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CareTrust REIT Acquires Four Seniors Housing Assets, Expands Into Three New States

SAN CLEMENTE, Calif., March 02, 2016 (GLOBE NEWSWIRE) -- CareTrust REIT, Inc. (NASDAQ:CTRE) today announced that it has acquired a portfolio of four assisted living assets, entering three new states and initiating a new tenant relationship in the process. The aggregate purchase price was approximately \$27.0 million, with initial annual rental revenues of approximately \$2.3 million.

Three of the properties, comprised of 366 units and located in Baltimore, Maryland, Fort Wayne, Indiana and West Allis, Wisconsin, are being leased back to an entity headed by two of the three key principals in the seller. All of the key principals worked closely with CareTrust to create a sale-leaseback transaction that allowed the two continuing partners to restructure and consolidate their existing partnership and complete the capitalization of their new company, Priority Life Care, LLC. Priority is headed by the industry-veteran brother-sister team of Severine and Robert Petras, who have been successfully operating the three assets, as well as others, for several years.

"We are pleased that we were able to help the sellers intelligently and painlessly capture the equity value they've created, restructure their ownership and recapitalize these facilities," remarked Greg Stapley, CareTrust's Chairman and Chief Executive Officer. "More than that, we are excited to add Priority and the Petras family to our growing family of outstanding operating partners, and to help them relaunch their business from a solid base that we believe will allow our companies to grow together for years to come," Stapley added.

Severine Petras, CEO of Priority Life Care, commented, "We couldn't have picked a better partner to transition these assets to our new enterprise," adding that CareTrust's "knowledge and background in operations has already shown us they bring more than financial support" to the table. "We believe that this partnership can allow us to expand our operations into other areas of the country that fit our operating criteria," she said. The new master lease with Priority carries an initial term of 15 years, with two five-year renewal options and CPI-based rent escalators.

The fourth property, a 74-unit assisted living facility located in Fort Myers Florida, has been added to CareTrust's existing master lease with Better Senior Living Consulting, LLC. Mr. Stapley noted that, "The addition of the Fort Myers property illustrates our commitment to our existing tenants, and particularly to CEO Lynn Anderson and her team at Better Senior Living Consulting, who have been outstanding operators and partners." Ms. Anderson added, "We at Better Senior Living Consulting are grateful for another opportunity to grow with CareTrust, and we look forward to caring for the seniors of Fort Myers." The addition expands Better Senior Living's master lease with CareTrust to three properties, all of which provide high-quality mid-market-focused assisted living services.

The acquisitions were funded using cash on hand of approximately \$15 million, with the balance coming from approximately \$12 million of funds drawn on CareTrust's \$400 million unsecured revolving credit facility. With the draw, CareTrust has approximately \$97 million of debt currently outstanding on its unsecured line.

About CareTrustTM

CareTrust REIT, Inc. is a self-administered, publicly-traded real estate investment trust that is engaged in the ownership, acquisition and leasing of seniors housing and healthcare-related properties. With 133 net-leased healthcare properties and three operated seniors housing properties in eighteen 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.

About Priority Life Care, LLC

Priority Life Care owns and operates senior housing facilities focusing on providing quality care and a safe, welcoming home for seniors. Priority Life Care currently operates 406 units across four seniors housing facilities.

About Better Senior Living Consulting, LLC

Better Senior Living Consulting, LLC is a Florida-based senior living and memory care provider that operates nine seniors housing facilities with 545 beds located throughout the State of Florida. The company is regularly called upon by Florida regulators to consult on troubled seniors housing operations around the State.

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