



NEWS RELEASE

CareTrust REIT Invests \$60 Million in Acquisition of Three Southern California Continuing Care Retirement Communities

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SAN CLEMENTE, Calif.--(BUSINESS WIRE)-- CareTrust REIT, Inc. (NYSE:CTRE) announced today that it has purchased three continuing care retirement communities (CCRCs) located in Los Angeles, Orange, and San Diego counties. The multi-service senior living campuses include 475 assisted living, skilled nursing, and memory care beds/units. All three facilities will be operated by Bayshire Senior Communities, an existing CareTrust tenant based in Southern California.

CareTrust acquired Torrey Pines Senior Living, a CCRC located in San Diego, California, for a total investment amount of approximately \$32.3 million (inclusive of transaction costs). The Torrey Pines facility has been added to CareTrust's existing master lease with Bayshire. Annual cash rent for the first year is approximately \$2.6 million, increasing to approximately \$3.0 million in the second year with CPI-based annual escalators thereafter.

Acquisition of the other two CCRCs was completed through a joint venture arrangement entered into between CareTrust and a third-party regional healthcare real estate investor. Pursuant to the arrangement, CareTrust is the managing member of the joint venture entity. CareTrust provided a combined common equity and preferred equity investment amount totaling approximately \$28.0 million.

The joint venture landlord has leased these facilities to Bayshire pursuant to a new, triple-net master lease agreement with an initial term of 15 years with two, 5-year extension options. CareTrust's initial contractual yield on its combined preferred and common equity investments in the joint venture is approximately 9.1%. Agreed upon annual increases to base rent and to CareTrust's preferred rate of return increase CareTrust's contractual yield to 9.7% and 10.2% in years 2 and 3 respectively. Commencing in year 4, contractual base rent increases by a fixed 2%

annually.

Scott Kirby, Bayshire's Chief Executive Officer, said, "We are thrilled to grow by adding three great Southern California facilities to our operating platform." Mr. Kirby went on to state that, "Our relationship with CareTrust continues to be a vital part of our growth strategy and these acquisitions demonstrate CareTrust's commitment to facilitating significant growth opportunities for operators like me."

"Bayshire's performance in our existing portfolio has demonstrated their focus on providing excellent care to their residents and patients and made us eager to help them add additional scale in Southern California," said James Callister, CareTrust's Chief Investment Officer. Joe Callan, a Senior Vice President at CareTrust, stated that, "to expand our relationship with an operator of Bayshire's quality is an exciting opportunity for us as we continue our mission of matching opportunities with best-in-class operators."

The investments were funded using cash on hand.

About CareTrust™

CareTrust REIT, Inc. is a self-administered, publicly-traded real estate investment trust engaged in the ownership, acquisition, development and leasing of skilled nursing, seniors housing and other healthcare-related properties. With a nationwide portfolio of long-term net-leased properties, and a growing portfolio of quality operators leasing them, CareTrust REIT is pursuing both external and organic growth opportunities across the United States. More information about CareTrust REIT is available at www.caretrustreit.com.

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Source: CareTrust REIT, Inc.