

# AMERICAN HEALTHCARE REIT, INC.

## **FORM 8-K** (Current report filing)

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Address	18191 VON KARMAN AVENUE SUITE 300 IRVINE, CA, 92612
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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): **March 7, 2017**

**Griffin-American Healthcare REIT IV, Inc.**

(Exact name of registrant as specified in its charter)

**Maryland**

(State or other jurisdiction  
of incorporation)

**333-205960 (1933 Act)**

(Commission  
File Number)

**47-2887436**

(I.R.S. Employer  
Identification No.)

**18191 Von Karman Avenue, Suite 300  
Irvine, California**

(Address of principal executive offices)

**92612**

(Zip Code)

Registrant's telephone number, including area code: **(949) 270-9200**

**Not Applicable**

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **Item 1.01 Entry into a Material Definitive Agreement.**

### ***Reno MOB Amendment to Purchase Agreement***

As previously reported in our Current Report on Form 8-K filed on February 17, 2017, we, through GAHC4 Reno NV MOB, LLC, our wholly owned subsidiary, entered into an Agreement of Purchase and Sale and Joint Escrow Instructions, or the Purchase Agreement, with Arlington Medical Properties, LLC, or seller, and Universal Health Realty Income Trust, as seller guarantor, for the purchase of seller's leasehold interest in Reno MOB, located in Reno, Nevada, for a purchase price of \$66,250,000, plus closing costs.

On March 8, 2017, we entered into a First Amendment to Agreement of Purchase and Sale and Joint Escrow Instructions, or the First Amendment, with seller, seller guarantor and First American Title Insurance Company, as escrow agent. The material terms of the First Amendment provide for: (i) seller's representation and warranty regarding (a) Dignity Health's original guaranty of Prime Healthcare Services – Reno, LLC's, or ground lessor, obligations under the Hospital Leases, as defined in the Purchase Agreement; and (b) clarification of the Off-Site Improvements defined in the ground lease between seller and ground lessor; (ii) seller's obligation to provide us with proof of payment of certain fees in full prior to closing; and (iii) written notice to seller that we do not elect to assume any service contracts except as otherwise set forth in the First Amendment.

The material terms of the agreement discussed above are qualified in their entirety by the First Amendment attached as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

## **Item 8.01 Other Events.**

### ***Distributions***

On March 7, 2017, our board of directors authorized a daily distribution to our Class T and Class I stockholders of record as of the close of business on each day of the period commencing on April 1, 2017 and ending on June 30, 2017.

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 common stock. These distributions will be aggregated and paid in cash or shares of our common stock pursuant to our distribution reinvestment plan monthly in arrears. The distributions declared for each record date in the April 2017, May 2017 and June 2017 periods will be paid in May 2017, June 2017 and July 2017, respectively, only from legally available funds.

### ***Acquisition of Battle Creek MOB***

On March 10, 2017, we acquired Battle Creek MOB from Battle Creek Office Development Enterprises, L.L.C., an unaffiliated third party, for \$7,300,000, plus closing costs. We financed the purchase of Battle Creek MOB using cash on hand. In connection with the acquisition of Battle Creek MOB, we paid to Griffin-American Healthcare REIT IV Advisor, LLC, our advisor, a base acquisition fee of approximately \$164,000, or 2.25% of the contract purchase price of Battle Creek MOB. Additionally, as described more fully in the prospectus for our initial public offering, we have accrued for a contingent advisor payment of approximately \$164,000, or 2.25% of the contract purchase price of the property, which shall be paid to our advisor, subject to the satisfaction of certain conditions.

Battle Creek MOB is a two-story medical office building located in Battle Creek, Michigan that consists of approximately 46,000 square feet and is currently approximately 97% leased to nine tenants, including Ambulatory Surgery Associates, LLC (doing business as Brookside Surgery Center), Southwest Michigan Eye Center, PLC and Great Lakes Plastic Reconstructive & Hand Surgery, PC. Medical services provided at Battle Creek MOB include general surgery, gynecology, hand surgery, ophthalmology, otolaryngology, orthopedics, pain management, plastic surgery, podiatry and urology.

On March 13, 2017, American Healthcare Investors, LLC, one of our co-sponsors and the managing member of our advisor, issued a press release announcing our acquisition of Battle Creek MOB. A copy of the press release, which is hereby incorporated into this filing in its entirety, is attached to this Current Report on Form 8-K as Exhibit 99.1.

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**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

Exhibit No.	Description
10.1	First Amendment to Agreement of Purchase and Sale and Joint Escrow Instructions by and among Arlington Medical Properties, LLC, Universal Health Realty Income Trust, GAHC4 Reno NV MOB, LLC and First American Title Insurance Company, dated March 8, 2017
99.1	American Healthcare Investors, LLC Press Release, dated March 13, 2017

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

*March 13, 2017*

Griffin-American Healthcare REIT IV, Inc.

By: /s/ Jeffrey T. Hanson  
*Name: Jeffrey T. Hanson*  
*Title: Chief Executive Officer*

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## Exhibit Index

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99.1	American Healthcare Investors, LLC Press Release, dated March 13, 2017

**FIRST AMENDMENT TO AGREEMENT OF PURCHASE AND SALE  
AND JOINT ESCROW INSTRUCTIONS**

THIS FIRST AMENDMENT TO AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (“First Amendment”) is made and entered into effective as of this 8<sup>th</sup> day of March, 2017, by and among ARLINGTON MEDICAL PROPERTIES, LLC, an Arizona limited liability company (“Seller”), UNIVERSAL HEALTH REALTY INCOME TRUST, a Maryland real estate investment trust (“Seller Guarantor”), GAHC4 RENO NV MOB, LLC, a Delaware limited liability company (“Buyer”), and FIRST AMERICAN TITLE INSURANCE COMPANY (“Escrow Agent”).

Recitals

**WHEREAS**, Seller, Seller Guarantor and Buyer entered into that certain Agreement of Purchase and Sale and Joint Escrow Instructions, dated as of February 16, 2017 (the “Purchase Agreement”); and

**WHEREAS**, Seller, Seller Guarantor and Buyer seek to amend the Purchase Agreement as set forth below.

Agreement

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

1. Recitals. The recitals set forth above are true and correct and are hereby incorporated in their entirety. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement.

2. Seller’s Representations and Warranties. Paragraph 13 of the Purchase Agreement is hereby amended by inserting the following new Sections 13.17 and 13.18, which read in their entirety as follows:

13.17 Hospital Lease Guaranties. The Ground Lessor’s obligations under the Hospital Leases were originally guaranteed by Dignity Health, a California nonprofit public benefit corporation, formerly known as Catholic Healthcare West (“Dignity”). To Seller’s knowledge, Dignity has not been released from its guaranty obligations under the Hospital Leases. Seller has not received any written notice of revocation or termination of the Dignity guaranties of the Hospital Leases.

13.18 Offsite Improvements. To Seller’s knowledge, the “Off-Site Improvements” as defined in the Ground Lease are the same as the “Common Facilities” and “Building Off-Site Support Improvements” defined in the Declaration of Restrictive Covenants and Easements, made by Saint Mary’s Health Care Corporation as “Declarant,” and recorded November 21, 2003, as Document #2957334 in the Office of the Washoe County Recorder.

3. Proof of Payment. Seller shall provide to Buyer satisfactory evidence on or before Closing that the March 1, 2017, rent payment under the Ground Lease, and the 2016 emergency generator fees under the Utility Services Agreement between Seller and Ground Lessor, were paid in full prior to Closing.

4. Service Contracts. This First Amendment shall serve as written notice to Seller pursuant to Section 14.2 of the Purchase Agreement that Buyer does not elect to assume any Service Contracts, other than the Service Contract with Otis Elevator.

5. Ratifications. Except as specifically herein amended, all terms, provisions, conditions and exhibits contained in the Purchase Agreement are hereby confirmed, ratified and restated and shall remain unmodified and in full force and effect. In the event that any provision of this First Amendment shall conflict with the terms, provisions, conditions, and exhibits of the Purchase Agreement, the terms of this First Amendment shall govern and control.

6. Counterparts; Signatures. This First Amendment may be executed in any number of counterparts and by each of the undersigned on separate counterparts, and each such counterpart shall be deemed to be an original, but all such counterparts when taken together shall constitute but one and the same First Amendment. Signatures to this First Amendment transmitted in .pdf (portable document format) via electronic mail or other electronic means shall be treated as originals in all respects for purposes of this First Amendment. Seller and Buyer further agree that the acknowledgement of this First Amendment by Seller Guarantor and Escrow Agent are not required for this First Amendment to be binding and effective as between Seller and Buyer.

7. Successors and Assigns. This First Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

{Signatures appear on the following pages}



IN WITNESS WHEREOF, the parties have executed this First Amendment as of the date indicated in the preamble above.

**BUYER :**

**GAHC4 RENO NV MOB, LLC** ,  
a Delaware limited liability company

By: GAHC4 RENO NV MOB Sole Member, LLC,  
a Delaware limited liability company

Its: Sole Member

By: Griffin-American Healthcare REIT IV Holdings,  
LP, a Delaware limited partnership

Its: Sole Member

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

Its: General Partner

By: /s/ Danny Prosky

Name: Danny Prosky

Title: President and Chief Operating Officer

[ *Signature Page to First Amendment – Signatures Continue on Following Pages* ]

**SELLER:**

ARLINGTON MEDICAL  
PROPERTIES, LLC, an Arizona limited liability company

By: Universal Health Realty Income  
Trust, a Maryland real estate  
investment trust, its member

By: /s/ Cheryl Ramagano  
Name: Cheryl Ramagano  
Title: VP and Treasurer

**SELLER GUARANTOR:**

UNIVERSAL HEALTH REALTY INCOME  
TRUST, a Maryland real estate investment  
trust

By: /s/ Cheryl Ramagano  
Name: Cheryl Ramagano  
Title: VP and Treasurer

[ *Signature Page to First Amendment – Signatures Continue on Following Page* ]

The undersigned Escrow Agent acknowledges the foregoing First Amendment:

DATED: March 8, 2017

**FIRST AMERICAN TITLE  
INSURANCE COMPANY**

By: /s/ Sarah Buvala  
Name: Sarah Buvala  
Its: Escrow Agent

*[Signature Page to First Amendment-End of Signatures]*



**Contact:** Damon Elder  
 Spotlight Marketing Communications  
 (949) 427-5172 ext. 702  
 damon@spotlightmarcom.com

## **Griffin-American Healthcare REIT IV Acquires Medical Office Building in Battle Creek, MI**

BATTLE CREEK, MI (March 13, 2017) – American Healthcare Investors and Griffin Capital Company, LLC, the co-sponsors of Griffin-American Healthcare REIT IV, Inc., announced today that the REIT has acquired Battle Creek Medical Office Building, an approximately 46,000-square-foot property located on 7.34 acres of land in Battle Creek, Michigan.

This multi-tenant medical office building is currently approximately 97 percent leased and anchored by Ambulatory Surgery Associates, LLC (doing business as Brookside Surgery Center), which recently signed a new lease and occupies approximately 14,000 square feet, or 31 percent of gross leasable area, through 2027. Brookside Surgery Center has invested approximately \$1.2 million in tenant improvements at the property and has made other significant non-real estate-related investments to their business. The remaining leaseholders include a variety of complementary medical tenants, most of whom are on lengthy triple-net leases.

Battle Creek Medical Office Building is strategically located in the midst of a medical office park adjacent to the newly completed 65,000-square-foot Borgess Health Park. Located on the edge of a burgeoning commercial and residential area, it houses a range of medical practices, sharing common spaces to offer a variety of different health services for an expanding community. Medical services and uses include: outpatient surgical procedures in general surgery, gynecology, hand surgery, ophthalmology, otolaryngology, orthopedics, pain management, plastic surgery, podiatry and urology.

“This is an attractive acquisition that expands the Griffin-American Healthcare REIT IV portfolio and extends our reach in the state of Michigan,” said Stefan Oh, executive vice president of acquisitions for American Healthcare Investors and Griffin-American Healthcare REIT IV. “The property holds a Certificate of Need for Brookside Surgery Center and is in close proximity to Bronson Hospital – Battle Creek and Borgess Health Park, which both may help to ensure the long term stability of the investment.”

Griffin-American Healthcare REIT IV financed the acquisition using cash on hand.

Griffin-American Healthcare REIT IV purchased its first property in June 2016 and has since acquired a portfolio of 13 medical office buildings and senior housing facilities for an aggregate contract purchase price of approximately \$146 million.

### **About American Healthcare Investors, LLC**

American Healthcare Investors is an investment management firm that specializes in the acquisition and management of healthcare-related real estate. One of the world’s largest managers of healthcare real estate, the company oversees an approximately 29 million-square-foot portfolio valued at more than \$8.1 billion, based on aggregate purchase price, on behalf of multiple investment programs that include thousands of individual and institutional investors. As of December 31, 2016, this international portfolio includes more than 600 buildings comprised of medical office buildings, hospitals, senior housing, skilled nursing facilities and integrated senior health campuses located throughout the United States and the United Kingdom. The company and its principals have completed approximately \$25 billion in aggregate acquisition and disposition transactions, approximately \$15 billion of which have been healthcare-related. American Healthcare Investors is committed to providing investors with access to the potential benefits that healthcare-related real estate ownership can provide. For more information regarding American Healthcare Investors, please visit [www.AmericanHealthcareInvestors.com](http://www.AmericanHealthcareInvestors.com).

**About Griffin-American Healthcare REIT IV, Inc.**

Griffin-American Healthcare REIT IV intends to build a balanced and diversified portfolio of healthcare real estate assets, focusing primarily on medical office buildings, hospitals, skilled nursing facilities, senior housing and other healthcare-related facilities. Griffin-American Healthcare REIT IV also seeks to provide: portfolio diversification, preservation of capital, monthly distributions and capital appreciation by increasing the value of its properties for its stockholders. Griffin-American Healthcare REIT IV intends to elect to be taxed as a REIT for federal income tax purposes beginning with its taxable year ended December 31, 2016, and it intends to continue to qualify to be taxed as a REIT. The REIT is co-sponsored by American Healthcare Investors and Griffin Capital Company, LLC. For more information regarding Griffin-American Healthcare REIT IV, please visit [www.healthcarereitiv.com](http://www.healthcarereitiv.com).

**About Griffin Capital Company, LLC**

Griffin Capital Company, LLC (“Griffin Capital”) is a privately-held, Los Angeles headquartered investment and asset management company with a 21-year track record sponsoring real estate investment vehicles and managing institutional capital. Led by senior executives with more than two decades of real estate experience who have collectively closed transactions representing over \$22 billion in value, Griffin Capital and its affiliates have acquired or constructed approximately 58.4 million square feet of space since 1995. Griffin Capital and its affiliates own, manage, sponsor and/or co-sponsor a portfolio consisting of approximately 42 million square feet of space, located in 30 states and the United Kingdom, representing approximately \$7.3\* billion in asset value, based on purchase price, as of December 31, 2016. Additional information about Griffin Capital is available at [www.griffincapital.com](http://www.griffincapital.com).

\*Includes the property information related to interests held in certain joint ventures.

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*This release contains certain forward-looking statements, including statements with respect to the market conditions in Battle Creek, Michigan, the tenants at Battle Creek Medical Office Building, the attractiveness of Battle Creek Medical Office Building and expansion of the company's portfolio. Because such statements include risks, uncertainties and contingencies, actual results may differ materially from those expressed or implied by such forward-looking statements. These risks, uncertainties and contingencies include, but are not limited to, the following: the uncertainties relating to the medical needs and local economy of Battle Creek, Michigan; the strength and financial condition of Battle Creek Medical Office Building and its tenants; the ability of Battle Creek Medical Office Building to maintain its Certificate of Need; the uncertainties relating to changes in general economic and real estate conditions; the uncertainties regarding changes in the healthcare industry; the uncertainties relating to the implementation of Griffin-American Healthcare REIT IV's real estate investment strategy; and other risk factors as detailed from time to time in Griffin-American Healthcare REIT IV's periodic reports, as filed with the Securities and Exchange Commission. Forward-looking statements in this document speak only as of the date on which such statements were made, and we undertake no obligation to update any such statements that may become untrue because of subsequent events.*