



## Capital Senior Living Commences Planned Community Transitions, Reducing Long-Term Liabilities and Improving Net Operating Income

DALLAS – December 8, 2020 – Capital Senior Living Corporation (the “Company”) (NYSE: CSU) announced it has completed the operational transfer of its independent living community in Deer Park, Texas, to Fannie Mae, the holder of the community’s non-recourse debt. The Deer Park community is the first of 18 properties (the “Transition Communities”) the Company will transition to Fannie Mae under a cooperative process initiated in August, 2020.

As previously announced, the Company plans to enhance liquidity and improve operating cash flow by eliminating underperforming operations and focusing on its core owned and managed portfolio. The Company will transfer the operations and ownership of the 18 Transition Communities, all of which are either underperforming or are in underperforming loan pools, to Fannie Mae. The Company expects all 18 of the community transitions to be completed by the end of the first quarter of 2021. The Company receives a monthly management fee of approximately \$0.2 million for managing the 18 communities.

The Company expects to extinguish \$19.4 million in debt related to the Deer Park community when the legal transfer is complete, which is expected to occur in January 2021. The transfer of all 18 communities will reduce the Company’s debt by \$217.7 million and improve annual cash flow by approximately \$10 million.

“The transition of the Deer Park community is another step in our strategy to create a more focused, higher-performing portfolio while also reducing our liabilities and improving our liquidity,” said Kimberly S. Lody, President and Chief Executive Officer. “Our employees at Deer Park will be missed, and we thank them for their unwavering commitment to the safety, care and engagement of the community’s residents.”

As part of its SING (Stabilize, Invest, Nurture, Grow) strategy to improve its operating performance and financial foundation, the Company has taken a number of actions, including asset sales, lease terminations and community transitions to other owners and operators. Upon completion of all asset transitions, the Company’s portfolio is expected to consist of 68 senior living properties that primarily serve the fast-growing middle market senior population

### **About Capital Senior Living**

Dallas-based [Capital Senior Living Corporation](#) is one of the nation’s leading operators of independent living, assisted living and memory care communities for senior adults. The Company operates 105 communities that are home to more than 9,000 residents across 22



states and provide compassionate, resident-centric service and care as well as engaging programming. The Company offers 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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