



CareTrust REIT Adds Premier Operator Relationship, Acquires Four-Asset California Portfolio

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SAN CLEMENTE, Calif., March 02, 2021 (GLOBE NEWSWIRE) -- CareTrust REIT, Inc. (NASDAQ:CTRE) announced today that it purchased four California continuing care retirement communities (CCRCs) in the upscale Southern California sub-markets of Camarillo, Carlsbad, Rancho Mirage (Palm Springs) and San Juan Capistrano. The multi-service senior living campuses, which were originally developed by hotelier Marriott International, Inc. between 1999 and 2000, include 637 assisted living, skilled nursing and memory care beds.

Bayshire Senior Communities, an existing CareTrust tenant based in San Diego, California, will lease and operate the Rancho Mirage and Carlsbad campuses under an amendment to Bayshire's existing master lease. Scott Kirby, Bayshire's Chief Executive Officer, said, "We are excited to grow here in San Diego, and to expand into the demographically-attractive Coachella Valley," referencing the large senior population in the area around Palm Springs. Noting that the COVID-era transaction was especially complex, he added, "The CareTrust team exceeded our expectations, not only as a capital provider but also as thought partners in how to structure a deal to mitigate the risks of taking over healthcare operations during COVID."

Aspen Skilled Healthcare, based in Laguna Niguel, California, will lease and operate the San Juan Capistrano and Camarillo campuses under a new 15-year master lease with CareTrust. Aspen President Jay Brady said, "We are excited for the opportunity to operate these beautiful communities and to begin our relationship with CareTrust." Speaking of the unique transactional structure, he noted that CareTrust had worked closely with the seller, the outgoing manager and Aspen to facilitate Aspen's early transition into the buildings. "Early access has given us an invaluable head start on executing our business plan," he concluded.

Dave Sedgwick, CareTrust's President and Chief Operating Officer, praised both of the incoming operators as best-in-class healthcare providers. "We have known the principals of both Bayshire and Aspen for many years, and have witnessed their competency and commitment to excellence first-hand," he said. "Bayshire has performed extraordinarily well with our existing assets, and we were eager to help them add additional scale in North County San Diego and expand into the Inland Empire," he stated. "And we are thrilled to finally welcome Aspen to the CareTrust family, having watched with admiration as Jay and his partners have built Aspen into one of the premier post-acute care providers on the West Coast," he concluded.

CareTrust's initial investment in the four rental CCRCs, inclusive of capex commitments and transaction costs, was approximately \$126.1 million. Aggregate annual cash rent for the first year is approximately \$8.6 million, increasing to \$9.4 million in the second year with CPI-based annual escalators thereafter. The acquisition was funded using CareTrust's \$600 million unsecured revolving credit facility. The lease with Aspen and the lease amendment with Bayshire formally commence upon receipt of licensing approval. Aspen and Bayshire have been managing the operations since February 1, 2021 under a contractual arrangement with the seller and existing licensee, who has temporarily leased the assets back from CareTrust pending re-licensure.

About CareTrust REIT, Inc.

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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