our GAAP net income (loss) to FFO, see Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations — Funds from Operations and Modified Funds from Operations.

A high concentration of our properties in a particular geographic area would magnify the effects of downturns in that geographic area.

To the extent that we have a concentration of properties in any particular geographic area, any adverse situation that disproportionately effects that geographic area would have a magnified adverse effect on our portfolio. As of August 10, 2016 , our property located in California accounted for 100% of the annualized base rent of our total property portfolio. Accordingly, there is a geographic concentration of risk subject to fluctuations in such state's economy.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Recent Sales of Unregistered Securities

On April 13, 2016, we issued an aggregate of 15,000 shares of restricted common stock to our independent directors upon their election to our board of directors, after having raised the minimum offering in our initial public offering and upon the initial release of such funds from escrow. These shares of restricted common stock were issued pursuant to our incentive plan in a private transaction exempt from registration pursuant to Section 4(2) of the Securities Act. These restricted common stock awards vested 20.0% on the grant date and 20.0% will vest on each of the first four anniversaries of the grant date.

Use of Public Offering Proceeds

Our Registration Statement on Form S-11 (File No. 333-205960), registering a public offering of up to $3,150,000,000 in shares of our common stock, was declared effective under the Securities Act of 1933, or the Securities Act, on February 16, 2016. Griffin Capital Securities, Inc. is the dealer manager of our offering. Commencing on February 16, 2016, we offered to the public a minimum of $2,000,000 in shares of our Class T common stock, and a maximum of $3,000,000,000 in shares of our Class T common stock for $10.00 per share in our primary offering. Effective June 17, 2016, we reallocated certain of the unsold shares being offered, such that we are currently offering up to approximately $2,800,000,000 in shares of Class T common stock at a price of $10.00 per share and $200,000,000 in shares of Class I common stock at a price of $9.30 per share in our primary offering, and up to $150,000,000 in shares of our common stock pursuant to the DRIP at a purchase price of $9.50 per share, aggregating up to $3,150,000,000, or the maximum offering. We reserve the right to reallocate the shares of common stock we are offering between the primary offering and the DRIP, and among classes of stock.

As of June 30, 2016 , we had received and accepted subscriptions in our offering for 1,633,069 shares of our Class T common stock, or approximately $16,209,000 , excluding subscriptions from residents in Washington (who were not admitted as stockholders until July 8, 2016 when we had received and accepted subscriptions aggregating at least $20,000,000) and Pennsylvania (who will not be admitted as stockholders until we have received and accepted subscriptions aggregating at least $150,000,000) and shares of our common stock issued pursuant to the DRIP. As of June 30, 2016 , a total of $19,000 in distributions were reinvested pursuant to the DRIP and 2,003 shares of our common stock were issued pursuant to the DRIP.

Our equity raise as of June 30, 2016 resulted in the following:

		Amount
Gross offering proceeds	$	16,209,000
Gross offering proceeds from shares issued pursuant to the DRIP		19,000
Total gross offering proceeds		16,228,000
Less public offering expenses:		
Selling commissions		380,000
Dealer manager fees		453,000
Advisor funding of dealer manager fees		(302,000)
Other organizational and offering expenses		2,415,000
Advisor funding of other organizational and offering expenses		(2,415,000)
Net proceeds from our offering	$	15,697,000

As of June 30, 2016 , we had used $5,404,000 in proceeds from our offering to purchase a property from an unaffiliated third party, $151,000 to pay acquisition related expenses to unaffiliated parties, $150,000 to pay a real estate deposit for a proposed future acquisition and $123,000 to pay an acquisition fee to an affiliated party.

Purchase of Equity Securities by the Issuer and Affiliated Purchasers

During the period covered by this Quarterly Report on Form 10-Q, we did not receive any requests pursuant to our share repurchase plan and did not repurchase any of our securities.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

The exhibits listed on the Exhibit Index (following the signatures section of this Quarterly Report on Form 10-Q) are included, or incorporated by reference, in this Quarterly Report on Form 10-Q.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Griffin-American Healthcare REIT IV, Inc.
(Registrant)

August 10, 2016	By:	/s/ JEFFREY T. HANSON
Date		Jeffrey T. Hanson Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)
August 10, 2016	By:	/s/ BRIAN S. PEAY
Date		Brian S. Peay Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

EXHIBIT INDEX

Pursuant to Item 601(a)(2) of Regulation S-K, this Exhibit Index immediately precedes the exhibits.

The following exhibits are included, or incorporated by reference, in this Quarterly Report on Form 10-Q for the period ended June 30, 2016 (and are numbered in accordance with Item 601 of Regulation S-K).

3.1	Third Articles of Amendment and Restatement of Griffin-American Healthcare REIT IV, Inc., dated December 28, 2015 (included as Exhibit 3.1 to Pre-effective Amendment No. 2 to our Registration Statement on Form S-11 (File No. 333-205960) filed January 5, 2016 and incorporated herein by reference)
3.2	Articles Supplementary of Griffin-American Healthcare REIT IV, Inc. filed May 25, 2016 (included as Exhibit 3.2 to Post-effective Amendment No. 3 to our Registration Statement on Form S-11 (File No. 333-205960) filed May 26, 2016 and incorporated herein by reference)
3.3	Second Amended and Restated Bylaws of Griffin-American Healthcare REIT IV, Inc. (included as Exhibit 3.2 to Pre-effective Amendment No. 2 to our Registration Statement on Form S-11 (File No. 333-205960) filed January 5, 2016 and incorporated herein by reference)
4.1	Form of Subscription Agreement of Griffin-American Healthcare REIT IV, Inc. (included as Exhibit B to Supplement No. 5 to our prospectus dated February 16, 2016 (File No. 333-205960) filed July 12, 2016 and incorporated herein by reference)
4.2	Distribution Reinvestment Plan of Griffin-American Healthcare REIT IV, Inc. (included as Exhibit 4.2 to Post-effective Amendment No. 3 to our Registration Statement on Form S-11 (File No. 333-205960) filed May 26, 2016 and incorporated herein by reference)
4.3*	Amended and Restated Distribution Reinvestment Plan of Griffin-American Healthcare REIT, IV, Inc.
4.4	Share Repurchase Plan of Griffin-American Healthcare REIT IV, Inc. (included as Exhibit 4.4 to Post-effective Amendment No. 3 to our Registration Statement on Form S-11 (File No. 333-205960) filed May 26, 2016 and incorporated herein by reference)
4.5	Escrow Agreement by and among Griffin-American Healthcare REIT IV, Inc., Griffin Capital Securities, LLC and UMB Bank, N.A., dated February 16, 2016 (included as Exhibit 4.4 to our Annual Report on Form 10-K for the year ended December 31, 2015 filed on March 7, 2016 and incorporated herein by reference)
10.1	Form of Indemnification Agreement between Griffin-American Healthcare REIT IV, Inc. and Indemnitee made effective as of February 10, 2015 (included as Exhibit 10.3 to our Registration Statement on Form S-11 (File No. 333-205960) filed July 30, 2015 and incorporated herein by reference)
10.2*	Amendment No. 1 to Dealer Manager Agreement by and among Griffin-American Healthcare REIT IV, Inc., Griffin Capital Securities, LLC and Griffin-American Healthcare REIT IV Advisor, LLC, dated June 17, 2016
10.3*	Amendment No. 1 to Amended and Restated Limited Partnership Agreement of Griffin-American Healthcare REIT IV Holdings, LP, dated June 17, 2016
10.4	Real Estate Purchase Agreement and Escrow Instructions by and between Kargan Holdings, LLC, American Healthcare Investors, LLC, Commonwealth Land Title Company and, solely as to Section 9.20, Jonathan S. Collins, dated May 24, 2016 (included as Exhibit 10.1 to our Current Report on Form 8-K filed May 26, 2016 and incorporated herein by reference)
10.5	Assignment and Assumption of Real Estate Purchase Agreement and Escrow Instructions by and between American Healthcare Investors, LLC and GAHC4 Auburn CA MOB, LLC, dated May 24, 2016 (included as Exhibit 10.2 to our Current Report on Form 8-K filed May 26, 2016 and incorporated herein by reference)
10.6	Real Estate Purchase Agreement and Escrow Instructions by and between 6700 N. Rochester, LLC, GAHC4 Rochester Hills MI MOB, LLC and Chicago Title Insurance Company, dated June 20, 2016 (included as Exhibit 10.1 to our Current Report on Form 8-K filed June 23, 2016 and incorporated herein by reference)
31.1*	Certification of Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document

101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document

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* Filed herewith.

** Furnished herewith. In accordance with Item 601(b)(32) of Regulation S-K, this Exhibit is not deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

Exhibit 4.3

DISTRIBUTION REINVESTMENT PLAN

GRIFFIN-AMERICAN HEALTHCARE REIT IV, INC.

Amended and Restated as of June 17, 2016

Griffin-American Healthcare REIT IV, Inc., a Maryland corporation (the "Company"), has adopted this Distribution Reinvestment Plan (the "Plan"), to be administered by the Company or an unaffiliated third party (the "Administrator") as agent for participants in the Plan ("Participants"), on the terms and conditions set forth below.

1. *Election to Participate.* Any purchaser of Class T shares of common stock of the Company, par value $0.01 per share (the "Class T Shares") or Class I shares of common stock of the Company, par value $0.01 per share (the "Class I Shares" and collectively with the Class T Shares, the "Shares"), may become a Participant by making a written election to participate on such purchaser's Subscription Agreement at the time of subscription for Shares. Any stockholder who has not previously elected to participate in the Plan may so elect at any time by completing and executing an authorization form obtained from the Administrator or any other appropriate documentation as may be acceptable to the Administrator. Participants in the Plan generally are required to have the full amount of their cash distributions (other than "Excluded Distributions" as defined below) with respect to all Shares owned by them reinvested pursuant to the Plan. However, the Administrator shall have the sole discretion, upon the request of a Participant, to accommodate a Participant's request for less than all of the Participant's Shares to be subject to participation in the Plan.

2. *Distribution Reinvestment.* The Administrator will receive all cash distributions (other than Excluded Distributions) paid by the Company or an Affiliated Participant with respect to Shares of Participants (collectively, the "Distributions"). Participation will commence with the next Distribution payable after receipt of the Participant's election pursuant to Paragraph 1 hereof, provided it is received at least ten (10) days prior to the last day of the period to which such Distribution relates. Subject to the preceding sentence, regardless of the date of such election, a holder of Shares will become a Participant in the Plan effective on the first day of the period following such election, and the election will apply to all Distributions attributable to such period and to all periods thereafter. As used in this Plan, the term "Excluded Distributions" shall mean those cash or other distributions designated as Excluded Distributions by the Board of the Company.

3. *General Terms of Plan Investments* .

(a) Distributions on Class T Shares will be reinvested in Class T Shares and distributions on Class I Shares will be reinvested in Class I Shares. The Company intends to offer Class T Shares pursuant to the Plan at 95.0% of the estimated value of one Class T Share as estimated by the Company's board of directors, regardless of the price per Class T Share paid by the Participant for the Class T Shares in respect of which the Distributions are paid. The Company intends to offer Class I Shares equal to the price of Class T Shares purchased pursuant to the Plan. The Company intends to offer Shares pursuant to the Plan until the earliest of (i) the date that all of the Shares registered under the Plan have been issued or (ii) all offerings terminate and the Company elects to deregister with the U.S. Securities and Exchange Commission the unsold Plan Shares. A stockholder may not participate in the Plan through distribution channels that would be eligible to purchase shares in the public offering of shares pursuant to the Company's prospectus outside of the Plan at prices below this amount. Until the board of directors determines the estimated value of one Class T Share, the estimated value of one Class T Share shall be the offering price per Class T Share in the public offering of shares pursuant to the Company's prospectus.

(b) Selling commissions will not be paid for the Shares purchased pursuant to the Plan.

(c) Dealer manager fees will not be paid for the Shares purchased pursuant to the Plan.

(d) Stockholder servicing fees will not be paid for the Shares purchased pursuant to the Plan.

(e) For each Participant, the Administrator will maintain an account which shall reflect for each period in which Distributions are paid (a "Distribution Period") the Distributions received by the Administrator on behalf of such Participant. A Participant's account shall be reduced as purchases of Shares are made on behalf of such Participant.

(f) Distributions will be reinvested by the Administrator promptly following the payment date with respect to such Distributions to the extent Shares are available for purchase under the Plan. If sufficient Shares are not available, any such funds that have not been invested in Shares within 30 days after receipt by the Administrator and, in any event, by the end of the fiscal quarter in which they are received, will be distributed to Participants. Any interest earned on such accounts will be paid to the Company and will become property of the Company.

(g) Participants may acquire fractional Shares so that 100% of the Distributions will be used to acquire Shares. The ownership of the Shares shall be reflected on the books of the Company or its transfer agent.

4. *Absence of Liability.* Neither the Company nor the Administrator shall have any responsibility or liability as to the value of the Shares or any change in the value of the Shares acquired for the Participant's account. Neither the Company nor the Administrator shall be liable for any act done in good faith, or for any good faith omission to act hereunder.

5. *Suitability.* Each Participant shall notify the Administrator in the event that, at any time during his participation in the Plan, there is any material change in the Participant's financial condition or inaccuracy of any representation under the Subscription Agreement for the Participant's initial purchase of Shares. A material change shall include any anticipated or actual decrease in net worth or annual gross income or any other change in circumstances that would cause the Participant to fail to meet the minimum income and net worth standards set forth in the Company's prospectus for the Participant's initial purchase of Shares.

6. *Reports to Participants.* Within ninety (90) days after the end of each calendar year, the Administrator will mail to each Participant a statement of account describing, as to such Participant, the Distributions received, the number of Shares purchased and the per Share purchase price for such Shares pursuant to the Plan during the prior year. Each statement also shall advise the Participant that, in accordance with Section 5 hereof, the Participant is required to notify the Administrator in the event there is any material change in the Participant's financial condition or if any representation made by the Participant under the Subscription Agreement for the Participant's initial purchase of Shares becomes inaccurate. All material information regarding the Distributions to the Participant and the effect of reinvesting such Distributions, including tax information regarding a Participant's participation in the Plan, will be sent to each Participant by the Company or the Administrator at least annually.

7. *Taxes.* Taxable Participants may incur a tax liability for Distributions even though they have elected not to receive their Distributions in cash but rather to have their Distributions reinvested in Shares under the Plan.

8. *Reinvestment in Subsequent Programs* .

(a) After the termination of the Company's offering of Shares pursuant to this prospectus dated February 16, 2016, as may be amended or supplemented, the Company may determine, in its sole discretion, to cause the Administrator to provide to each Participant (other than Alabama and Ohio investors, who are not eligible) notice of the opportunity to have some or all of such Participant's Distributions (at the discretion of the Administrator and, if applicable, the Participant) invested through the Plan in any publicly offered limited partnership, real estate investment trust or other real estate program sponsored by the Company or subsequent publicly offered limited partnership, real estate investment trust or other real estate program sponsored by the Company or its affiliates (a "Subsequent Program"). If the Company makes such an election, Participants (other than Alabama and Ohio investors, who are not eligible) may invest Distributions in equity securities issued by such Subsequent Program through the Plan only if the following conditions are satisfied:

(i) prior to the time of such reinvestment, the Participant has received the final prospectus and any supplements thereto offering interests in the Subsequent Program and such prospectus allows investment pursuant to a distribution reinvestment plan;

(ii) a registration statement covering the interests in the Subsequent Program has been declared effective under the Securities Act of 1933, as amended;

(iii) the offering and sale of such interests are qualified for sale under the applicable state securities laws;

(iv) the Participant executes the subscription agreement included with the prospectus for the Subsequent Program; and

(v) the Participant qualifies under applicable investor suitability standards as contained in the prospectus for the Subsequent Program.

9. *Termination* .

(a) A Participant may terminate or modify his participation in the Plan at any time by written notice to the Administrator. To be effective for any Distribution, such notice must be received by the Administrator at least ten (10) days prior to the last day of the Distribution Period to which it relates.

(b) Prior to the listing of the Shares on a national securities exchange, a Participant's transfer of Shares will terminate participation in the Plan with respect to such transferred Shares as of the first day of the Distribution Period in which such transfer is effective, unless the transferee of such Shares in connection with such transfer demonstrates to the Administrator that

such transferee meets the requirements for participation hereunder and affirmatively elects participation by delivering an executed authorization form or other instrument required by the Administrator.

10. *State Regulatory Restrictions.* The Administrator is authorized to deny participation in the Plan to residents of any state or foreign jurisdiction that imposes restrictions on participation in the Plan that conflict with the general terms and provisions of this Plan, including, without limitation, any general prohibition on the payment of broker-dealer commissions for purchases under the Plan.

11. *Amendment, Suspension or Termination by Company* .

(a) The terms and conditions of this Plan may be amended by the Company at any time, including but not limited to an amendment to the Plan to substitute a new Administrator to act as agent for the Participants, by mailing an appropriate notice at least ten (10) days prior to the effective date thereof to each Participant; provided however, the Company may not amend the Plan to (i) provide for selling commissions or dealer manager fees to be paid for shares purchased pursuant to this Plan or (ii) to revoke a Participant's right to terminate or modify his participation in the Plan.

(b) The Administrator may terminate a Participant's individual participation in the Plan and the Company may suspend or terminate the Plan itself, at any time by providing ten (10) days' prior written notice to a Participant, or to all Participants, as the case may be.

(c) After termination of the Plan or termination of a Participant's participation in the Plan, the Administrator will send to each Participant a check for the amount of any Distributions in the Participation's account that have not been invested in Shares. Any future Distributions with respect to such former Participant's Shares made after the effective date of the termination of the Participant's participation will be sent directly to the former Participant.

12. *Participation by Limited Partners of Griffin-American Healthcare REIT IV Holdings, LP* . For purposes of this Plan, "stockholders" shall be deemed to include limited partners of Griffin-American Healthcare REIT IV Holdings, LP (the "Partnership"), "Participants" shall be deemed to include limited partners of the Partnership that elect to participate in the Plan, and "Distribution," when used with respect to a limited partner of the Partnership, shall mean cash distributions on limited partnership interests held by such limited partner.

13. *Governing Law.* This Plan and the Participants' election to participate in the Plan shall be governed by the laws of the State of Maryland.

14. *Notice.* Any notice or other communication required or permitted to be given by any provision of this Plan shall be in writing and, if to the Administrator, addressed to Griffin-American Healthcare REIT IV, Inc. Distribution Reinvestment Plan Administrator, c/o DST Systems, Inc., P.O. Box 219133, Kansas City, Missouri 64121-9133, or such other address as may be specified by the Administrator by written notice to all Participants. Notices to a Participant may be given by letter addressed to the Participant at the Participant's last address of record with the Administrator. Each Participant shall notify the Administrator promptly in writing of any changes of address.

DISTRIBUTION REINVESTMENT PLAN ENROLLMENT FORM

Complete this form and return to address below or fax to 855-886-9862 (toll free).

**Mail To: Griffin-American Healthcare REIT IV, Inc.
C/O DST Systems, Inc.
P.O. Box 219133
Kansas City, MO 64121-9133**

To Join the Distribution Reinvestment Plan:

Please complete and return this enrollment form. Be sure to include your signature below in order to indicate your participation in the Distribution Reinvestment Plan (the "DRIP").

I hereby appoint Griffin-American Healthcare REIT IV, Inc. (the "Company") (or any designee or successor), acting as DRIP Administrator, as my agent to receive cash distributions that may hereafter become payable to me on shares of the Company's Class T or Class I common stock, $0.01 par value per share (the "Common Stock") registered in my name as set forth below, and authorize the Company to apply such distributions to the purchase of full shares and fractional interests in the same class of shares of the Common Stock as follows:

_____**% DRIP** _____**% cash** (must equal 100%)

I understand that the purchases will be made under the terms and conditions of the DRIP as described in the Prospectus and that I may revoke this authorization at any time by notifying the DRIP Administrator, in writing, of my desire to terminate my participation.

Sign below if you would like to participate in the DRIP.

ACCOUNT NUMBER (existing stockholders)

SIGNATURE

X

DATE

PRINT NAME

SIGNATURE OF JOINT OWNER

X

DATE

PRINT NAME

PRINT NAME OF REGISTERED REPRESENTATIVE(S) OR ADVISOR(S)

MEDALLION STAMP GUARANTEE (REQUIRED FOR CUSTODIAL ACCOUNTS)

Questions regarding your account should be directed to:

888-926-2688

HC4 IU1456(0616)

Exhibit 10.2

AMENDMENT NO. 1
TO DEALER MANAGER AGREEMENT

This AMENDMENT NO. 1 TO DEALER MANAGER AGREEMENT (this "Amendment") is made and entered into as of this 17 th day of June, 2016, by and among Griffin-American Healthcare REIT IV, Inc., a Maryland corporation (the "Company"), Griffin Capital Securities, LLC, a Delaware limited liability company (the "Dealer Manager"), and, solely with respect to the amendment of Section 3.3 of the Dealer Manager Agreement dated February 16, 2016 (the "Dealer Manager Agreement") as set forth below, Griffin-American Healthcare REIV IV Advisor, LLC (the "Advisor").

RECITALS

WHEREAS, the Company previously filed a Registration Statement on Form S-11 (File No. 333-205960) to register for offer and sale up to $3.15 billion in shares of its common stock (the "Shares"), consisting of up to $3.00 billion in shares of Class T common stock and up to $150 million in shares pursuant to the Company's distribution reinvestment plan (the "DRIP"), at an initial purchase price of $10.00 per share for shares of Class T common stock and $9.50 per share for shares issued and sold pursuant to the DRIP (the "Offering"), which Offering was declared effective by the United States Securities and Exchange Commission (the "SEC") on February 16, 2016;

WHEREAS, in connection with the Offering, the Company and the Dealer Manager have entered into the Dealer Manager Agreement, and the Dealer Manager has subsequently entered into Participating Dealer Agreements, dated various dates, with participating dealers; and

WHEREAS, the Company has determined that it will commence offering shares of Class I common stock in the Offering, effective June 17, 2016, and therefore has reallocated the shares offered in the Offering to reflect that the Company is offering up to approximately $2.80 billion in shares of Class T common stock at an initial purchase price of $10.00 per share and up to approximately $0.20 billion in shares of Class I common stock at an initial purchase price of $9.30 per share.

NOW, THEREFORE, the Company, the Dealer Manager, and, solely with respect to the amendment of Section 3.3 of the Dealer Manager Agreement as set forth below, the Advisor, hereby modify and amend the Dealer Manager Agreement and agree as follows:

1. **Defined Terms** . Capitalized terms used but not defined herein shall have the meanings set forth in the Dealer Manager Agreement.

2. **Amendments to Dealer Manager Agreement to incorporate Class I Shares** .

A. **The introductory paragraph is hereby removed and replaced with the following** :

"Griffin-American Healthcare REIT IV, Inc., a Maryland corporation (the "Company"), is registering for public sale a maximum of up to $3.15 billion in shares (the "Shares") of its common stock (the "Offering"), consisting of (a) up to $2.80 billion in shares of Class T common stock, $0.01 par value per share, in the primary offering at an initial price of $10.00 per share (subject in certain circumstances to discounts based upon the volume of shares purchased and for certain categories of purchasers), (b) up to $0.20 billion in shares of Class I common stock, $0.01 par value per share, in the primary offering at an initial price of $9.30 per share, and (c) up to an aggregate of $150 million in shares of Class T common stock and Class I common stock pursuant to the Company's distribution reinvestment plan at a purchase price of 95.0% of the per Class T share primary offering price, or $9.50 per share assuming a $10.00 per Class T share primary offering price, all upon the other terms and subject to the conditions set forth in the Prospectus (as defined in Section 1.1, below). The Company has reserved the right to reallocate the Shares offered among the classes of shares and between the primary offering and the distribution reinvestment plan. With respect to the Company's distribution

reinvestment plan, distributions on Class T shares will be reinvested in Class T shares and distributions on Class I shares will be reinvested in Class I shares. The minimum purchase by any one person shall be $2,500 in Shares except as otherwise indicated in the Prospectus or in any letter or memorandum from the Company to Griffin Capital Securities, LLC (the "Dealer Manager"). It is anticipated that the Dealer Manager will enter into Participating Dealer Agreements in the form attached to this Dealer Manager Agreement with other broker-dealers participating in the Offering (each dealer being referred to herein as a "Dealer" and said dealers being collectively referred to herein as the "Dealers"). The Company shall have the right to approve any material modifications or addendums to the form of the Participating Dealer Agreement. Terms not defined herein shall have the same meaning as in the Prospectus. In connection therewith, the Company hereby agrees with the Dealer Manager, as follows:"

B. **Section 3.3 is hereby removed and replaced with the following** :

"3.3 Except as otherwise provided in the "Plan of Distribution" section of the Prospectus, as compensation for the services rendered by the Dealer Manager, the Company agrees that it will pay to the Dealer Manager, at the time of the sale of Class T shares pursuant to the primary offering, selling commissions in the amount of 3.0% of the gross proceeds of the Class T shares sold in the primary offering, and the Company and Griffin-American Healthcare REIT IV Advisor, LLC (the "Advisor") agree that they will pay to the Dealer Manager, at the time of the sale of Class T shares or Class I shares pursuant to the primary offering, an aggregate dealer manager fee in the amount of 3.0% of the gross proceeds of Class T shares or Class I shares sold in the primary offering, of which 1.0% of the gross proceeds of Class T shares or Class I shares sold in the primary offering will be funded by the Company and 2.0% of the gross proceeds of Class T shares or Class I shares sold in the primary offering will be funded by the Advisor. In addition, with respect to Class T shares sold in the primary offering, the Company agrees that it will pay to the Dealer Manager a quarterly stockholder servicing fee in the aggregate amount of up to 4.0% of the gross proceeds of the Class T shares sold in the primary offering, which stockholder servicing fee will accrue daily in an amount equal to 1/365th of 1.0% of the purchase price per share (or, once reported by the Company, the amount of the Company's estimated net asset value per share) of Class T shares sold, excluding Class T shares sold pursuant to the distribution reinvestment plan. The Company will cease paying the stockholder servicing fee with respect to Class T shares sold in the Offering at the earliest of (i) the date at which the aggregate underwriting compensation from all sources equals 10.0% of the gross proceeds from the sale of Shares in the primary portion of the Offering (i.e., excluding proceeds from sales pursuant to the distribution reinvestment plan); (ii) the fourth anniversary of the last day of the fiscal quarter in which the Offering (excluding the distribution reinvestment plan offering) terminates; (iii) the date that such Class T share is redeemed or is no longer outstanding; and (iv) the occurrence of a merger of the Company, listing of the Shares on a national securities exchange, or an extraordinary transaction by the Company. The stockholder servicing fee relates to the share or shares sold. The Dealer Manager may, in its discretion, re-allow to Dealers up to 100% of the stockholder servicing fee for services that such Dealers perform in connection with the Class T stockholders; provided, however, that with respect to any individual investment, the Dealer Manager will not re-allow the related stockholder servicing fee to a Dealer if such Dealer ceases to hold the account related to such investment. In addition, the Dealer Manager will not re-allow the stockholder servicing fee to any Dealer if such Dealer has not executed a Participating Dealer Agreement with the Dealer Manager or if the Dealer's previously executed Participating Dealer Agreement with the Dealer Manager is terminated. In any instance in which the Dealer Manager does not re-allow the stockholder servicing fee to a Dealer, the Dealer Manager will return such fee to the Company. No selling commissions or dealer manager fee shall be paid with respect to Shares sold pursuant to the Company's distribution reinvestment plan. In no event shall the total aggregate underwriting compensation payable to the Dealer Manager and any Dealers participating in the Offering, including, but not limited to, selling commissions and the dealer manager fee (which includes expense reimbursements and non-cash compensation), exceed 10.0% of gross offering proceeds in the aggregate. The Company and the Advisor will not be liable or responsible to any Dealer for direct payment of commissions to any Dealer, it being the sole and exclusive responsibility of the Dealer Manager for payment of commissions to Dealers. Notwithstanding the

above, at the discretion of the Company, the Company may act as agent of the Dealer Manager by making direct payment of commissions to Dealers on behalf of the Dealer Manager without incurring any liability.”

3. **Amendments to Participating Dealer Agreement, attached as Exhibit A to Dealer Manager Agreement, to incorporate Class I Shares** .

A. **The introductory paragraph is hereby removed and replaced with the following** :

“Griffin Capital Securities, LLC, as the dealer manager (“Dealer Manager”) for Griffin-American Healthcare REIT IV, Inc. (the “Company”), a Maryland corporation, invites you (the “Dealer”) to participate in the distribution of shares of common stock (“Shares”) of the Company, consisting of Class T common stock, $0.01 par value per share, and Class I common stock, $0.01 par value per share, subject to the following terms:”

B. **Section III is hereby removed and replaced with the following** :

“Except as may be otherwise provided for in the “Plan of Distribution” section of the Prospectus, Class T shares shall be offered to the public at the offering price of $10.00 per share, Class I shares shall be offered to the public at the offering price of $9.30 per share, and Class T shares and Class I shares shall be offered pursuant to the Company’s distribution reinvestment plan at a purchase price of 95.0% of the per Class T share primary offering price, or $9.50 per share assuming a $10.00 per Class T share primary offering price. Except as otherwise indicated in the Prospectus or in any letter or memorandum sent to the Dealer by the Company or Dealer Manager, a minimum initial purchase of $2,500 in Shares is required. The Shares are nonassessable.”

C. **Section V is hereby removed and replaced with the following** :

“Except for volume discounts described in the “Plan of Distribution” section of the Prospectus, which volume discounts shall be the responsibility of the Dealer to provide to investors who qualify, and except as otherwise provided in the “Plan of Distribution” section of the Prospectus, the Dealer’s selling commission applicable to the Class T shares sold by the Dealer in the primary offering which it is authorized to sell hereunder is 3.0% of the gross proceeds of the Class T shares sold by it in the primary offering and accepted and confirmed by the Company, which commissions will be payable by the Dealer Manager. In addition, as compensation for continuing to service Class T stockholders in accordance with Dealer’s internal policies and procedures, the Dealer will be paid a quarterly stockholder servicing fee in the aggregate amount of up to 4.0% of the gross proceeds of the Class T shares sold by it in the primary offering and accepted and confirmed by the Company, which stockholder servicing fee will accrue daily in an amount equal to 1/365th of 1.0% of the purchase price per share (or, once reported by the Company, the amount of the Company’s estimated net asset value per share) of Class T shares sold, excluding Class T shares sold pursuant to the distribution reinvestment plan. The Company will cease paying the stockholder servicing fee with respect to Class T shares sold in the Offering at the earliest of (i) the date at which the aggregate underwriting compensation from all sources equals 10.0% of the gross proceeds from the sale of Shares in the primary portion of the Offering (i.e., excluding proceeds from sales pursuant to the distribution reinvestment plan); (ii) the fourth anniversary of the last day of the fiscal quarter in which the Offering (excluding the distribution reinvestment plan offering) terminates; (iii) the date that such Class T share is redeemed or is no longer outstanding; and (iv) the occurrence of a merger of the Company, listing of the Shares on a national securities exchange, or an extraordinary transaction by the Company. The stockholder servicing fee relates to the share or shares sold. The Dealer Manager may, in its discretion, re-allow to Dealers up to 100% of the stockholder servicing fee for services that such Dealers perform in connection with the Class T stockholders; provided, however, that the Dealer Manager will not re-allow the stockholder servicing fee to any Dealer if such Dealer has not executed a Participating

Dealer Agreement with the Dealer Manager or if such Dealer's previously executed Participating Dealer Agreement with the Dealer Manager is terminated pursuant to the provisions of Article XVI of this Participating Dealer Agreement; and provided further, that with respect to any individual investment, the Dealer Manager will not re-allow the related stockholder servicing fee to a Dealer if such Dealer ceases to hold the account related to such investment . No selling commissions shall be paid with respect to Class I shares or Shares issued and sold pursuant to the Company's distribution reinvestment plan. For these purposes, Class T shares shall be deemed to be "sold" if and only if a transaction has closed with a subscriber for shares pursuant to all applicable offering and subscription documents, the Company has accepted the subscription agreement of such subscriber, and such shares have been fully paid for. The Dealer affirms that the Dealer Manager's liability for commissions payable is limited solely to the proceeds of commissions receivable from the Company, and the Dealer hereby waives any and all rights to receive payment of commissions due until such time as the Dealer Manager is in receipt of the commission from the Company. In addition, as set forth in the Prospectus, the Dealer Manager may, in its sole discretion, re-allow all or a portion of its dealer manager fee to Dealers participating in the offering of Shares as marketing fees, reimbursement of costs and expenses of attending educational conferences or to defray other distribution-related expenses.

The parties hereby agree that the foregoing commission is not in excess of the usual and customary distributors' or sellers' commission received in the sale of securities similar to the Shares, that Dealer's interest in the offering is limited to such commission from the Dealer Manager and Dealer's indemnity referred to in Section 4 of the Dealer Manager Agreement, and that the Company is not liable or responsible for the direct payment of such commission to the Dealer. The Dealer Manager shall have the right to require the Dealer to provide a detailed and itemized invoice as a condition to the reimbursement of any such due diligence expenses.

The provisions of this Article V as they pertain to the stockholder servicing fee, if applicable, shall survive termination of the Dealer Manager Agreement only if such termination of the Dealer Manager Agreement is the result of a termination of the Offering."

4. **Amendment** . This Amendment may not be amended or modified except in writing signed by all parties.

5. **Governing Law** . This Amendment shall be governed by and construed in accordance with the laws of the State of California.

6. **Counterparts** . This Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute a single instrument.

[*Signature page to follow*]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date and year first above written.

COMPANY:

GRIFFIN-AMERICAN HEALTHCARE REIT IV, INC.

By: /s/ Jeffrey T. Hanson

Jeffrey T. Hanson, Chief Executive Officer

DEALER MANAGER:

GRIFFIN CAPITAL SECURITIES, LLC

By: /s/ Jeffrey S. Schwaber

Jeffrey S. Schwaber, President of Capital Markets

SOLELY WITH RESPECT TO SECTION 3.3 OF THE DEALER MANAGER AGREEMENT AND THE AMENDMENT THERETO:

ADVISOR:

GRIFFIN-AMERICAN HEALTHCARE REIT IV ADVISOR, LLC
By: American Healthcare Investors, LLC
Its: Manager

By: /s/ Jeffrey T. Hanson

Jeffrey T. Hanson, Managing Director

Exhibit 10.3

Amendment No. 1 to the Amended And Restated
Limited Partnership Agreement
of
Griffin-American Healthcare REIT IV Holdings, LP

In accordance with Section 4.2(a) and Section 14.1(a) of the Amended and Restated Limited Partnership Agreement, dated February 16, 2016 (the " **Partnership Agreement** "), of Griffin-American Healthcare REIT IV Holdings, LP, a Delaware limited partnership (the " **Partnership** "), the Partnership Agreement is hereby amended, effective June 17, 2016, by this Amendment No. 1 (this " **Amendment** ") to reflect certain changes in share classification of Griffin-American Healthcare REIT IV, Inc., a Maryland corporation (the " **General Partner** "). Capitalized terms used and not otherwise defined herein have the meanings set forth in the Partnership Agreement.

Recitals

Whereas , prior to May 25, 2016, pursuant to the Articles of Incorporation, 1,000,000,000 of the General Partner's shares were designated common stock, all of which were classified as Class T Common Stock, $0.01 par value per share (the " **Class T Common Stock** ");

Whereas , the General Partner has filed, on May 25, 2016, Articles Supplementary to reclassify 100,000,000 of authorized but unissued shares of Class T Common Stock as shares of Class I Common Stock, $0.01 par value per share, of the General Partner (the " **Class I Common Stock** "), with the preferences, rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, or terms or conditions of redemption described therein;

Whereas , the parties hereto desire to reflect certain changes in share classification and other changes by amending the Partnership Agreement by entering into this Amendment.

Amendment

Now Therefore , in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Amendments to Defined Terms** .

1.1 **Additional Defined Terms** . The following are hereby added as additional defined terms in the Partnership Agreement:

" **2015 Budget Act** " has the meaning set forth in Section 10.3(a).

" **Class Percentage Interest** " means, as to a Partner holding a class or series of Partnership Units, its interest in such class or series as determined by dividing the Partnership Units of such class or series owned by such Partner by the total number of Partnership Units of such class or series then outstanding as specified in Exhibit A attached hereto, as such Exhibit A may be amended from time to time.

" **Exchanged REIT Stock** " has the meaning set forth in Section 11.6(g).

" **General Partner's Prospectus** " means any prospectus, supplement, or other communication satisfying the standards set forth in Section 10 of the Securities Act, and contained in a currently effective registration statement filed by the General Partner with, and declared effective by, the U.S. Securities and Exchange Commission, or if no registration statement is currently effective,

then the prospectus (and any supplement or supplements thereto) contained in the most recently effective registration statement.

" **Partnership Class I Unit** " means a Partnership Unit entitling the holder thereof to the rights of a holder of a Partnership Class I Unit as provided in this Agreement.

" **Partnership Class T Unit** " means a Partnership Unit entitling the holder thereof to the rights of a holder of a Partnership Class T Unit as provided in this Agreement.

" **Partnership Percentage Interest** " means the percentage ownership interest in the Partnership of each Partner, which, except as set forth in the following sentence, shall be determined by dividing the number of Partnership Units owned by a Partner by the aggregate number of Partnership Units owned by all Partners. If the Partnership issues additional classes or series of Partnership Interest other than as contemplated herein, the interest in the Partnership among the classes or series of Partnership Interest shall be determined as set forth in the Partnership Unit Designation setting forth the rights and privileges of such additional classes or series of Partnership Interest, if any, and a Partner's Partnership Percentage Interest will mean, with respect to each class or series of Partnership Interests held by such Partner, the product of such Partner's Class Percentage Interest multiplied by the interest in the Partnership of such class or series of Partnership Interest.

" **Partnership Unit Designation** " has the meaning set forth in Section 4.1(c).

" **Received REIT Stock** " has the meaning set forth in Section 11.6(g).

" **REIT Class I Stock** " means the Common Stock classified as Class I common stock in the Articles of Incorporation.

" **REIT Class T Stock** " means the Common Stock classified as Class T common stock in the Articles of Incorporation.

" **Stockholder Servicing Fee** " has the meaning set forth in the General Partner's Prospectus.

1.2 **Amended Defined Terms** . The following definitions are hereby revised and restated:

" **Common Stock** " means a share of the common stock of the General Partner, par value $.01 per share. Common Stock may be issued in one or more classes or series in accordance with the terms of the Articles of Incorporation. The term "Common Stock" shall, as the context requires, be deemed to refer to the REIT Class I Stock, the REIT Class T Stock, or such other class or series of Common Stock that correspond to the class or series of Partnership Units for which the reference to Common Stock is made.

" **Partnership Unit** " means a unit of Partnership Interest, including the Partnership Class T Units and Partnership Class I Units, with the rights, powers and duties set forth herein, designated as such on Exhibit A and expressed in the number set forth on Exhibit A , as such exhibit may be amended from time to time. The General Partner shall designate any Partnership Units, when issued, as Partnership Class T Units, Partnership Class I Units, or such other class or series of Partnership Units as is established by the General Partner pursuant to Section 4.2 or Section 4.3 of this Agreement, which such designation shall be subject to change pursuant to Section 11.6(g).

" **Percentage Interest** " means the Class Percentage Interest or the Partnership Percentage Interest, as the context indicates.

“ **REIT Stock** ” means the Common Stock (including the REIT Class I Stock and REIT Class T Stock) and all other shares of capital stock of the General Partner.

“ **REIT Stock Amount** ” means a number of shares of REIT Stock equal to the number of, and corresponding to the class or series of, Partnership Units offered for redemption by a Redeeming Partner; provided that in the event that the General Partner issues to all holders of REIT Stock, or all holders of a class or series of REIT Stock, rights, options, warrants, or convertible or exchangeable securities entitling stockholders of the General Partner to acquire REIT Stock, or any other securities or property (collectively, the “ **rights** ”), then the REIT Stock Amount shall also include such rights that a holder of that number of shares of such class or series of REIT Stock would be entitled to receive.

“ **Value** ” means, with respect to a share of a particular class or series of REIT Stock, (a) if such class or series of REIT Stock is traded on a national securities exchange or otherwise traded over-the-counter, the average of the daily Market Price (as defined below) for shares of such REIT Stock for the ten (10) consecutive trading days immediately preceding the Valuation Date, or (b) if such class or series of REIT Stock is not traded in a manner described in clause (a), the value of a share of such REIT Stock as determined by the General Partner acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate. The “ **Market Price** ” for each such trading day shall be (i) the last reported sale price on such day or, if no sale takes place on such day, the average of the closing bid and asked prices on such day, as reported by a reliable quotation source designated by the General Partner; (ii) if no such last reported sale price or closing bid and asked prices are available, the
average of the reported high bid and low asked prices on such day, as reported by a reliable quotation source designated by the General Partner, or (iii) if there shall be no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, on the most recent day (not more than ten (10) days prior to the date in question) for which prices have been so reported. In the event the REIT Stock Amount includes rights that a holder of REIT Stock would be entitled to receive, then the Value of such rights shall be determined by the General Partner acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate.

2. **Amendments to Article 4 of the Partnership Agreement** .

2.1 Section 4.1(a) is amended by inserting “and class” before the words “of Partnership Units”

2.2 Section 4.1(c) is amended by replacing the words “in the amounts” with “in the numbers and of the class” and by inserting, at the beginning of the last sentence thereof, the following:

Except to the extent set forth in a written amendment to this Agreement adopted by the General Partner to establish a new class or series of Partnership Interest pursuant to Section 4.2 or 4.3 (a “ **Partnership Unit Designation** ”),

2.3 Section 4.3(a), clause (3) is amended by inserting “, or all holders of a class of REIT Stock,” after “(3) to all holders of REIT Stock”

2.4 Section 4.3(a)(i) is amended by replacing the parenthetical with the following:

(including, for example, the Partnership issuing to the General Partner Partnership Class T Units in the case of any issuance of REIT Class T Stock by the General Partner and the Partnership issuing to the General Partner Partnership Class I Units in the case of any issuance of REIT Class I Stock by the General Partner)

2.5 Section 4.3(b) is amended and restated as follows:

Splits. The Partnership shall (i) make a distribution in a class or series of Partnership Units to all Partners holding such class or series of Partnership Units on a pro rata basis in accordance with their respective Class Percentage Interests as of the date of such distribution, (ii) subdivide its outstanding Partnership Units of a particular class or series, or (iii) combine its outstanding Partnership Units of a class or series into a smaller number of Partnership Units, in the event the General Partner takes an analogous action with respect to the corresponding class or series of REIT Stock. The intent of the previous sentence is that one Partnership Unit remains the economic equivalent of one share of REIT Stock without dilution. If the General Partner determines that it is necessary or desirable to make any filings under the Act or otherwise in order to reference the existence of such action, the General Partner may cause such filings to be made, which filings might take the form of amendments to the Certificate; provided, however, that, unless specifically required by this Agreement or the Act after giving effect to the terms of this Agreement, no approval or consent of any Partners shall be required in connection with the making of any such filing.

2.6 Section 4.3(c) is amended by adding the following to the last line:

actually incurred and paid by the General Partner, with such expenses allocated to the applicable class or series of Partnership Units or other securities corresponding to the Securities issued by the General Partner.

3. **Amendments to Article 5 of the Partnership Agreement**.

3.1 Sections 5.1(b) and 5.1(c) are each amended by:

A. inserting the following at the beginning of the first sentence in each section:

Subject to the terms of any Partnership Unit Designation, and subject to Section 5.1(f),

B. replacing each instance of "Percentage Interest" with "Partnership Percentage Interest"

3.2 A new Section 5.1(f) is added, reading as follows:

Adjustment for Stockholder Servicing Fee and Other Class Specific Items. To the extent the payment of the Stockholder Servicing Fee reduces Available Operating Cash or Net Sales Proceeds otherwise available for distribution, such cash available for distribution shall be deemed increased by the amount of the Stockholder Servicing Fee for purposes of Sections 5.1(b) and 5.1(c), but the amount equal to the Stockholder Servicing Fee paid will reduce the distributions with respect to the Partnership Class T Units associated with the shares of REIT Class T Stock intended to be burdened by the Stockholder Servicing Fee. For example, assume the Partnership has $9,200,000 of Available Operating Cash, has 2,000,000 Partnership Class T Units and 500,000 Partnership Class I Units outstanding, and had paid, on behalf of the General Partner, $800,000 on account of the Stockholder Servicing Fee associated with REIT Class T Stock. Cash available for purposes of Section 5.1(c) will be deemed to be $10,000,000 ($9,200,000 + $800,000), which will initially get apportioned in accordance with the Partnership Percentage Interests, or $8,000,000 to the Partnership Class T Units (2,000,000 Partnership Class T Units / 2,500,000 total Partnership Units) and $2,000,000 to the Partnership Class I Units (500,000 Partnership Class I Units / 2,500,000 total Partnership Units). Thereafter, $7,200,000 ($8,000,000 less the $800,000 for the Stockholder Servicing Fee) would be distributed on account of the Partnership Class T Units (or $3.60 per Partnership Class T Unit). And $2,000,000 would be distributed on account of the

Partnership Class I Units (or $4.00 per Partnership Class I Unit). Similar adjustments to Available Operating Cash and Net Sales Proceeds, and a concomitant increase or decrease in
distributions with respect to Partnership Interests, shall be made for any other items of income, gain, loss or deduction of the General Partner that are allocable to a specific class or series Partnership Units in the manner contemplated by Section 6.1(e).

4. **Amendments to Article 6 of the Partnership Agreement** .

4.1 Section 6.1(c) is amended by inserting at the end of such section the following:

, and Partners holding a class or series of Partnership Interests that are burdened by class specific items that are not applicable to all Partnership Units within such class (such as the Stockholder Servicing Fee, which is not applicable to Partnership Class T Units corresponding to REIT Class T Shares purchased through the General Partner's dividend reinvestment plan), shall also be deemed to be a separate Partner with respect to each group of such class or series of Partnership Units.

4.2 A new Section 6.1(e) is added, reading as follows:

Special Allocation of Expense of Stockholder Servicing Fee and other Class Specific Items . If the Partnership directly or on behalf of the General Partner incurs any expense for the Stockholder Servicing Fee, such amounts shall be specially allocated among the Partnership Class T Units to correspond with their appropriate share of such expenses. To the extent that any other items of income, gain, loss or deduction of the General Partner are allocable to a specific class or series of REIT Stock as provided in the General Partner's Prospectus, such items, or an amount equal thereto, shall be specially allocated to the class or series of Partnership Units corresponding to such class or series of REIT Stock.

4.3 Section 6.2(f) is modified by inserting "6.1(e), " after "Sections 6.1(b),"

5. **Amendments to Article 8 of the Partnership Agreement** . Section 8.6(g) is amended and restated as follows:

Exercise of the Redemption Right by the General Partner . The receipt of a notice of redemption with respect to shares of REIT Stock held by stockholders of the General Partner (a " **REIT Notice** ") pursuant to the General Partner's share repurchase plan as may be in effect from time to time shall be deemed to be a Notice of Redemption Request given by the General Partner to the Partnership. The redemption by the General Partner of REIT Stock pursuant to a REIT Notice shall be deemed an exercise of the Redemption Right with respect to the class of and number of Partnership Units equal to the corresponding class and number of shares of REIT Stock identified in the REIT Notice. With respect to any Redemption Right exercised by the General Partner pursuant to this Section 8.6(g), the General Partner will elect for payment of the Redemption Amount by the Partnership to the General Partner to be the Cash Amount. Without limiting the foregoing, for example, the Partnership shall redeem from the General Partner Partnership Class T Units in connection with the repurchase by the General Partner of shares of REIT Class T Stock and shall redeem Partnership Class I Units in connection with the repurchase of shares of REIT Class I Stock.

6. **Amendment to Article 10 of the Partnership Agreement** .

6.1 Section 10.3 is relabeled "Tax Proceedings."

6.2 A new Subsection (a) is added to Section 10.3 to read as follows:

(a) Tax Matters Partner . For tax returns filed with respect to fiscal years beginning before December 31, 2017, this Section 10.3(a) shall apply, and references to Code sections in this Section 10.3(a) refer to the Code sections as in effect prior to such sections' amendment by the Bipartisan Budget Act of 2015 (P.L. 114-74) (the " **2015 Budget Act** ").

6.3 The following existing subsections of Section 10.3 shall be renumbered as follows:

Old Designation	New Designation
(a)	(a)(i)
(b)	(a)(ii)
(b)(i)	(a)(ii)(A)
(b)(i)(A)	(a)(ii)(A)(1)
(b)(i)(B)	(a)(ii)(A)(2)
(b)(ii) through (vi)	(a)(ii)(B) through (a)(ii)(F)

6.4 A new Section 10.3(b) is added to read as follows:

(b) Partnership Representative . For tax returns filed with respect to fiscal years beginning after December 31, 2017, this Section 10.3(b) shall apply, and references to Code sections in this Section 10.3(b) refer to the Code sections as in effect after taking into account the amendments provided by the 2015 Budget Act. The General Partner shall take such reasonable actions as it believes will enhance the avoidance of the application to the Partnership of the provisions of Sections 6221 through 6241 of the Code. If, however, such provisions do apply to the Partnership, the General Partner shall also act as the "partnership representative" for purposes of said Sections 6221 through 6241 of the Code. Each Partner hereby consents to the General Partner serving as the partnership representative and agrees upon request of the General Partner to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such further documents as may be necessary or appropriate to evidence such consent. The partnership representative will be authorized to represent the Partnership (at the Partnership's expense) in connection with all examinations of the Partnership's affairs by tax authorities, including resulting administrative and judicial proceedings, and to (i) sign consents, enter into settlement and other agreements with such authorities with respect to any such examinations or proceedings and (ii) expend the Partnership's funds for professional services incurred in connection therewith. In such event, the partnership representative shall duly and timely elect under Section 6226 of the Code to require each Person who was a Partner during the taxable year of Partnership that was audited to personally bear any tax, interest and penalty resulting from adjustments based on such audit and shall notify each such Person (and the Internal Revenue Service) of their share of such audit adjustments and, if for any reason, the Partnership is liable for a tax, interest, addition to tax or penalty as a result of such an audit, each Person who was a Partner during the taxable year of the Partnership that was audited, even if such Person is no longer a Partner (unless a Substituted Limited Partner has agreed to bear such liability in an appropriate document evidencing a Transfer), shall pay to the Partnership an amount equal to such Person's proportionate share of such liability, as determined by the General Partner, based on the amount each such Person should have borne (computed at the tax rate used to compute the Partnership's liability) had the Partnership's tax return for such taxable year reflected the audit adjustment, and the expense for the Partnership's payment of such tax, interest, addition to tax and penalty shall be specially allocated to such Persons (or their successors) in such proportions.

7. **Amendments to Article 11 of the Partnership Agreement** . A new Section 11.6(g) is added, reading as follows:

Exchange, Reclassification, or Redesignation of REIT Stock. If the General Partner exchanges, reclassifies, or redesignates any shares of REIT Stock of any class ("Exchanged REIT Stock") for shares of REIT Stock of a different class ("Received RE **IT Stock** "), then the General Partner shall, and shall cause the Partnership to, exchange, reclassify, or redesignate a number of Partnership Units having the same class designation as the Exchanged REIT Stock, for Partnership Units having the same class designation as the Received REIT Stock on the same terms, to the extent applicable, that the General Partner exchanged, reclassified, or redesignated the Exchanged REIT Stock. Such exchange, reclassification, or redesignation of Partnership Units shall occur automatically after the close of business on the applicable date of the exchange, reclassification, or redesignation of shares of REIT Stock, as of which time the holder of class of Partnership Units having the same designation as the Exchanged REIT Stock shall be credited on the books and records of the Partnership with the issuance, as of the opening of business on the next day, of the applicable number of Partnership Units having the same designation as the Received REIT Stock.

8. **Continuation of Partnership Agreement** . The Partnership Agreement and this Amendment shall be read together and shall have the same force and effect as if the provisions of the Partnership Agreement and this Amendment were contained in one document. Any provisions of the Partnership Agreement not amended by this Amendment shall remain in full force and effect as provided in the Partnership Agreement immediately prior to the date hereof. In the event of a conflict between the provisions of this Amendment and the Partnership Agreement, the provisions of this Amendment shall control.

[Signature Page Follows]

In Witness Whereof , the parties hereto have executed this Amendment to the Partnership Agreement as of the 17th day of June, 2016.

GENERAL PARTNER :

Griffin-American Healthcare REIT IV, Inc., a Maryland corporation

/s/ Jeffrey T. Hanson

By: Jeffrey T. Hanson
Title: Chief Executive Officer

INITIAL LIMITED PARTNER/ADVISOR :

Griffin-American Healthcare REIT IV Advisor, LLC, a Delaware limited liability company

By: American Healthcare Investors, LLC

Its: Manager

/s/ Jeffrey T. Hanson

By: Jeffrey T. Hanson
Title: Managing Director

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jeffrey T. Hanson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Griffin-American Healthcare REIT IV, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) [Reserved.]

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 10, 2016	By:	/s/ JEFFREY T. HANSON
Date		Jeffrey T. Hanson
		Chief Executive Officer and Chairman of the Board of Directors
		(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Brian S. Peay, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Griffin-American Healthcare REIT IV, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) [Reserved.]

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 10, 2016	By:	/s/ BRIAN S. PEAY
Date		Brian S. Peay Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Griffin-American Healthcare REIT IV, Inc., or the Company, hereby certifies, to his knowledge, that:

(1) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2016 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 10, 2016	By:	/s/ JEFFREY T. HANSON
Date		Jeffrey T. Hanson
		Chief Executive Officer and Chairman of the Board of Directors
		(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Griffin-American Healthcare REIT IV, Inc., or the Company, hereby certifies, to his knowledge, that:

(1) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2016 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 10, 2016	By:	/s/ BRIAN S. PEAY
Date		Brian S. Peay
		Chief Financial Officer
		(Principal Financial Officer and Principal Accounting Officer)