

# AMERICAN HEALTHCARE REIT, INC.

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

Filed 05/12/17 for the Period Ending 05/08/17

Address	18191 VON KARMAN AVENUE SUITE 300 IRVINE, CA, 92612
Telephone	949-270-9200
CIK	0001632970
SIC Code	6798 - Real Estate Investment Trusts
Industry	Specialized REITs
Sector	Financials
Fiscal Year	12/31

**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): **May 8, 2017**

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

(Exact name of registrant as specified in its charter)

**Maryland**

(State or other jurisdiction  
of incorporation)

**000-55775**

(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 1.01 Entry into a Material Definitive Agreement.*****SW Illinois Senior Housing Portfolio Purchase Agreement***

As previously reported in our Current Reports on Form 8-K filed on March 17, 2017 and April 24, 2017, we, through GAHC4 SW Illinois Senior Housing Portfolio, LLC, our wholly owned subsidiary, entered into a Purchase and Sale Agreement, or the Purchase Agreement, and a First Amendment to Purchase and Sale Agreement, respectively, with A&M Property Holding, LLC, or seller, and Garden Place, LLC, or operator, for the purchase of certain Real Property Assets, as defined in the Purchase Agreement, in connection with five senior housing facilities located in Columbia, Millstadt, Red Bud and Waterloo, Illinois, or collectively, SW Illinois Senior Housing Portfolio, for an aggregate contract purchase price of \$31,800,000, plus closing costs, and to amend certain terms of the Purchase Agreement.

On May 8, 2017, we entered into a Second Amendment to Purchase and Sale Agreement, or the Second Amendment, with seller and operator. The material terms of the Second Amendment provide for an extension of the Due Diligence Period, as defined in the Purchase Agreement, to 6:00 p.m. pacific time on May 10, 2017.

On May 10, 2017, we entered into a Third Amendment to Purchase and Sale Agreement, or the Third Amendment, with seller and operator. The material terms of the Third Amendment provide for: (i) the deletion and replacement of the legal description of the Land, as defined in the Purchase Agreement; and (ii) seller's obligation to deliver additional documents to us at closing, as specified in the Third Amendment, as a condition precedent to closing; provided, however, that the failure of this condition precedent shall not entitle us to recover our closing costs following a termination of the Purchase Agreement.

***SW Illinois Senior Housing Portfolio Closing Agreement***

As previously reported in our Current Report on Form 8-K filed on March 17, 2017, in connection with the execution of the Purchase Agreement, we, through GAHC4 SW Illinois Senior Housing Portfolio, LLC, entered into a closing agreement, or Closing Agreement, with CSL-Illinois I, LLC, or CSL, the future operator of SW Illinois Senior Housing Portfolio.

On May 10, 2017, we entered into a First Amendment to Closing Agreement, or the CSL First Amendment, with CSL. The material terms of the CSL First Amendment provide for an agreement between us and CSL that the documents listed in and attached to the CSL First Amendment are in the form agreed to by each party, and shall be used in connection with the closing.

The material terms of the amendments discussed above are qualified in their entirety by the Second Amendment, Third Amendment and CSL First Amendment attached as Exhibits 10.1, 10.2 and 10.3, respectively, to this Current Report on Form 8-K and incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

Exhibit No.	Description
10.1	Second Amendment to Purchase and Sale Agreement by and between GAHC4 SW Illinois Senior Housing Portfolio, LLC, A&M Property Holding, LLC and Garden Place, LLC, dated May 8, 2017
10.2	Third Amendment to Purchase and Sale Agreement by and between GAHC4 SW Illinois Senior Housing Portfolio, LLC, A&M Property Holding, LLC and Garden Place, LLC, dated May 10, 2017
10.3	First Amendment to Closing Agreement by and between GAHC4 SW Illinois Senior Housing Portfolio, LLC and CSL-Illinois I, LLC, dated May 10, 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.

Griffin-American Healthcare REIT IV, Inc.

*May 12, 2017*

By: /s/ Jeffrey T. Hanson

Name: *Jeffrey T. Hanson*

Title: *Chief Executive Officer*

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## Exhibit Index

Exhibit No.	Description
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10.2	Third Amendment to Purchase and Sale Agreement by and between GAHC4 SW Illinois Senior Housing Portfolio, LLC, A&M Property Holding, LLC and Garden Place, LLC, dated May 10, 2017
10.3	First Amendment to Closing Agreement by and between GAHC4 SW Illinois Senior Housing Portfolio, LLC and CSL-Illinois I, LLC, dated May 10, 2017

**SECOND AMENDMENT TO  
PURCHASE AND SALE AGREEMENT**

THIS SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "Amendment") is made and entered into effective as of the 8<sup>th</sup> day of May, 2017, GAHC4 SW ILLINOIS SENIOR HOUSING PORTFOLIO, LLC, a Delaware limited liability company ("Buyer"), and A&M PROPERTY HOLDING, LLC, an Illinois limited liability company ("Seller") and GARDEN PLACE, LLC, an Illinois limited liability company (the "Operator").

WITNESSETH:

Buyer, Seller and Operator entered into that certain Purchase and Sale Agreement effective as of March 13, 2017 as amended by that certain First Amendment to Purchase and Sale Agreement effective as of April 18, 2017 (collectively, the "Purchase Agreement"). Capitalized terms not defined herein shall have the meaning given to them in the Purchase Agreement. Buyer, Seller and Operator desire to amend the Purchase Agreement as herein set forth.

**NOW, THEREFORE**, for Ten and No/100 Dollars (\$10.00) in hand paid and in consideration of the covenants and agreements herein contained, the adequacy and sufficiency of which are hereby acknowledged by the parties, the parties hereto mutually agree as follows:

1. Due Diligence Period. Section 1(g) of the Purchase Agreement is hereby amended to extend the Due Diligence Period so that it shall end at 6:00 pm pacific time on May 10, 2017.
2. Full Force and Effect. Except as specifically provided herein, the Purchase Agreement is unchanged and remains in full force and effect.
3. Counterparts; Facsimile Execution. This Amendment may be executed in several counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement. This Amendment may be executed and delivered via telephonic or electronic facsimile or PDF transmission.

*[Signatures on following page]*

IN WITNESS WHEREOF , Buyer and Seller have executed this Agreement effective as of the day and year first set forth above.

<p><b>“SELLER”</b></p> <p><b>A&amp;M PROPERTY HOLDING, LLC,</b> an Illinois limited liability company</p> <p>By: <u> /s/ Brian W. Mueller</u> Brian W. Mueller Title: Manager</p>	<p><b>“BUYER”</b></p> <p><b>GAHC4 SW Illinois Senior Housing Portfolio, LLC,</b> a Delaware limited liability company</p> <p>By: <u> /s/ Mathieu Streiff</u> Name: <u> Mathieu Streiff</u> Its: <u> Authorized Signatory</u></p>
<p><b>“OPERATOR”</b></p> <p><b>GARDEN PLACE, LLC,</b> an Illinois limited liability company</p> <p>By: <u> /s/ Brian W. Mueller</u> Brian W. Mueller Title: Manager</p>	

[ Signature page to Amendment to Purchase and Sale Agreement ]

**THIRD AMENDMENT TO  
PURCHASE AND SALE AGREEMENT**

THIS THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT (this “Amendment”) is made and entered into effective as of the 10<sup>th</sup> day of May, 2017, GAHC4 SW ILLINOIS SENIOR HOUSING PORTFOLIO, LLC, a Delaware limited liability company (“Buyer”), and A&M PROPERTY HOLDING, LLC, an Illinois limited liability company (“Seller”) and GARDEN PLACE, LLC, an Illinois limited liability company (the “Operator”).

WITNESSETH:

Buyer, Seller and Operator entered into that certain Purchase and Sale Agreement effective as of March 13, 2017 (as previously amended, the “Purchase Agreement”). Capitalized terms not defined herein shall have the meaning given to them in the Purchase Agreement. Buyer, Seller and Operator desire to amend the Purchase Agreement as herein set forth.

**NOW, THEREFORE**, for Ten and No/100 Dollars (\$10.00) in hand paid and in consideration of the covenants and agreements herein contained, the adequacy and sufficiency of which are hereby acknowledged by the parties, the parties hereto mutually agree as follows:

1. Property Legal Descriptions. When the parties executed the Purchase Agreement, they did not know with certainty the legal description of the Land, and therefore the parties elected to attach an incomplete Exhibit A to the Purchase Agreement. With the legal description of the Land now known and agree to by the parties, Exhibit A to the Purchase Agreement is hereby deleted and replaced by the Exhibit A attached to this Amendment.
2. Additional Closing Documents/Deliverables. In addition to the documents listed in Section 10(a) of the Purchase Agreement, Seller shall deliver the following at Closing (and the same shall be deemed to be included among the items referenced in Section 14(b) of the Purchase Agreement), provided that the failure of this condition precedent shall not give rise to the right of Purchaser to recover its closing costs following a termination of the Purchase Agreement:
  - a. Operating Agreements Amendment: An amendment to Section 9.1 of the operating agreement of each of Seller and Operating in the form previously presented to Purchaser and approved by Purchaser, which amendment removes therefrom the language dissolving the companies upon the “sale or other disposition of substantially all of the assets of the Company and the receipt and distribution of all the proceeds therefrom.”
  - b. For Garden Place of Columbia:
    - i. Annexation: Seller will deliver a recordable copy of the annexation ordinance referenced in communications concerning Purchaser’s Objection to Exception #21 of the Title Report, along with any other document required by Title Insurer to fully effectuate the annexation;



ii. Termination of Indemnity: Seller will deliver a recordable, fully executed original of the draft agreement previously circulated and approved by Purchaser and Title Insurer providing for the termination of Exception # 23 of the Title Report as an encumbrance against the Property; and

c. For Garden Place at Millstadt:

i. Termination of Utility Rights: Seller will deliver a fully executed, recordable agreement terminating the utility easement rights referenced in Exception 14 of the Title Report relating to the area located beneath the Facility, in form and substance acceptable to Title Insurer and Purchaser such that Title Insurer will remove same from the commitment; and

d. For Garden Place at Red Bud:

i. Easement Termination: Seller will deliver a fully executed, recordable release and termination of the easement agreement referenced in Exception 17 of the Title Report in form and substance acceptable to Title Insurer and Purchaser such that Title Insurer will remove same from the commitment, or which terminates the easement to the extent located beneath the Facility constructed on said Property and contains the easement to unimproved portions thereof; and

e. For Reflections at Garden Place: Seller will deliver the fully executed shed encroachment easement agreement in form and substance previously approved by Purchaser.

3. Full Force and Effect. Except as specifically provided herein, the Purchase Agreement is unchanged and remains in full force and effect.

4. Counterparts; Facsimile Execution. This Amendment may be executed in several counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement. This Amendment may be executed and delivered via telephonic or electronic facsimile or PDF transmission.

*[Signatures on following page]*

IN WITNESS WHEREOF , Buyer and Seller have executed this Amendment effective as of the day and year first set forth above.

<p><b>“SELLER”</b></p> <p><b>A&amp;M PROPERTY HOLDING, LLC,</b> an Illinois limited liability company</p> <p>By: <u> /s/ Brian W. Mueller</u> Brian W. Mueller Title: Manager</p>	<p><b>“BUYER”</b></p> <p><b>GAHC4 SW Illinois Senior Housing Portfolio, LLC,</b> a Delaware limited liability company</p> <p>By: <u> /s/ Mathieu Streiff</u> Name: Mathieu Streiff Its: <u> Authorized Signatory</u></p>
<p><b>“OPERATOR”</b></p> <p><b>GARDEN PLACE, LLC,</b> an Illinois limited liability company</p> <p>By: <u> /s/ Brian W. Mueller</u> Brian W. Mueller Title: Manager</p>	

[ Signature page to Amendment to Purchase and Sale Agreement ]

**FIRST AMENDMENT TO  
CLOSING AGREEMENT**

THIS FIRST AMENDMENT TO CLOSING AGREEMENT (this “Amendment”) is made and entered into effective as of the 10<sup>TH</sup> day of May, 2017 by and between GAHC4 SW Illinois Senior Housing Portfolio, LLC, a Delaware limited liability company (“Griffin”) and CSL-Illinois I, LLC, an Oregon limited liability company (“CSL”).

RECITALS

A. Griffin, A&M Property Holdings, LLC, an Illinois limited liability company (“Seller”) and Garden Place, LLC, an Illinois limited liability company (the “Operator”) are parties to that certain Purchase and Sale Agreement dated as of March 13, 2017 (as amended, the “PSA”) pursuant to which Seller and Operator have agreed to sell to Griffin, and Griffin has agreed to purchase from Seller and Operator, the Real Property Assets (as such term is defined in the PSA), including the five (5) facilities as more particularly described in the PSA.

B. in conjunction with the PSA, Griffin and CSL entered into that certain Closing Agreement dated as of March 13, 2017 (the “Closing Agreement”) pursuant to which the parties stated their desire to reach an agreement regarding the form and substance of certain other documents to be executed and delivered at Closing; and

C. Griffin and CSL have now reached an agreement on the form and substance of certain documents to be executed at Closing and desire to amend the Closing Agreement to incorporate such documents into the Closing Agreement through this Amendment. Capitalized terms not defined herein shall have the meaning given to them in the Closing Agreement.

**NOW, THEREFORE**, for Ten and No/100 Dollars (\$10.00) in hand paid and in consideration of the covenants and agreements herein contained, the adequacy and sufficiency of which are hereby acknowledged by the parties, the parties hereto mutually agree as follows:

1. Required Closing Documents. Griffin and CSL hereby agree that the documents listed below and attached to this Amendment as the stated Exhibits are in the form agreed to by the parties and that these forms shall be used in connection with the Closing:

- Exhibit A – Master Lease
- Exhibit B – Guaranty of Master Lease
- Exhibit C – Subordination of Management Agreement
- Exhibit D – Security Agreement

2. Full Force and Effect. Except as specifically provided herein, the Closing Agreement is unchanged and remains in full force and effect.

3. Counterparts; Facsimile Execution. This Amendment may be executed in several counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement. This Amendment may be executed and delivered via telephonic or electronic facsimile or PDF transmission.

*[Signatures on following pages]*

**CSL SIGNATURE PAGE**

IN WITNESS WHEREOF, the parties have duly executed this Amendment on the date and year first above written.

**CSL :**

CSL-Illinois I, LLC, an Oregon limited liability  
company

By: Compass Senior Living, LLC,  
its Manager

By: /s/ Will Forsyth  
Name: Will Forsyth  
Its: VP/General Counsel

By executing this Amendment, the undersigned hereby agrees to be bound by the terms and conditions hereof.

**MANAGER :**

Compass Senior Living, LLC, an Oregon limited  
liability company

By: /s/ Will Forsyth  
Name: Will Forsyth  
Its: VP/General Counsel

[ *Signature page to First Amendment to Closing Agreement* ]

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**GRIFFIN SIGNATURE PAGE**

IN WITNESS WHEREOF, the parties have duly executed this Amendment on the date and year first above written.

**GRIFFIN:**

GAHC4 SW Illinois Senior Housing Portfolio, LLC,  
a Delaware limited liability company,

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/ Mathieu Streiff  
Name: Mathieu Streiff  
Its: Executive Vice President and  
General Counsel

[ *Signature page to First Amendment to Closing Agreement* ]