

FIVE STAR SENIOR LIVING INC.
Form 8-K
March 11, 2019

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 11, 2019**

FIVE STAR SENIOR LIVING INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State or Other Jurisdiction of Incorporation)

001-16817
(Commission File Number)

04-3516029
(IRS Employer Identification No.)

400 Centre Street, Newton, Massachusetts
(Address of Principal Executive Offices)

02458
(Zip Code)

617-796-8387

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(Registrant's Telephone Number, Including Area Code)

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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In this Current Report on Form 8-K, the terms we, us, our and the Company refer to Five Star Senior Living Inc. and the term SNH refers to Senior Housing Properties Trust.

Item 1.01. Entry into a Material Definitive Agreement.

On March 11, 2019, we entered into a letter agreement with SNH, pursuant to which, with respect to those certain Amended and Restated Master Lease Agreements, Nos. 1-5, or the Master Leases, among certain of our subsidiaries and certain of SNH's subsidiaries, SNH agreed to defer, until March 31, 2019, payment of the aggregate Minimum Rent (as defined in the Master Leases) due and payable by us to SNH under the Master Leases for February 2019.

The foregoing references to the letter agreement and to the Master Leases are qualified in their entirety by reference to the full text of the letter agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K, and to the full text of the Master Leases, as amended to date, copies of which are publicly available as exhibits to our Annual Report on Form 10-K for the year ended December 31, 2018, or our Annual Report.

Information Regarding Certain Relationships and Related Person Transactions

We were formerly a 100% owned subsidiary of SNH until SNH distributed our common shares to its shareholders in 2001. SNH is currently one of our largest stockholders, owning, as of December 31, 2018, 4,235,000 of our common shares, or approximately 8.3% of our outstanding common shares. SNH is our largest landlord and we manage certain senior living communities for SNH. The RMR Group LLC, or RMR LLC, provides management services to both us and SNH. The RMR Group Inc., or RMR Inc., the managing member of RMR LLC, is controlled by Adam Portnoy, one of our Managing Directors, as the sole trustee of ABP Trust. A subsidiary of ABP Trust is our largest stockholder, owning, as of December 31, 2018, 17,999,999 of our common shares, or approximately 35.4% of our outstanding common shares. Adam Portnoy is also a managing trustee of SNH. Our President and Chief Executive Officer and our Executive Vice President, Chief Financial Officer and Treasurer and SNH's executive officers are also officers and employees of RMR LLC.

For further information about these and other such relationships and related person transactions, please see our Annual Report and our other filings with the Securities and Exchange Commission, or the SEC, including Notes 9, 13 and 14 to our consolidated financial statements included in our Annual Report and the sections captioned Business, Management's Discussion and Analysis of Financial Condition and Results of Operations, Related Person Transactions and Warning Concerning Forward Looking Statements of our Annual Report. In addition, please see the section captioned Risk Factors of our Annual Report for a description of risks that may arise as a result of these and other such relationships and related person transactions. Our filings with the SEC and copies of certain of our agreements with these related parties are publicly available as exhibits to our public filings with the SEC and accessible at the SEC's website, www.sec.gov.

WARNING CONCERNING FORWARD LOOKING STATEMENTS

THIS CURRENT REPORT ON FORM 8-K CONTAINS STATEMENTS THAT CONSTITUTE FORWARD LOOKING STATEMENTS WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND OTHER SECURITIES LAWS. ALSO, WHENEVER WE USE WORDS SUCH AS BELIEVE, EXPECT, ANTICIPATE, INTEND, PLAN, ESTIMATE, WILL, MAY AND NEGATIVES OR DERIVATIVES OF THESE OR SIMILAR EXPRESSIONS, WE ARE MAKING

FORWARD LOOKING STATEMENTS. THESE FORWARD LOOKING STATEMENTS ARE BASED UPON OUR PRESENT INTENT, BELIEFS OR EXPECTATIONS, BUT FORWARD LOOKING STATEMENTS ARE NOT GUARANTEED TO OCCUR AND MAY NOT OCCUR. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE CONTAINED IN OR IMPLIED BY OUR FORWARD LOOKING STATEMENTS AS A RESULT OF VARIOUS FACTORS. FOR EXAMPLE:

- **THIS CURRENT REPORT ON FORM 8-K STATES THAT SNH HAS AGREED TO DEFER, UNTIL MARCH 31, 2019, PAYMENT OF THE AGGREGATE MINIMUM RENT DUE AND**

PAYABLE BY US TO SNH UNDER THE MASTER LEASES FOR FEBRUARY 2019. THIS STATEMENT MAY IMPLY THAT WE WILL BE ABLE TO PAY SUCH AMOUNT BY SUCH DATE, OR THAT SNH MAY GRANT US FURTHER DEFERRALS OF SUCH AMOUNT OR FUTURE RENT DEFERRALS UNDER THE MASTER LEASES. HOWEVER, WE HAVE DETERMINED THAT THERE IS SUBSTANTIAL DOUBT AS TO WHETHER WE WILL BE ABLE TO CONTINUE AS A GOING CONCERN. THEREFORE, WE CANNOT BE SURE THAT WE WILL BE ABLE TO PAY SUCH AMOUNT BY SUCH DATE, OR AT ALL, AND SNH MIGHT DETERMINE NOT TO GRANT US ANY FURTHER RENT DEFERRALS UNDER THE MASTER LEASES.

THE INFORMATION CONTAINED IN OUR FILINGS WITH THE SEC, INCLUDING UNDER THE CAPTION RISK FACTORS IN OUR PERIODIC REPORTS, OR INCORPORATED THEREIN, IDENTIFIES OTHER IMPORTANT FACTORS THAT COULD CAUSE OUR ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE STATED IN OR IMPLIED BY OUR FORWARD LOOKING STATEMENTS. OUR FILINGS WITH THE SEC ARE AVAILABLE ON THE SEC'S WEBSITE AT WWW.SEC.GOV.

YOU SHOULD NOT PLACE UNDUE RELIANCE UPON FORWARD LOOKING STATEMENTS.

EXCEPT AS REQUIRED BY LAW, WE DO NOT INTEND TO UPDATE OR CHANGE ANY FORWARD LOOKING STATEMENTS AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

10.1 Letter Agreement, dated as of March 11, 2019, between the Company and Senior Housing Properties Trust. (Filed herewith.)

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.

FIVE STAR SENIOR LIVING INC.

By:	/s/ Richard A. Doyle
Name:	Richard A. Doyle
Title:	Executive Vice President, Chief Financial Officer and Treasurer

Dated: March 11, 2019