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CareTrust REIT Acquires Virginia Assisted Living Community

SAN CLEMENTE, Calif., Jan. 9, 2015 (GLOBE NEWSWIRE) -- CareTrust REIT, Inc. (Nasdaq:CTRE) today announced that it has acquired English Meadows at Christiansburg, a 39-unit assisted living facility in Christiansburg, Virginia, for \$6.6 million. The transaction was a sale-leaseback with Twenty/20 Management, Inc., one of western Virginia's best-known and best-regarded assisted living operators.

"English Meadows and Twenty/20 Management are excited about our partnership with CareTrust," said Mike Williams, Chief Executive Officer of Twenty/20 Management, Inc. "Not only will this relationship allow us to improve and grow our existing campuses, but we are also looking to the future together, for new opportunities for expansion," he added.

David Sedgwick, CareTrust's Vice President of Operations, called the Twenty/20-CareTrust relationship "the perfect partnership of no-nonsense capital and outstanding local operating expertise, and a great platform for quality future growth." Mr. Williams agreed, saying, "We at Twenty/20 are dedicated to providing lower-cost and higher-quality assisted living care for our residents, and we are pleased to have found in CareTrust a financial partner that feels the same way and can help us finance that operating philosophy."

In connection with the sale, Twenty/20 entered into a long-term triple-net master lease with CareTrust. The lease has an initial term of 15 years with two five-year renewal options and CPI-based rent escalators. The English Meadows investment provides an initial cash yield of 8.50% on EBITDAR lease coverage of 1.30x, producing initial annual lease revenue of \$0.56 million.

Contemporaneously with the English Meadows transaction, CareTrust also entered into an agreement with a Twenty/20 affiliate to purchase and lease back Twenty/20's recently-acquired English Meadows Elks' Home, a 169-unit independent and assisted living campus located in Bedford, Virginia, when it is stabilized. The Elks' Home transaction is expected to close in mid-2015.

About Twenty/20 Management, Inc.

Started by co-founders and industry veterans Mike Williams & Steve Orndorff in 1998, Twenty/20 Management, Inc. and its operating affiliates are privately-held Blacksburg, Virginia-based assisted living companies with operating locations in Christiansburg, Bedford and Abingdon, Virginia.

About CareTrust™

CareTrust REIT, Inc. is a real estate investment company that is engaged in the ownership, acquisition and leasing of seniors housing and healthcare-related properties. CareTrust is organized and conducts its operations to qualify as a REIT for U.S. federal income tax purposes. With 99 net-leased healthcare properties and three operated seniors housing properties in twelve states, CareTrust is pursuing opportunities nationwide to acquire additional properties that will be leased to a diverse group of local, regional and national seniors housing operators, healthcare services providers, and other healthcare-related businesses. More information about CareTrust is available at www.caretrustreit.com.

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