

AVIV REIT, INC.
Form 424B3
May 11, 2012
Table of Contents

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-180754

PROSPECTUS

\$100,000,000

Aviv Healthcare Properties Limited Partnership
Aviv Healthcare Capital Corporation

Exchange Offer for

7³/₄% Senior Notes due 2019

On March 28, 2012, Aviv Healthcare Properties Limited Partnership and Aviv Healthcare Capital Corporation (the Issuers) issued \$100.0 million in aggregate principal amount of unregistered 7³/₄% Senior Notes due 2019 (which we refer to as the Old Notes). We are conducting the exchange offer in order to provide you with an opportunity to exchange your Old Notes for freely tradable 7³/₄% Senior Notes due 2019 that have been registered under the Securities Act of 1933, as amended (the Securities Act) (which we refer to as the Exchange Notes). Other than the issuance date and the aggregate principal amount, the terms of the Exchange Notes are substantially identical to \$300.0 million in aggregate principal amount of unregistered 7³/₄% Senior Notes due 2019 that were issued on February 4 and April 5, 2011 and which were subsequently exchanged on August 22, 2011 for notes registered under the Securities Act (which we refer to as the Existing Notes) and, together with the Old Notes and the Exchange Notes, the Notes).

Terms of the Exchange Offer:

Expires 5:00 p.m., New York City time, June 11, 2012, unless extended.

You may withdraw tendered outstanding Old Notes any time before the expiration or termination of the exchange offer.

The exchange offer is subject to customary conditions that may be waived by us.

We will not receive any proceeds from the exchange offer.

Edgar Filing: AVIV REIT, INC. - Form 424B3

The exchange of Old Notes for Exchange Notes should not be a taxable exchange for United States federal income tax purposes. See Material U.S. Federal Income Tax Considerations.

All Old Notes that are validly tendered and not validly withdrawn prior to the expiration of the exchange offer will be exchanged for Exchange Notes.

Terms of the Exchange Notes:

The Exchange Notes will mature on February 15, 2019. The Exchange Notes will pay interest semi-annually in cash in arrears on February 15 and August 15 of each year, beginning on August 15, 2012.

The Exchange Notes will be fully and unconditionally guaranteed, jointly and severally, on an unsecured basis, by Aviv REIT, Inc. (Aviv REIT) and, with certain exceptions, all of its existing and future restricted subsidiaries, other than the Issuers.

The Exchange Notes and the senior guarantees will be our general unsecured senior obligations and will be subordinated to all of our and the guarantors existing and future secured indebtedness to the extent of the assets securing such secured indebtedness, *pari passu* with all existing and future senior unsecured indebtedness and senior to all existing and future senior subordinated indebtedness. The subordinated guarantees provided by the borrowers under our existing term loan and acquisition credit line will be general unsecured senior obligations and will be subordinated to all of the obligations of those borrowers under our existing term loan and acquisition credit line or any permitted refinancing of those facilities, *pari passu* with all existing and future senior unsecured indebtedness and senior to all existing and future senior subordinated indebtedness.

We may redeem the Exchange Notes in whole or in part from time to time. See Description of Exchange Notes.

Upon a change of control, we must give holders the opportunity to sell their Exchange Notes to us at 101% of their principal amount plus accrued and unpaid interest, if any.

The terms of the Exchange Notes are identical to those of the outstanding Old Notes, except the transfer restrictions, registration rights and additional interest provisions relating to the Old Notes do not apply to the Exchange Notes.

For a discussion of the specific risks that you should consider before tendering your outstanding Old Notes in the exchange offer, see the Risk Factors section beginning on page 13 of this prospectus.

No public market exists for the outstanding Old Notes. We do not intend to list the Exchange Notes on any securities exchange and, therefore, no active public market is anticipated for the Exchange Notes.

Neither the Securities and Exchange Commission nor any state or other domestic or foreign securities commission or regulatory authority has approved or disapproved of the Notes or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is May 11, 2012.

Table of Contents

Each broker-dealer that receives Exchange Notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. By so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. A broker dealer who acquired Old Notes as a result of market making or other trading activities may use this prospectus, as supplemented or amended from time to time, in connection with any resales of the Exchange Notes. We have agreed that, for a period of up to 180 days after the closing of the exchange offer, we will make this prospectus available for use in connection with any such resale. See **Plan of Distribution**.

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy securities other than those specifically offered hereby or an offer to sell any securities offered hereby in any jurisdiction where, or to any person whom, it is unlawful to make such offer or solicitation. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the Exchange Notes.

TABLE OF CONTENTS

<u>Summary</u>	1
<u>Risk Factors</u>	13
<u>The Exchange Offer</u>	30
<u>Use of Proceeds</u>	39
<u>Capitalization</u>	40
<u>Selected Financial Data</u>	41
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	42
<u>Business</u>	63
<u>Management</u>	73
<u>Compensation Discussion and Analysis</u>	76
<u>Certain Relationships and Related Transactions</u>	83
<u>Policies with Respect to Certain Activities</u>	85
<u>Security Ownership of Certain Beneficial Owners and Management</u>	88
<u>Description of Other Indebtedness</u>	91
<u>Description of Exchange Notes</u>	94
<u>Material U.S. Federal Income Tax Considerations</u>	146
<u>Plan of Distribution</u>	151
<u>Legal Matters</u>	152
<u>Experts</u>	152
<u>Where You Can Find More Information</u>	152
<u>Index to Financial Statements</u>	F-1

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. Forward-looking statements provide our current expectations or forecasts of future events. Forward-looking statements include statements about our expectations, beliefs, intentions, plans, objectives, goals, strategies, future events, performance and underlying assumptions and other statements that are not historical facts. Examples of forward-looking statements include all statements

Table of Contents

regarding our expected future financial position, results of operations, cash flows, liquidity, financing plans, business strategy, projected growth opportunities and potential acquisitions, plans and objectives of management for future operations, and compliance with and changes in governmental regulations. You can identify forward-looking statements by their use of forward-looking words, such as may, will, anticipates, expect, believe, estimate, intend, plan, should, seek or comparable terms, or the negative use of those words, but the absence of these words does not necessarily mean that a statement is not forward-looking.

These forward-looking statements are made based on our current expectations and beliefs concerning future events affecting us and are subject to uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed in or implied by these forward-looking statements. Important factors that could cause actual results to differ materially from our expectations include those disclosed under Risk Factors and elsewhere in this prospectus and in filings made by us with the Securities and Exchange Commission. There may be additional risks of which we are presently unaware or that we currently deem immaterial. Forward-looking statements are not guarantees of future performance. We do not undertake any responsibility to release publicly any revisions to these forward-looking statements to take into account events or circumstances that occur after the date of this prospectus or to update you on the occurrence of any unanticipated events which may cause actual results to differ from those expressed or implied by the forward-looking statements contained in this prospectus.

PRESENTATION OF NON-GAAP FINANCIAL INFORMATION AND PORTFOLIO STATISTICS

In this prospectus, we use financial measures that are derived on the basis of methodologies other than in accordance with generally accepted accounting principles (GAAP). The non-GAAP financial measures used in this prospectus include FFO, Adjusted FFO, EBITDA and Adjusted EBITDA. We derive these measures as follows:

The National Association of Real Estate Investment Trusts, or NAREIT, defines FFO as net income (computed in accordance with GAAP), excluding gains and losses from sales of property (net) and impairments of depreciated real estate, plus real estate depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures. Applying the NAREIT definition to our financial statements results in FFO representing net income before depreciation, impairments, and gain on sale of assets (net).

Adjusted FFO represents FFO before deferred rental income, stock-based compensation, amortization of intangible income, amortization of deferred financing costs, offering costs, indemnity expense, loss on extinguishment of debt and change in fair value of derivatives.

EBITDA represents net income before interest expense (net), taxes, depreciation and amortization of deferred financing costs.

Adjusted EBITDA represents EBITDA before stock-based compensation, amortization of intangible income, offering costs, indemnity expense, acquisition transaction costs, loss on impairment of assets, loss on extinguishment of debt, deferred rent write-offs, change in fair value of derivatives and gain on sale of assets (net).

The indenture governing the Notes uses the terms Adjusted FFO and Adjusted EBITDA. For further discussion of the terms used in the indenture governing the Notes, see Description of Exchange Notes Certain Definitions. For a further description of how FFO, Adjusted FFO, EBITDA and Adjusted EBITDA are calculated from, and a reconciliation of those measures to, our net income, see Summary Summary Financial Data.

Our management uses FFO, Adjusted FFO, EBITDA and Adjusted EBITDA as important supplemental measures of our operating performance and liquidity. FFO is intended to exclude GAAP historical cost

Table of Contents

depreciation and amortization of real estate and related assets, which assumes that the value of real estate assets diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. The term FFO was designed by the real estate industry to address this issue and as an indicator of our ability to incur and service debt. Because FFO and Adjusted FFO exclude depreciation and amortization unique to real estate, gains and losses from property dispositions and extraordinary items and because EBITDA and Adjusted EBITDA exclude certain non-cash charges and adjustments and amounts spent on interest and taxes, they provide our management with performance measures that, when compared year over year or with other real estate investment trusts, or REITs, reflect the impact to operations from trends in occupancy rates, rental rates, operating costs, development activities and, with respect to FFO and Adjusted FFO, interest costs, in each case providing perspective not immediately apparent from net income. In addition, we believe that FFO, Adjusted FFO, EBITDA and Adjusted EBITDA are frequently used by securities analysts, investors and other interested parties in the evaluation of REITs.

We offer these measures to assist the users of our financial statements in assessing our financial performance and liquidity under GAAP, but these measures are non-GAAP measures and should not be considered measures of liquidity, alternatives to net income or indicators of any other performance measure determined in accordance with GAAP, nor are they indicative of funds available to fund our cash needs, including our ability to make payments on our indebtedness. In addition, our calculations of these measures are not necessarily comparable to similar measures as calculated by other companies that do not use the same definition or implementation guidelines or interpret the standards differently from us. Investors should not rely on these measures as a substitute for any GAAP measure, including net income or revenues.

In addition to these non-GAAP financial measures, we present certain statistics in this prospectus regarding our portfolio of properties. These statistics include EBITDAR coverage, EBITDARM coverage, Portfolio Occupancy and Quality Mix, which are derived as follows:

EBITDAR coverage represents EBITDAR, which we define as earnings before interest, taxes, depreciation, amortization and rent expense, of our operators for the applicable period, divided by the rent paid to us by our operators during such period.

EBITDARM coverage represents EBITDARM, which we define as earnings before interest, taxes, depreciation, amortization, rent expense and management fees charged by the operator, of our operators for the applicable period, divided by the rent paid to us by our operators during such period.

Portfolio Occupancy represents the average daily number of beds at our properties that are occupied during the applicable period divided by the total number of beds at our properties that are available for use during the applicable period.

Quality Mix represents total revenues from all payor sources, excluding Medicaid revenues, at our properties divided by the total revenue at our properties for the applicable period.

We calculate annualized rent for properties during the year ended December 31, 2011 by utilizing the amount of rent under contract as of December 31, 2011 and assume that amount of rent was received in respect of such property throughout the year.

We derive these statistics from reports that we receive from our operators pursuant to our triple-net leases. As a result, our portfolio statistics typically lag our own financial statements by approximately one quarter. In order to determine EBITDAR and EBITDARM coverage for the period presented, EBITDAR and EBITDARM coverage is stated only with respect to properties owned by us and operated by the same operator for the entire period. Accordingly, EBITDAR and EBITDARM coverage for the twelve months ended September 30, 2011 included 157 of the 225 properties in our portfolio as of December 31, 2011.

Table of Contents

INDUSTRY AND MARKET DATA

This prospectus includes information with respect to market share and industry conditions from third-party sources or based upon our estimates using such sources when available. While we believe that such information and estimates are reasonable and reliable, we have not independently verified any of the data from third-party sources. Similarly, our internal research is based upon our understanding of industry conditions, and such information has not been independently verified.

TRADEMARKS

As used in this prospectus, *Aviv REIT*, *Aviv Healthcare* and *Aviv Financing* are trademarks of our company. This prospectus also refers to brand names, trademarks or service marks of other companies. All brand names and other trademarks or service marks cited in this prospectus are the property of their respective holders.

Table of Contents

SUMMARY

This summary highlights selected information appearing in this prospectus and may not contain all of the information that is important to you. This prospectus includes information about the Exchange Notes and the exchange offer as well as information regarding our business and detailed financial data. You should read this prospectus in its entirety, including Risk Factors and the financial statements and related notes appearing elsewhere in this prospectus, before deciding to participate in the exchange offer.

Unless the context requires otherwise or except as otherwise noted, as used in this prospectus the words Aviv REIT, we, company, us and our refer to Aviv REIT, Inc. and its subsidiaries, including the Issuers. Throughout this prospectus, we refer to operators and tenants by their commonly-known trade names; however, each operator or tenant may operate through a variety of legal entities, some or all of which may not be under common ownership. In addition, we use the words operator and tenant interchangeably when referring to these unaffiliated third parties.

Our Company

We operate as a self-administered, self-managed real estate investment trust, or REIT, that focuses on the ownership of healthcare properties, principally skilled nursing facilities (SNFs). We generate our revenues through long-term triple-net leases with a diversified group of high quality operators throughout the United States. Through our predecessor entities, we have been in the business of financing SNF operators through triple-net leases for over 30 years. We believe that we have one of the largest SNF portfolios in the United States which consisted of 225 properties, of which 200 were SNFs, with 20,875 licensed beds in 26 states leased to 35 operators, as of December 31, 2011. For the year ended December 31, 2011, our revenues and Adjusted EBITDA were \$104.7 million and \$91.6 million, respectively. See Presentation of Non-GAAP Financial Information and Portfolio Statistics and Summary Financial Data.

We believe we are well positioned to benefit from our diversified portfolio of properties and extensive network of operator relationships. We focus on cultivating close relationships with our operators by working closely with them to help them achieve their business objectives. As a result of these efforts, we are in a position to effectively manage our portfolio, make additional investments and continue to expand our business. From April 2005 through December 2011, we completed \$663.5 million of acquisitions. In 2011, we completed \$217.9 million of acquisitions and investments. We target EBITDAR and EBITDARM coverages that we believe allow us to balance our rental income with appropriate operating and financial performance for our operators. Our EBITDAR and EBITDARM coverages for the twelve months ended September 30, 2011 were 1.5x and 2.0x, respectively.

The structure of our triple-net leases has significantly contributed to our consistent and stable performance and positions us to benefit from a long-term stream of rental income. Our leases typically have initial terms of ten years or more, annual rent escalation provisions of 2% to 3% and typically do not have operator purchase options. We also seek additional support for the rental income generated by the leases through guarantees, master leases, cross-default provisions and security deposits. As of December 31, 2011, the leases for 223 of our 225 properties were supported by personal and/or corporate guarantees.

Corporate Information

Aviv REIT was incorporated as a Maryland corporation on July 30, 2010 and operates in a manner intended to allow it to qualify as a REIT for federal income tax purposes. Aviv REIT is the sole general partner of Aviv Healthcare Properties Limited Partnership. The Partnership was formed as a Delaware partnership on March 4, 2005.

Table of Contents

Our headquarters are located at 303 West Madison Street, Suite 2400, Chicago, Illinois 60606. Our telephone number is (312) 855-0930. Our internet website is <http://www.avivreit.com>. The information contained on, or accessible through, our website is not incorporated by reference into this prospectus and should not be considered a part of this prospectus.

The Exchange Offer

On March 28, 2012, the Issuers sold, through a private placement exempt from the registration requirements of the Securities Act of 1933, as amended (the Securities Act), \$100,000,000 in aggregate principal amount of 7% Senior Notes due 2019 (the Old Notes), all of which are eligible to be exchanged for notes which have been registered under the Securities Act (the Exchange Notes). Other than the issuance date and the aggregate principal amount, the terms of the Exchange Notes are substantially identical to \$300.0 million in aggregate principal amount of unregistered 7³/₄% Senior Notes due 2019 that were issued on February 4 and April 5, 2011 and which were subsequently exchanged on August 22, 2011 for notes registered under the Securities Act (which we refer to as the Existing Notes) and, together with the Old Notes and the Exchange Notes, the Notes).

Simultaneously with the private placement, we entered into a registration rights agreement with the initial purchasers of the Old Notes (the registration rights agreement). Under the registration rights agreement, we are required to cause a registration statement for substantially identical notes, which will be issued in exchange for the Old Notes, to be filed with the Securities and Exchange Commission (the SEC) and to use our reasonable best efforts to complete the exchange offer by August 10, 2012. You may exchange your Old Notes for Exchange Notes in the exchange offer. You should read the discussion under the headings The Exchange Offer and Description of Exchange Notes for further information regarding the Exchange Notes.

Securities to be Exchanged	Up to \$100,000,000 principal amount of 7 ³ / ₄ % Senior Notes due 2019.
The Exchange Offer; Securities Act Registration	<p>We are offering to exchange the Old Notes for an equal principal amount of the Exchange Notes. Old Notes may be exchanged only in denominations of \$2,000 of principal amount and any integral multiple of \$1,000 in excess thereof.</p> <p>The exchange offer is being made pursuant to the registration rights agreement, which grants the initial purchasers and any subsequent holders of the Old Notes certain exchange and registration rights. The exchange offer is intended to satisfy those exchange and registration rights with respect to the Old Notes. After the exchange offer is complete and except for our obligations to file a shelf registration statement under the circumstances described below, you will no longer be entitled to any exchange or registration rights with respect to Old Notes.</p> <p>You may tender your outstanding Old Notes for Exchange Notes by following the procedures described under the heading The Exchange Offer.</p>
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on June 11, 2012, or a later date and time to which the Issuers may extend it.

Table of Contents

Withdrawal Rights	You may withdraw your tender of the Old Notes at any time prior to the expiration date of the exchange offer. Any Old Notes not accepted by us for exchange for any reason will be returned to you at our expense promptly after the expiration or termination of the exchange offer.
Conditions to the Exchange Offer	<p>The exchange offer is subject to customary conditions, some of which we may waive. We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreement and the applicable requirements of the Securities Act, the Securities Exchange Act of 1934, as amended (the Exchange Act), and the rules and regulations of the SEC.</p> <p>For more information, see The Exchange Offer Conditions to the Exchange Offer.</p>
Procedures for Tendering Old Notes Through Brokers and Banks	<p>Because the Old Notes are represented by global book-entry notes, the Depositary Trust Company (DTC), as depositary, or its nominee is treated as the registered holder of the Old Notes and will be the only entity that can tender your Old Notes for Exchange Notes.</p> <p>To tender your outstanding Old Notes, you must instruct the institution where you keep your Old Notes to tender your Old Notes on your behalf so that they are received on or prior to the expiration of the exchange offer. By tendering your Old Notes you will be deemed to have acknowledged and agreed to be bound by the terms set forth under The Exchange Offer. Your outstanding Old Notes must be tendered in denominations of \$2,000 of principal amount and any integral multiple of \$1,000 in excess thereof. In order for your tender to be considered valid, the exchange agent must receive a confirmation of book-entry transfer of your outstanding Old Notes into the exchange agent s account at DTC, under the procedure described in this prospectus under the heading The Exchange Offer, on or before 5:00 p.m., New York City time, on the expiration date of the exchange offer.</p> <p>See The Exchange Offer for more information regarding the procedures for tendering Old Notes.</p>
Effect of Not Tendering Old Notes	If you do not tender your Old Notes or if you do tender them but they are not accepted by us, your Old Notes will continue to be subject to the existing restrictions on transfer. Except for our obligation to file a shelf registration statement under the circumstances described below, we will have no further obligation to provide for the registration of the Old Notes under the Securities Act. If your outstanding Old Notes are not tendered and accepted in the exchange offer, it may become more difficult for you to sell or transfer your outstanding Old Notes.

Table of Contents

Resale of the Exchange Notes

Under existing interpretations by the staff of the SEC as set forth in no-action letters issued to unrelated third parties and referenced below, we believe that the Exchange Notes issued in the exchange offer in exchange for Old Notes may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act, if you:

are not an affiliate of ours within the meaning of Rule 405 of the Securities Act;

are acquiring the Exchange Notes in the ordinary course of business; and

have no arrangement or understanding with any person to participate in a distribution of the Exchange Notes.

In addition, each participating broker-dealer that receives Exchange Notes for its own account pursuant to the exchange offer in exchange for Old Notes that were acquired as a result of market-making or other trading activity must also acknowledge that it will deliver a prospectus in connection with any resale of the Exchange Notes. For more information, see Plan of Distribution.

Any holder of Old Notes, including any broker-dealer, who:

is our affiliate,

does not acquire the Exchange Notes in the ordinary course of its business, or

tenders in the exchange offer with the intention to participate, or for the purpose of participating, in a distribution of Exchange Notes,

cannot rely on the position of the staff of the SEC expressed in *Exxon Capital Holdings Corporation, Morgan Stanley & Co., Incorporated* or similar no-action letters and, in the absence of an applicable exemption, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with the resale of the Exchange Notes or it may incur liability under the Securities Act. We will not be responsible for, or indemnify against, any such liability.

Minimum Condition

The exchange offer is not conditioned on any minimum aggregate principal amount of Old Notes being tendered for exchange.

Appraisal or Dissenters Rights

Holders of the Old Notes do not have any appraisal or dissenters rights in connection with the exchange offer.

Edgar Filing: AVIV REIT, INC. - Form 424B3

Material United States Federal Income Tax Considerations

Your exchange of Old Notes for Exchange Notes to be issued in the exchange offer will not be a taxable event for U.S. federal income tax purposes. See [Material U.S. Federal Income Tax Considerations](#) for a summary of U.S. federal tax consequences associated with the exchange of Old Notes for Exchange Notes and the ownership and disposition of those Exchange Notes.

Table of Contents

Use of Proceeds	We will not receive any proceeds from the issuance of Exchange Notes pursuant to the exchange offer.
Exchange Agent	The Bank of New York Mellon Trust Company, N.A. is serving as the exchange agent in connection with the exchange offer. The address and telephone number of the exchange agent are set forth under the heading "The Exchange Offer" Exchange Agent.
Shelf Registration Statement	<p>The registration rights agreement requires that we file a shelf registration statement, in addition to or in lieu of conducting the exchange offer, in the event that:</p> <ol style="list-style-type: none">(1) we are not required to file the exchange offer registration statement or to consummate the exchange offer because the exchange offer is not permitted by law or SEC policy; or(2) for any reason, we do not consummate the exchange offer by August 10, 2012; or(3) any holder notifies us that: it is not permitted under law or SEC policy to participate in the exchange offer; it cannot publicly resell new notes that it acquires in the exchange offer without delivering a prospectus, and the prospectus contained in the exchange offer registration statement is not appropriate or available for resales by that holder; it is a broker-dealer and holds Old Notes that it has not exchanged and that it acquired directly from us or one of our affiliates; or an initial purchaser so requests (with respect to Old Notes that have not been resold and that it acquired directly from us or one of our affiliates).

You should refer to the section titled "Risk Factors" beginning on page 13 of this prospectus for a description of some of the risks you should consider before participating in the exchange offer.

Table of Contents

The Exchange Notes

The summary below describes the principal terms of the Exchange Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The terms of the Exchange Notes are identical to the terms of the Old Notes, except that the transfer restrictions, registration rights and provisions for additional interest relating to the Old Notes do not apply to the Exchange Notes. Other than the issuance date and the aggregate principal amount, the terms of the Exchange Notes are substantially identical to the Existing Notes. The Description of Exchange Notes section of this prospectus contains a more detailed description of the terms and conditions of the Exchange Notes.

Issuers	Aviv Healthcare Properties Limited Partnership and Aviv Healthcare Capital Corporation.
Securities Offered	\$100,000,000 principal amount of 7 ³ / ₄ % Senior Notes due 2019.
Maturity	February 15, 2019.
Interest Rate	Interest will accrue from February 15, 2012 at a rate of 7.750% per annum or from the date of the last payment of interest on the Old Notes, whichever is later. Interest will be computed on the basis of a 360-day year comprised of twelve 30 day months. We will not pay interest on Old Notes tendered and accepted for exchange.
Interest Payment Dates	Each February 15 and August 15, beginning on August 15, 2012.
Ranking	<p>The Exchange Notes and the senior guarantees thereof will be the Issuers' and such guarantors' senior unsecured obligations and will rank:</p> <p>senior to all existing and future indebtedness that by its terms is expressly subordinated to the Exchange Notes, including the subordinated guarantees provided by the Issuers and such guarantors of the obligations under our Acquisition Credit Line and Term Loan;</p> <p><i>pari passu</i> with all existing and future senior unsecured indebtedness, including a limited unsecured guarantee of the obligations under our Acquisition Credit Line and Term Loan provided by Aviv Healthcare Properties Limited Partnership;</p> <p>effectively junior to all secured indebtedness to the extent of the value of the collateral securing such debt, including the 2014 Revolver and the 2016 Revolver; and</p> <p>structurally subordinate to all of the existing and future liabilities of our subsidiaries that do not guarantee the Exchange Notes.</p>

Edgar Filing: AVIV REIT, INC. - Form 424B3

The subordinated guarantees of the Exchange Notes will be such guarantors' subordinated unsecured obligations and will rank:

senior to all existing and future indebtedness of such guarantors that by its terms is expressly subordinated to subordinated guarantees of such guarantors;

Table of Contents

pari passu with all existing and future senior unsecured indebtedness of such guarantors; and

contractually junior to such guarantors' obligations under our Acquisition Credit Line and Term Loan.

Guarantees

The Exchange Notes will be guaranteed by Aviv REIT and the existing subsidiaries and (subject to certain exceptions) future subsidiaries of the Issuers (other than the subsidiaries that hold properties subject to mortgages whose terms prohibit such subsidiaries from entering into guarantees of other indebtedness). In each instance, the Exchange Notes will be fully and unconditionally guaranteed, jointly and severally, on an unsecured basis by the applicable guarantors. If we do not make payments required by the Exchange Notes, the guarantors must make them. The subsidiary guarantees may be released under certain circumstances.

Optional Redemption

We may redeem some or all of the Exchange Notes at any time on or after February 15, 2015, at the redemption prices specified under the section "Description of Exchange Notes - Optional Redemption" plus accrued and unpaid interest, if any, to the redemption date. We may also redeem some or all of the Exchange Notes before February 15, 2015 at a redemption price of 100% of the principal amount thereof plus accrued and unpaid interest, if any, to the redemption date, plus a "make-whole" premium.

Optional Redemption after Equity Offering

At any time prior to February 15, 2014, we may also redeem up to 35% of the original aggregate principal amount of the Notes (including the Exchange Notes) with the proceeds from specific kinds of equity offerings at a redemption price equal to 107.750% of the aggregate principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to the redemption date. See "Description of Exchange Notes - Optional Redemption."

Change of Control Offer

If a change in control of our company occurs, we must give holders the opportunity to sell their Exchange Notes to us at 101% of their principal amount plus accrued and unpaid interest, if any. We, however, may not be able to pay the required price for the Exchange Notes presented to us at the time of a change of control event because we may have insufficient funds.

Restrictive Covenants

The indenture governing the Notes (including the Exchange Notes) contains covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to:

incur or guarantee additional indebtedness;

incur or guarantee secured indebtedness;

pay dividends or distributions on, or redeem or repurchase, our capital stock;

Table of Contents

make certain investments or other restricted payments;

sell assets;

enter into transactions with affiliates;

merge or consolidate or sell all or substantially all of our assets; and

create restrictions on the ability of our restricted subsidiaries to pay dividends or other amounts to us.

In addition, we are required to maintain Total Unencumbered Assets (as defined in Description of Exchange Notes) of at least 150% of our unsecured indebtedness. These covenants are subject to a number of important limitations and exceptions. See Description of Exchange Notes Covenants.

Absence of a Public Market for the Exchange Notes The Exchange Notes are a new issue of securities with no established public market. We do not intend to apply for listing of the Exchange Notes on any securities exchange.

You should refer to the section titled Risk Factors beginning on page 13 of this prospectus for a description of some of the risks you should consider before investing in the Exchange Notes.

Table of Contents**Summary Financial Data**

You should read the following summary historical consolidated financial and other data in connection with Selected Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations and the historical consolidated financial statements and related notes thereto appearing elsewhere in this prospectus.

The summary historical consolidated financial data as of December 31, 2011 and 2010 and for the years ended December 31, 2011, 2010 and 2009 have been derived from the audited historical consolidated financial statements of Aviv REIT, Inc. and Aviv Healthcare Properties Limited Partnership and other unaudited information appearing elsewhere in this prospectus. The summary historical balance sheet data as of December 31, 2009 have been derived from the audited historical consolidated financial statements of Aviv REIT, Inc. and Aviv Healthcare Properties Limited Partnership, which are not included in this prospectus.

Operating Information	Year Ended December 31, (in thousands)		
	2009	2010	2011
Revenues			
Rental income	\$82,775	\$85,240	\$92,326
Tenant recoveries	6,056	6,442	7,175
Interest on loans to lessees	3,493	5,226	5,246
Total revenues	92,324	96,908	104,747
Expenses			
Rent and other operating expenses	612	575	891
General and administrative	7,741	11,475	17,589
Offering costs	6,864		
Real estate taxes	6,232	6,475	7,282
Depreciation	17,528	17,854	20,847
Loss on impairment		96	6,091
Total expenses	38,977	36,475	52,700
Operating income	53,347	60,433	52,047
Other income and expenses			
Interest and other income	466	133	843
Interest expense			