



CareTrust REIT Expands in California's Central Valley

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SAN CLEMENTE, Calif., Oct. 02, 2019 (GLOBE NEWSWIRE) -- CareTrust REIT, Inc. (NASDAQ:CTRE) announced today that it has acquired two highly sought-after healthcare facilities in California's Central Valley in a pair of off-market transactions. CareTrust leased both assets to Kalesta Healthcare, LLC, an existing CareTrust tenant whose principals have a history of successful post-acute care operations in the region. Kalesta took over operations on October 1, 2019.

The two properties include Central Valley Post Acute, a 70-bed skilled nursing facility in Modesto, California, and Saint Claire's Nursing Center and Saint Francis Senior Residence, a 99-bed skilled nursing and 72-unit assisted living campus in Sacramento, California. In addition to operational and other changes being made at the two facilities, Kalesta has rebranded the Modesto facility as Valley Skilled Nursing and the Sacramento campus as City Creek Post-Acute and Assisted Living.

Mark Lamb, CareTrust's Chief Investment Officer, said, "Kalesta has a proven track record of operational excellence, and we anticipate similar execution at both City Creek and Valley Skilled Nursing." He noted that the distinguished operating records of Kalesta's principals in the market offer a distinct advantage in achieving a smooth operational transition. "We expect that the sterling reputations and extensive local relationships of Kalesta's principals will give them an enormous head start in recruiting key staff and working with physicians, hospitals and other referral sources," Mr. Lamb added.

Ben Tuifua, one of Kalesta's principals and Managing Director for the region, echoed Mr. Lamb's optimism. "Valley Skilled Nursing and the City Creek Campus are wonderful opportunities for us to really make a difference for the care staff, patients and medical community in Modesto and South Sacramento," he said. Mr. Tuifua noted that the Central Valley is a target growth area for Kalesta, which already has a thriving operational base nearby in the greater Bay Area. "Most of all, we are excited to join the wonderful caregivers and staff of each of these facilities in their ongoing quest to provide outstanding care and quality clinical outcomes in their communities," he added.

CareTrust's total initial investment for the two assets was \$22.8 million, inclusive of transaction costs. Scheduled cash rent for the first two years is approximately \$3.9 million, with CPI-based escalators thereafter. CareTrust has also committed to provide a revenue-producing \$1.0 million fund for capital expenditures to improve the City Creek facility. The Kalesta master lease has approximately 14 years remaining on the initial term, with two five-year renewal options. The acquisition was funded using a combination of cash on hand and CareTrust's \$600 million unsecured revolving credit facility.

About CareTrust REIT, Inc.

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 213 net-leased healthcare properties and two operated seniors housing properties in 28 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.

Contact:

CareTrust REIT, Inc.
(949) 542-3130
ir@caretrustreit.com



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