



CareTrust REIT Adds Operating Partner and SNF/ALF Campus in California's Silicon Valley

September 5, 2018

SAN CLEMENTE, Calif., Sept. 05, 2018 (GLOBE NEWSWIRE) -- CareTrust REIT, Inc. (NASDAQ:CTRE) announced today that it has acquired the Villas at Saratoga (formerly Our Lady of Fatima Villa), an 85-bed skilled nursing and 37-unit assisted living campus in Saratoga, California, from Our Lady of Fatima, Inc., a Catholic nonprofit. The property will be leased to affiliates of Kalesta Healthcare LLC, a San Jose-area-based skilled nursing and seniors housing operator.

Bella Mahoney, President and CEO of Our Lady of Fatima Villa, stated, "We're thrilled with California's approval of the sale to CareTrust and lease to Kalesta." She noted that CareTrust and Kalesta "executed on every promise they made to me and our board," and acknowledged the hard work done on all sides to collectively navigate the state approval and transition processes. "We look forward to watching The Villas of Saratoga expand their care reach to residents across Saratoga and throughout Silicon Valley," she added.

In connection with the acquisition, CareTrust REIT entered into a new tenant relationship with affiliates of Kalesta Healthcare, LLC. "Our longstanding relationships with Kalesta's principals date back to our operating days," said Mark Lamb, CareTrust's Chief Investment Officer. He further noted that, with principals who are highly-regarded local operators, Kalesta is "an excellent fit" to operate the Villas at Saratoga due to their well-established relationships with key local hospitals and physicians in the greater Saratoga and Los Gatos communities. "We are excited to see them continue and grow the Villas' legacy as one of the premier skilled, transitional and senior care facilities in Silicon Valley," he said.

Scott Clawson, Jr., one of Kalesta's Managing Directors, remarked, "We're grateful for the CareTrust team and their guidance throughout this transaction." Mr. Clawson noted that CareTrust's expertise in handling the complicated transaction had freed the Kalesta team to focus on seamlessly transitioning the Villas to new leadership, which was a high priority for all three parties. "We couldn't be more excited to build upon the foundation that Bella and her team established over the past few decades, while growing our operational footprint with CareTrust as strategic opportunities arise," he added.

The total initial investment is expected to be approximately \$19.0 million, inclusive of transaction costs. Cash rent for the first two years is \$3.4 million, and thereafter rent escalates based on CPI. Additionally, CareTrust has committed to fund approximately \$1.4 million in revenue-producing capital expenditures over the next 24 months based on the in-place lease yield. The lease term is 15 years, with two five-year renewal options. The acquisition was funded using cash on hand.

About CareTrust REIT

CareTrust REIT, Inc. is a self-administered, publicly-traded real estate investment trust engaged in the ownership, acquisition and leasing of seniors housing and healthcare-related properties. With 190 net-leased healthcare properties and three operated seniors housing properties in 25 states, CareTrust REIT 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 REIT is available at www.caretrustreit.com.

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