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FOR IMMEDIATE RELEASE

## **Capital Senior Living Corporation Takes Action to Improve Cash Position and Reduce Lease Liability**

*Reaches Agreements with Ventas and Welltower for Early Terminations of Master Leases*

DALLAS – (GLOBE NEWSWIRE) – March 16, 2020 - Capital Senior Living Corporation (NYSE:CSU), one of the nation's largest operators of senior living communities, announced today that it has reached agreements with Ventas, Inc. and Welltower Inc. for immediate rent reductions and the early terminations of its Master Leases. This follows the previously announced early termination of its Healthpeak master lease. Together, the early terminations and rent reductions are expected to improve the Company's cash flow by approximately \$22.0 million and reduce lease liabilities by approximately \$253.0 million.

Kimberly S. Lody, Capital Senior Living's President and Chief Executive Officer, said, "We are pleased to immediately strengthen our cash position and reduce our lease exposure by reaching early termination agreements with all of our landlords. We appreciate the collaborative relationships we have had with Healthpeak, Ventas and Welltower over the years."

Ms. Lody continued, "We remain laser focused on our operational turnaround plan. The management team will continue to take proactive actions to best position the company to drive sustainable growth and value creation. These agreements further progress our strategy to reduce our lease liabilities and increase the percentage of our portfolio that is Company owned."

### **Details of the Agreements**

#### Ventas

- The agreement with Ventas provides for the early termination of its Master Lease covering seven communities.
- Commencing February 1, 2020 and for each month through December 31, 2020, the Company agrees to pay to Ventas rent of approximately \$1.0 million per month as

compared to \$1.3 million that would otherwise be due and payable under the Master Lease.

- The Company agrees to release security deposits currently held by Ventas in order to fulfill the original contractual rent under its leases through December 31, 2020.
- The Company and Ventas agree that facilitating an orderly transition of the portfolio or converting the portfolio to management agreements is in both companies' best interests. The Company and Ventas are targeting a completion date of December 31, 2020.
- If there are remaining facilities that have not been transitioned or converted by December 31, 2020, the remaining communities will convert to management agreements.
- Following the transition or conversion to management agreements of all facilities, the Master Lease will be terminated.

### Welltower

- The agreement with Welltower provides for the early termination of three Master Leases covering twenty-four communities across 7 states with current occupancy of 78% (as of December 2019) and an average age of 15 years.
- Commencing February 1, 2020 and for each month through December 31, 2020, the Company agrees to pay to Welltower rent of approximately \$2.2 million per month as compared to \$2.8 million that would otherwise be due and payable under the three Welltower Leases.
- The Company agrees to release security deposits currently held by Welltower in order to fulfill the original contractual rent under its leases through December 31, 2020.
- The Company and Welltower agree that facilitating an orderly transition of the portfolio or converting the portfolio to management agreements is in both companies' best interests. The Company and Welltower are targeting a completion date of December 31, 2020.
- If there are remaining facilities that have not been transitioned or converted by December 31, 2020, the remaining communities will convert to management agreements.
- Following the transition or conversion to management agreements of all facilities, the Master Lease will be terminated.

### Healthpeak

- Effective February 1, 2020, the Company's master lease agreement related to the 2026 Communities has been terminated and converted to an interim management agreement under a RIDEA structure.

- Healthpeak has commenced the marketing of the 2026 Communities. The management agreements will terminate as each community is sold.
- Capital Senior Living agrees to release approximately \$1.9 million of security deposits held by Healthpeak.

### **Safe Harbor**

The forward-looking statements in this release are subject to certain risks and uncertainties that could cause the Company's actual results and financial condition to differ materially, including, but not limited to, the Company's ability to generate sufficient cash flow to satisfy its debt and lease obligations and to fund the Company's capital improvement projects to expand, redevelop, and/or reposition its senior living communities; the Company's ability to obtain additional capital on terms acceptable to it; the Company's ability to extend or refinance its existing debt as such debt matures; the Company's compliance with its debt and lease agreements; the Company's ability to complete acquisitions and dispositions upon favorable terms or at all; the risk of oversupply and increased competition in the markets which the Company operates; the risk of increased competition for skilled workers due to wage pressure and changes in regulatory requirements; the departure of the Company's key officers and personnel; the cost and difficulty of complying with applicable licensure, legislative oversight, or regulatory changes; the risks associated with a decline in economic conditions generally; the adequacy and continued availability of the Company's insurance policies and the Company's ability to recover any losses it sustains under such policies; changes in accounting principles and interpretations; and the other risks and factors identified from time to time in the Company's reports filed with the Securities and Exchange Commission.

### **About the Company**

Dallas-based Capital Senior Living Corporation is one of the nation's largest operators of independent living, assisted living and memory care communities for senior adults. The Company's 125 communities are home to more than 11,000 residents across 23 states and provide compassionate, resident-centric service and care as well as engaging programming. Capital Senior Living affords seniors the freedom and opportunity to successfully, comfortably and happily age in place. For more information, visit [www.capitalsenior.com](http://www.capitalsenior.com) or connect with the Company on Facebook.

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