Sabra Finds Buyer for Troubled Senior Care Portfolio

$385M Sale for 36 Sites; BK Filing for Operator

Sabra Health Care REIT Inc. (Nasdaq: SBRA) is ridding itself of a portfolio of nursing and senior housing properties run by an under-fire operator in Dallas.

The Irvine-based real estate investment trust, which owns and invests in real estate serving the healthcare industry, announced this month that it entered into an agreement to sell 36 skilled nursing facilities and two senior housing communities operated by **Senior Care Centers LLC** for $385 million.

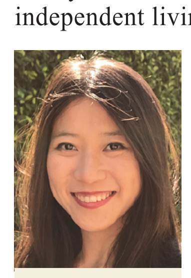
Matros: deal gives healthcare REIT 'more cash up front'

The deal is slated to close early next year; a buyer wasn't immediately disclosed.

Sabra previously announced its intention to distance itself from the troubled operator, which filed for Chapter 11 bankruptcy on Dec. 4 to address "burdensome debt levels and expensive leases," according to a press release announcing the bankruptcy filing.

Last month Sabra terminated the leases on the 36-property portfolio after Senior Care Centers stopped paying rent; the rent nonpayment was reportedly a negotiating tactic Senior Care Centers used to give it more of a say in the pending facilities sale.

Senior Care operates and manages nearly 100 skilled nursing and assisted-independent living communities in Texas and Louisiana. It filed for bankruptcy protection in the Northern District of Texas.



HEALTHCARE
Sherry Hsieh

It's now operating Sabra's communities on a month-to-month basis.

Sabra Chief Executive **Rick Matros** said the company doesn't expect Senior Care Centers' bankruptcy filing to have a substantive impact on the disposition of the assets.

"We determined it was in our best interest to forego a potential earn-out opportunity that may or may not be realized at some future date and instead receive more cash up front," Matros said in a statement.

Sabra shares ticked up about 2.5% after the sale announcement. Its market value is about $3.4 billion as of press time.

Tumor Treatment

■ Irvine-based **Aivita Biomedical Inc.**, an upstart biotech company specializing in stem cell technology, announced it started a second-phase clinical trial in patients with newly diagnosed glioblastoma, a malignant tumor affecting the brain or spine. It's the most aggressive and common form of a malignant brain tumor, and the median survival of those diagnosed with it is only nine months, according to the company.

Aivita's therapy is designed to target the patient's tumor-initiating cells.

The company said it dosed the first two patients in the approximately 55-patient study.

The trial's first patient was enrolled by the **University of California-Irvine**'s Comprehensive Brain Tumor Program and will be treated under the direction of UCI Health neuro-oncologist and Principal Investigator **Daniela Bota**, the company said.

Aivita was founded early last year and this past June raised $15 million in funding.

It also has an ongoing multicenter second-phase trial of its therapy in patients with ovarian cancer, as well as an application to commercialize the treatment for skin cancer in Japan.

The privately held company operates a cash-generating skincare product line based on its regenerative technology.

■ **Spectrum Pharmaceuticals Inc.** (Nasdaq: SPPI) recently announced second third-phase study results of late-stage cancer drug Rolontis confirming its efficacy and safety in reducing severe low white blood cell count in breast cancer patients treated with chemotherapy. It plans to file for Food and Drug Administration approval this year.

The two third-phase studies enrolled 643 patients combined.

The Henderson, Nev.-based biotechnology company has commercial and in-development drugs. It operates an administrative and research and development facility in Irvine.

UCI Grant

The **University of California-Irvine** received $1.25 million from the **National Science Foundation** to support the Center for Advanced Design and Manufacturing of Integrated Microfluids.

The center, launched five years ago, has locations at UCI and the **University of Illinois at Chicago**. It develops miniature devices, or chips, that can perform biochemical analytical functions quickly and cheaply—such as detecting dangerous toxins in the blood or screening hundreds of potential drugs in order to get the best fit for a patient.

"It is gratifying to know that the National Science Foundation is recognizing and rewarding the many accomplishments of CADMIM in its first five years, in research, technology transfer and most importantly, in building a community of students, faculty and industrial members that bridges advanced research with real-world applications," said **Abe Lee**, CADMIM director and William J. Link professor and chairman of biomedical engineering at the UCI Samueli School of Engineering.

The center has worked with several industry leaders, including **Beckman Coulter Inc.**, **Corteva Agriscience**, **Monsanto Co.**, **Qiagen N.V.** (NYSE: QGEN), **Thermo Fisher Scientific Inc.**, **Canon U.S. Life Sciences Inc.** and **GlaxoSmithKline PLC** (NYSE: GSK).