

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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VENTAS INC

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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): September 3, 1999

VENTAS, INC.

(Exact name of registrant as specified in its charter)

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

4360 Brownsboro Road, Suite 115,
Louisville, Kentucky

40207-1642

(Address of principal executive offices) (Zip Code)

(502) 357-9000

(Registrant's telephone number, including area code)

Item 5. Other Events.

On April 12, 1999, Ventas, Inc. ("Ventas" or the "Company") entered into a Second Standstill Agreement (the "Second Standstill Agreement") with Vencor, Inc. ("Vencor"), its principal tenant, pursuant to which each of the Company and Vencor agreed during a specified period of time (the "Standstill Period") not to

pursue any claims against the other or any third party relating to the April 1998 reorganization of the Company or any claims relating to certain defaults under Vencor's lease agreements with the Company. On April 12, 1999, the Company and Vencor also entered into an agreement (the "Tolling Agreement") pursuant to which they agreed that any statutes of limitations or other time constraints in a bankruptcy proceeding that might be asserted by one party against the other would be extended or tolled from April 12, 1999 until a specified date or until the Second Standstill Agreement terminates due to Vencor's failure to make certain contemplated lease payments.

On September 7, 1999, Ventas announced that it entered into a seventh amendment to the Second Standstill Agreement which extends the Standstill Period. The Standstill Period will now terminate on the earlier to occur of September 9, 1999 or any date that a voluntary or involuntary bankruptcy case is commenced by or against Vencor. The Amended Second Standstill Agreement also provides that the Company will be entitled to exercise its remedies under its lease agreements with Vencor with respect to the late payment of August rent, unless Vencor or its bank lenders pay the full amount of unpaid August rent by 5:00 P.M. on September 14, 1999.

In addition, the Company and Vencor agreed to extend the Tolling Agreement until September 9, 1999.

This Form 8-K includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements regarding the Company's expected future financial position, results of operations, cash flows, financing plans, business strategy, expected lease income, plans and objectives of management for future operations and statements that include words such as "anticipate," "believe," "plan," "estimate," "expect," "intend," 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.

Factors that may affect the plans or results of the Company include, without limitation, (i) the ability of

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Vencor to restructure its obligations so that it will have the financial strength and liquidity necessary to satisfy its obligations and duties under leases and other agreements with the Company, (ii) the Company's success in implementing its business strategy, (iii) the nature and extent of future competition, (iv) the extent of future healthcare reform and regulation, including cost containment measures and changes in reimbursement policies and procedures, (v) increases in cost of borrowing for the Company, (vi) the ability

of the Company's operators to deliver high quality care and to attract patients, (vii) the results of the ongoing investigation of the Company by the U.S. Department of Justice and other litigation affecting the Company, (viii) the Company's ability to acquire additional properties, (ix) changes in general economic conditions and/or in the markets in which the Company may, from time to time, compete, (x) the ability of the Company to pay down, refinance, restructure and/or extend its indebtedness as it becomes due and (xi) the ability of the Company and Vencor and other third parties to replace, modify or upgrade computer systems in ways that adequately address the year 2000 issue. Many of such factors are beyond the control of the Company and its management.

A copy of the Amendment to the Second Standstill Agreement and the Tolling Agreement and the press release issued by the Company on September 7, 1999 are included as exhibits to this filing and are incorporated herein by reference.

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Item 7. Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

Not applicable.

(b) Pro forma financial information.

Not applicable.

(c) Exhibits:

10.1 Amendment Number 7 to the Second Standstill Agreement dated April 12, 1999 and Amendment Number 6 to the Tolling Agreement dated April 12, 1999, by and between the Company and Vencor, Inc., dated as of September 3, 1999.

99.1 Press Release dated September 7, 1999.

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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: September 10, 1999

By: /s/ T. Richard Riney

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

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EXHIBIT INDEX

- 10.1 Amendment Number 7 to the Second Standstill Agreement dated April 12, 1999 and Amendment Number 6 to the Tolling Agreement dated April 12, 1999 by and between the Company and Vencor, Inc., dated as of September 3, 1999.
- 99.1 Press Release dated September 7, 1999.

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AMENDMENT NUMBER 7 TO THE SECOND STANDSTILL AGREEMENT

DATED APRIL 12, 1999 AND

AMENDMENT NUMBER 6 TO THE TOLLING AGREEMENT

DATED APRIL 12, 1999

These Amendments dated as of September 3, 1999 are made and entered into among Vencor, Inc., a corporation organized under the laws of Delaware, for and on behalf of itself and its various subsidiaries and affiliates, including, without limitation, Vencor Operating, Inc., and for and on behalf of any of their respective successors including, without limitation, any debtor or debtor-in-possession in a bankruptcy case commenced under Title 11 of the United States Bankruptcy Code (the "Bankruptcy Code") or any trustee appointed in any such case (collectively, "Vencor"); and Ventas, Inc., a corporation organized under the laws of Delaware, for and on behalf of itself and its various subsidiaries and affiliates, including, without limitation, Ventas Realty, Limited Partnership, and for and on behalf of any of their respective successors including, without limitation, any debtor or debtor-in-possession in a bankruptcy case commenced under the Bankruptcy Code or any trustee appointed in any such case (collectively, "Ventas").

Morgan Guaranty Trust Company of New York (the "Collateral Agent") is a signatory hereto for the sole purpose of providing the confirmations and agreements referred to in paragraph 1 hereof.

WHEREAS, Vencor and Ventas are in the process of attempting to resolve any and all existing and potential claims that Vencor has asserted or might in the future assert against Ventas (the "Vencor Claims"), the validity of which Ventas has disputed, and any and all existing and potential claims that Ventas has asserted or might in the future assert against Vencor (the "Ventas Claims"), the validity of which Vencor has disputed (the Vencor Claims and the Ventas Claims are collectively referred to herein as the "Claims");

WHEREAS, to that end Vencor and Ventas are parties to that certain Second Standstill Agreement dated April 12, 1999 (as modified and amended to date, the "Second Standstill Agreement") and that certain Tolling Agreement dated April 12, 1999 (as modified and amended to date, the "Tolling Agreement");

WHEREAS, on Thursday, August 5, 1999, by agreement of the parties, Ventas was deemed to have delivered five notices of non-payment of rent (the "August Non-Payment

Notices") pursuant to paragraph 16.1(b) of the agreements referenced in the first paragraph of each of the August Non-Payment Notices, such agreements being collectively defined in the Second Standstill Agreement as the Five Leases;

WHEREAS, the parties hereto wish to extend the cure period referred to in Section 16.1 of the Five Leases with respect to the August Non-Payment Notices, to extend certain other deadlines, to specify the cure period referred to in the September Non-Payment Notices (as defined below), and to agree to certain other matters to permit continued discussions concerning a consensual resolution of their differences, subject to the conditions set forth below;

NOW, THEREFORE, in consideration of the premises and other good cause and adequate consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Extension of the Second Standstill Period and the Cure Period in the Five Leases

1. The fifth numbered paragraph of the Second Standstill Agreement shall be deleted and replaced with the following paragraph:
 - (a) Other than (i) Ventas' delivery on Friday May 7, 1999, after 5:00 p.m., by letters of T. Richard Riney, Vice President and General Counsel of Ventas, of five notices of non-payment of rent (the "May Non-Payment Notices") (which are now moot as a result of Vencor's payment of Rent for the month of May 1999, in the manner agreed to by the parties); (ii) the deemed delivery by Ventas of notices of non-payment of rent as a result of Vencor's non-payment or late payment of rent under the Five Leases for the month of June 1999 (the "June Non-Payment Notices") (which are now moot as a result of Vencor's payment of Rent for the month of June 1999, in the manner agreed to by the parties); (iii) the deemed delivery by Ventas of notices of non-payment of rent as a result of Vencor's non-payment or late payment of rent under the Five Leases for the month of July 1999 (the "July Non-Payment Notices") (which are now moot as a result of Vencor's payment of Rent for the month of July 1999, in the manner agreed to by the parties); (iv) the deemed delivery by Ventas of similar notices of non-payment of rent as a result of Vencor's non-payment or late payment of rent under the Five Leases for the month of August 1999 (the "August Non-Payment Notices"); and (v) the deemed delivery by Ventas of similar notices of non-payment of rent as a result of Vencor's non-payment or late payment of rent under the Five Leases for the month of September 1999 (the "September Non-Payment Notices"); during the period from the date of the Second Standstill Agreement, April 12, 1999, through and including the earlier

of (A) the commencement by or against Vencor, as debtor, of a voluntary or involuntary bankruptcy case under Title 11 of the United States Code, or (B) 5:00 p.m. Eastern Daylight Savings Time on September 9, 1999 (such period being referred to herein as the "Second Standstill Period"), neither Vencor nor Ventas will file, commence, serve, or otherwise initiate any civil action, arbitration proceeding, or other similar action, litigation, case, or proceeding of any kind, character, or nature whatsoever (an "Action") against the other or any third party, including, without limitation, any of Vencor's or Ventas' current or former officers, directors, or employees, arising from or relating to the Reorganization Agreement, any Ancillary Agreement, or any of the Five Leases, or with respect to the various disputes identified in Vencor's March 18, 1999 letter; nor shall Ventas exercise any rights or remedies it may have against Vencor under any of the Five Leases (including the giving of notices of termination pursuant to Section 16.1 of the Five Leases or any of them) based on Vencor's late payment of the Rent (as that term is defined in the Five Leases) due under the Five Leases, or based on any default arising from or related to the disclosures made by Vencor to Ventas commencing on or about March 30 and March 31, 1999 and continuing to the date hereof.

- (b) [intentionally left blank]
- (c) If Vencor or the Leasehold Mortgagee (as defined in the Five Leases) pays the Rent for the month of August 1999 prior to 5:00 p.m. Eastern Daylight Savings Time on September 14, 1999, then such payment shall be deemed to be a timely cure, within the meaning of Section 16.1 of the Five Leases and the August Non-Payment Notices, and that, in such event, no Event of Default (as that term is used in the August Non-Payment Notices and defined in the Five Leases) shall have occurred with respect to the late payment or non-payment of Rent for the month of August 1999. Notwithstanding anything to the contrary contained herein, Ventas shall not send a notice of termination pursuant to paragraph 16.1 of the Five Leases, or any of them, based upon Vencor's non-payment or late payment of Rent for the month of August 1999 so long as Vencor or the Leasehold Mortgagee has a right to cure or has cured such non-payment or late payment of Rent for the month of August 1999. This subparagraph 5(c) shall only apply to the August Non-Payment Notices and to the non-payment or late payment of the August 1999 Rent under the Five Leases.
- (d) The Collateral Agent hereby confirms to Ventas and Vencor that it is the collateral agent for the Leasehold Mortgagee and that it is authorized to make the confirmations and agreements contained herein. Ventas, Vencor, and the Collateral Agent (for and on behalf of the Leasehold Mortgagee) confirm and agree that the period of time within which Vencor or the Leasehold Mortgagee is entitled to cure the failure of Vencor to pay Rent for the month of August 1999 under this agreement and the Five Leases in order to prevent a termination of the Five

- (e) Ventas, Vencor and the Collateral Agent hereby agree that (i) the June Non-Payment Notices, copies of which are attached hereto as Exhibits A through E, are hereby deemed for all purposes to have been given by Ventas and received by Vencor and the Collateral Agent as of June 6, 1999 without need for any further act or delivery by Ventas, (ii) the July Non-Payment Notices, copies of which are attached hereto as Exhibits F through J, are hereby deemed for all purposes to have been given by Ventas and received by Vencor and the Collateral Agent on and as of July 6, 1999, (iii) the August Non-Payment Notices, copies of which are attached hereto as Exhibits K through O, are hereby deemed for all purposes to have been given by Ventas and received by Vencor and the Collateral Agent on and as of August 5, 1999, and (iv) the September Non-Payment Notices, which will be provided by Ventas and be substantially in the form of the August Non-Payment Notices, are to be attached hereto as Exhibits P through T, are hereby deemed for all purposes to have been given by Ventas and received by Vencor and the Collateral Agent on and as of September 3, 1999, without need for any further act or delivery by Ventas (except for delivery of Exhibits P through T).
- (f) Ventas further agrees that if Vencor or the Leasehold Mortgagee pays the Rent for the month of September 1999 on or before September 14, 1999, at 5:00 p.m. Eastern Daylight Savings Time, then such payment shall be deemed to be a timely cure, within the meaning of Section 16.1 of the Five Leases and the September Non-Payment Notices, and that, in such event, no Event of Default (as that term is used in the September Non-Payment Notices and defined in the Five Leases) shall have occurred with respect to the late payment or non-payment of Rent for the month of September 1999. Notwithstanding anything to the contrary contained herein, Ventas shall not send a notice of termination pursuant to paragraph 16.1 of the Five Leases, or any of them, based upon Vencor's non-payment or late payment of Rent for the month of September 1999 so long as Vencor or the Leasehold Mortgagee has a right to cure or has cured such non-payment or late payment of Rent for the month of September 1999. This subparagraph 5(f) shall only apply to the September Non-Payment Notices and to the non-payment or late payment of the September 1999 Rent under the Five Leases.
- (g) Ventas, Vencor, and the Collateral Agent (for and on behalf of the Leasehold Mortgagee) confirm and agree that the period of time by which

Vencor or the Leasehold Mortgagee is entitled to cure the failure of Vencor to pay Rent for the month of September 1999 under this Amendment and the Five Leases in order to prevent a termination of the Five Leases will expire at 5:00 p.m. Eastern Daylight Savings Time on September 14, 1999.

Amendment to Tolling Agreement

2. The first numbered paragraph of the Tolling Agreement shall be deleted and replaced with the following paragraph:

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Any Vencor Claim, including, without limitation, those arising or available under the Bankruptcy Avoidance Provisions (defined below) that Vencor could otherwise assert against Ventas if Vencor were a debtor in a case under the Bankruptcy Code commenced on April 12, 1999, and whether arising under the Bankruptcy Code or under other applicable federal or state law, shall not be prejudiced, impaired, or waived by Vencor's failure to commence such a bankruptcy case, and any and all statutes of limitations, repose, or other legal or equitable constraints on the time by which such a bankruptcy case or pleading initiating any Vencor Claim (including, without limitation, a cause of action under ss. 548 of the Bankruptcy Code) shall be tolled during the period of time from April 12, 1999 to and including the earlier of (i) 5:00 p.m. Eastern Daylight Savings Time on September 9, 1999, or (ii) the earlier time and date on which the Second Standstill Period (as defined in the Second Standstill Agreement) shall automatically terminate as a result of Vencor's nonpayment or late payment of rent or failure to deliver certain reports (as provided for in paragraph 5 of the Second Standstill Agreement, the provisions of which are hereby incorporated by reference) (the "Tolling Period"). For all purposes herein, both the first and last day of the Tolling Period shall be deemed to be contained in the Tolling Period.

[Remainder of Page Intentionally Left Blank].

Counterparts

3. These Amendments may be executed in one or more counterparts and by facsimile, each of which counterparts shall be deemed an original hereof, but all of which together shall constitute one agreement.

Choice of Law

4. These Amendments adopt the ninth numbered paragraph of the Second Standstill Agreement as the choice of law provision for these Amendments.

CONFIRMED AND AGREED TO AS OF THE DATE FIRST ABOVE WRITTEN BY:

VENCOR, INC.

VENTAS, INC.

By: /s/ Richard A. Schweinhart

By: /s/ T. Richard Riney

Name: Richard A. Schweinhart
Title: Senior Vice President and
Chief Financial Officer

Name: T. Richard Riney
Title: Vice President

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as Collateral Agent for the
Leasehold Mortgagee

By: /s/ Unn Boucher

Name: Unn Boucher
Title: Vice President

Contact: Steven T. Downey
Executive Vice President
and Chief Financial Officer
(502) 357-9030

FOR IMMEDIATE RELEASE

VENTAS AND VENCOR AMEND STANDSTILL AND TOLLING AGREEMENTS

LOUISVILLE, KY. (September 7, 1999) -- Ventas, Inc. (NYSE:VTR) (the "Company") announced today that the Company and Vencor, Inc. (OTC:VCRI) ("Vencor"), its principal tenant, have agreed to amend the standstill agreement which the parties entered into on April 12, 1999.

In order to continue discussions among the parties regarding a global restructuring, the amended standstill agreement will extend for three business days, until 5:00 p.m. on September 9, 1999, the obligations of each of the Company and Vencor to refrain from pursuing any claims against the other or any third party relating to the April 1998 reorganization or the Company's agreement not to exercise its remedies under its lease agreements with Vencor, other than its delivery of notice of non-payment of September rent. The standstill period will terminate on the earlier to occur of September 9, 1999 or any date that a voluntary or involuntary bankruptcy case is commenced by or against Vencor. The Company will be entitled to exercise its remedies under its lease agreements with Vencor with respect to the late payment of August rent, unless Vencor or its bank lenders pay the full amount of unpaid August rent by 5:00 P.M. on September 14, 1999.

The Company and Vencor also agreed to renew an agreement between the parties that any statutes of limitations or other time constraints in a bankruptcy proceeding that might be asserted by one party against the other would be extended or tolled from April 12, 1999, until September 9, 1999.

The Company is a real estate company whose properties include 219 nursing centers, 45 hospitals, and eight personal care facilities operated in 36 states.

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements regarding the Company's expected future financial position, results of operations, cash flows, financing plans, business strategy, expected lease income, plans and objectives of management for future operations and statements that include words such as "anticipate," "believe," "plan," "estimate," "expect," "intend," 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.

Factors that may affect the plans or results of the Company include, without limitation, (i) the ability of the Company's operators, primarily Vencor, Inc., to maintain the financial strength and liquidity necessary to satisfy their obligations and duties under leases and other agreements with the Company and their existing credit agreements, (ii) the extent of future healthcare reform and regulation, including cost containment measures and changes in reimbursement policies and procedures, (iii) increases in the cost of borrowing for the Company, (iv) the ability of the Company's operators to deliver high quality care and to attract patients, (v) the ability of the Company to pay down, refinance, restructure and/or extend its indebtedness as it becomes due, (vi) the results of the ongoing investigation of the Company by the U.S. Department of Justice and other litigation affecting the Company, and (vii) the success of the Company in implementing its business strategy and the nature and extent of future competition. Many of such factors are beyond the control of the Company and its management.