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VENTAS INC
Form 8-K
November 26, 2002

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):
November 25, 2002

VENTAS, INC.

(Exact name of registrant as specified in its charter)

| | | |
|---|---|---|
| Delaware ----- (State or other jurisdiction of incorporation) | 1-10989 ----- (Commission File Number) | 61-1055020 ----- (IRS Employer Identification No.) |
|---|---|---|

| | |
|--|-----------------------------------|
| 4360 Brownsboro Road, Suite 115, Louisville, Kentucky ----- (Address of principal executive offices) | 40207-1642 ----- (Zip Code) |
|--|-----------------------------------|

(502) 357-9000

(Registrant's telephone number, including area code)

Item 5. Other Events.

On November 25, 2002, Ventas, Inc. (the "Company"), together with Ventas TRS, LLC, a newly formed, wholly owned indirect subsidiary of the Company ("Ventas TRS"), and certain of the Company's other subsidiaries executed (i) a Supplemental Indenture (the "2009 Supplemental Indenture") relating to the 8 3/4% Senior Notes due 2009 (the "2009 Notes") of Ventas Realty, Limited Partnership ("Ventas Realty") and Ventas Capital Corporation ("Ventas Capital"), which supplements the Indenture (the "2009 Indenture"), dated as of April 17, 2002, by and among Ventas Realty and Ventas Capital, as Issuers, the Company and Ventas LP Realty, L.L.C. ("Ventas LLC"), as Guarantors, and U.S. Bank National Association, as Trustee, as previously supplemented; and (ii) a Supplemental Indenture (the "2012 Supplemental Indenture," and, together with the 2009 Supplemental Indenture, the "Supplemental Indentures") relating to the 9% Senior Notes due 2012 (the "2012 Notes," and, together with the 2009 Notes, the "Notes") of Ventas Realty and Ventas Capital, which supplements the Indenture

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(the "2012 Indenture," and together with the 2009 Indenture, the "Indentures"), dated as of April 17, 2002, by and among Ventas Realty and Ventas Capital, as Issuers, the Company and Ventas LLC, as Guarantors, and U.S. Bank National Association, as Trustee, as previously supplemented.

Under each of the Indentures, the Company is required to cause newly acquired or created subsidiaries to become Guarantors (as such term is defined in the Indentures) of the Notes and to cause such newly acquired or created subsidiaries to execute a supplemental indenture, subject to certain exceptions. Ventas TRS was formed on November 8, 2002 and the Supplemental Indentures were executed in order to fulfill the Company's obligations under the Indentures with respect to Ventas TRS. The 2009 Supplemental Indenture and the 2012 Supplemental Indenture are included as Exhibits 99.1 and 99.2 to this Current Report on Form 8-K, respectively.

FORWARD-LOOKING STATEMENTS

This Current Report on Form 8-K includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements regarding the Company's and its subsidiaries' expected future financial position, results of operations, cash flows, funds from operations, dividends and dividend plans, financing plans, business strategy, budgets, projected costs, capital expenditures, competitive positions, growth opportunities, expected lease income, continued qualification as a real estate investment trust ("REIT"), plans and objectives of management for future operations and statements that include words such as "anticipate," "if," "believe," "plan," "estimate," "expect," "intend," "may," "could," "should," "will" and other similar expressions are forward-looking statements. Such forward-looking statements are inherently uncertain, and stockholders must recognize that actual results may differ from the Company's expectations. The Company does not undertake a duty to update such forward-looking statements.

Actual future results and trends for the Company may differ materially depending on a variety of factors discussed in the Company's filings with the Securities and Exchange Commission. Factors that may affect the plans or results of the Company include, without limitation, (a) the ability and willingness of Kindred Healthcare, Inc. ("Kindred") and certain of its affiliates to continue to meet and/or perform their obligations under their contractual arrangements with the Company and the Company's subsidiaries, including without limitation the lease agreements and various agreements (the "Spin Agreements") entered into by the Company and Kindred at the time of the Company's spin-off of Kindred on May 1, 1998 (the "1998 Spin Off"), as such agreements may have been amended and restated in connection with Kindred's emergence from bankruptcy on April 20, 2001, (b) the ability and willingness of Kindred to continue to meet and/or perform its obligation to indemnify and defend the Company for all litigation and other claims relating to the healthcare operations and other assets and liabilities transferred to Kindred in the 1998 Spin Off, (c) the ability of Kindred and the Company's other operators to maintain the financial strength and liquidity necessary to satisfy their respective obligations and duties under the leases and other agreements with the Company, and their existing credit agreements, (d) the Company's success in implementing its business strategy, (e) the nature and extent of future competition, (f) the extent of future healthcare reform and regulation, including cost containment measures and changes in reimbursement policies and procedures, (g) increases in the cost of borrowing for the Company, (h) the ability of the Company's operators to deliver high quality care and to attract patients, (i) the results of litigation affecting

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the Company, (j) changes in general economic conditions and/or economic conditions in the markets in which the Company may, from time to time, compete, (k) the ability of the Company to pay down, refinance, restructure, and/or extend its indebtedness as it becomes due, (l) the movement of interest rates and the resulting impact on the value of the Company's interest rate swap agreements and the ability of the Company to satisfy its obligation to post cash collateral if required to do so under one of these interest rate swap agreements, (m) the ability and willingness of Atria, Inc. ("Atria") to continue to meet and honor its contractual arrangements with the Company and Ventas Realty, Limited Partnership entered into in connection with the Company's spin-off of its assisted living operations and related assets and liabilities to Atria in August 1996, (n) the ability and willingness of the Company to maintain its qualification as a REIT due to economic, market, legal, tax or other considerations, including without limitation, the risk that the Company may fail to qualify as a REIT due to its ownership of common stock in Kindred, (o) the outcome of the audit being conducted by the Internal Revenue Service for the Company's tax years ending December 31, 1997 and 1998, (p) final determination of the Company's taxable net income for the year ending December 31, 2002, (q) the ability and willingness of the Company's tenants to renew their leases with the Company upon expiration of the leases and the Company's ability to relet its properties on the same or better terms in the event such leases expire and are not renewed by the existing tenants, (r) the impact on the liquidity, financial condition and results of operations of Kindred and the Company's other operators resulting from increased operating costs and uninsured liabilities for professional liability claims, particularly in the state of Florida and (s) the value of the Company's common stock in Kindred and the limitations on the ability of the Company

to sell, transfer or otherwise dispose of its common stock in Kindred arising out of the securities laws and the registration rights agreement the Company entered into with Kindred and certain of the holders of the common stock in Kindred. Many of such factors are beyond the control of the Company and its management.

Item 7. Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

Not applicable.

(b) Pro forma financial information.

Not applicable.

(c) Exhibits:

99.1 Supplemental Indenture, dated as of November 25, 2002, by and among Ventas TRS, LLC, as a Guaranteeing Subsidiary, Ventas Realty, Limited Partnership and Ventas Capital Corporation, as Issuers, Ventas, Inc., Ventas LP Realty, L.L.C. and Ventas Healthcare Properties, Inc., as Guarantors, and U.S. Bank

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National Association, as Trustee.

99.2 Supplemental Indenture, dated as of November 25, 2002, by and among Ventas TRS, LLC, as a Guaranteeing Subsidiary, Ventas Realty, Limited Partnership and Ventas Capital Corporation, as Issuers, Ventas, Inc., Ventas LP Realty, L.L.C. and Ventas Healthcare Properties, Inc., as Guarantors, and U.S. Bank National Association, as Trustee.

SIGNATURE

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 thereunto duly authorized.

VENTAS, INC.
(Registrant)

Date: November 26, 2002

By: /s/ T. Richard Riney

Name: T. Richard Riney
Title: Executive Vice President
and General Counsel

EXHIBIT INDEX

| Exhibit ----- | Description ----- |
|------------------|---|
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