



NEWS RELEASE

Sabra Health Care REIT, Inc.'s Settlement Agreement with Senior Care Centers Approved by Bankruptcy Court

2019-03-29

IRVINE, Calif.--(BUSINESS WIRE)-- Sabra Health Care REIT, Inc. ("Sabra", the "Company" or "we") (Nasdaq: SBRA) today announced that the settlement agreement between the Company and Senior Care Centers has been approved by the bankruptcy court.

As previously announced, Sabra entered into agreements to sell 28 facilities owned by Sabra and currently operated by Senior Care Centers (the "Senior Care Centers Sale Facilities") for \$282.5 million and to discharge our claims against Senior Care Centers in exchange for certain settlement payments from Senior Care Centers as well as their assistance in facilitating an orderly transfer of the Senior Care Centers Sale Facilities to the proposed buyer's designated operators.

The settlement agreement with Senior Care Centers has now been approved by the bankruptcy court providing for, among other things, payments to Sabra totaling \$9.5 million, of which \$5 million will be payable concurrently with the sale and associated transition of the Senior Care Centers Sale Facilities scheduled to close on April 1, 2019, with the remaining \$4.5 million to be paid on or before July 1, 2019. In connection with these settlement payments, the Company will recognize \$6.2 million of post-petition rent.

ABOUT SABRA

Sabra Health Care REIT, Inc. (Nasdaq: SBRA), a Maryland corporation, operates as a self-administered, self-managed real estate investment trust (a "REIT") that, through its subsidiaries, owns and invests in real estate serving the healthcare industry. Sabra leases properties to tenants and operators throughout the United States and Canada.

FORWARD-LOOKING STATEMENTS SAFE HARBOR

This release contains “forward-looking” statements as defined in the Private Securities Litigation Reform Act of 1995. These statements may be identified, without limitation, by the use of “expects,” “believes,” “intends,” “should” or comparable terms or the negative thereof. Examples of forward-looking statements include our expectations regarding the timing of the closing of the sale of the Senior Care Center Sale Facilities and the timing and amount of the related settlement payments payable by Senior Care Centers.

Our actual results may differ materially from those projected or contemplated by our forward-looking statements as a result of various factors, including among others, the following: our dependence on the operating success of our tenants; operational risks with respect to our Senior Housing - Managed communities; the effect of our tenants declaring bankruptcy or becoming insolvent; our ability to find replacement tenants and the impact of unforeseen costs in acquiring new properties; the impact of litigation and rising insurance costs on the business of our tenants; our ability to implement the previously announced rent repositioning program for certain of our tenants who were legacy tenants of Care Capital Properties, Inc. on the timing or terms we have previously disclosed; our ability to dispose of or transition facilities currently operated by Senior Care Centers on the timing or terms we have previously disclosed; the possibility that Sabra may not acquire the remaining majority interest in the Enlivant joint venture; our ability to transition the facilities currently leased to Holiday Retirement (“Holiday”) to Senior Housing - Managed communities operated by Holiday on the timing or terms we have previously disclosed; risks associated with our investments in joint ventures; changes in healthcare regulation and political or economic conditions; the impact of required regulatory approvals of transfers of healthcare properties; competitive conditions in our industry; our concentration in the healthcare property sector, particularly in skilled nursing/transitional care facilities and senior housing communities, which makes our profitability more vulnerable to a downturn in a specific sector than if we were investing in multiple industries; the significant amount of and our ability to service our indebtedness; covenants in our debt agreements that may restrict our ability to pay dividends, make investments, incur additional indebtedness and refinance indebtedness on favorable terms; increases in market interest rates; our ability to raise capital through equity and debt financings; changes in foreign currency exchange rates; the relatively illiquid nature of real estate investments; the loss of key management personnel; uninsured or underinsured losses affecting our properties and the possibility of environmental compliance costs and liabilities; the impact of a failure or security breach of information technology in our operations; our ability to maintain our status as a real estate investment trust (“REIT”); changes in tax laws and regulations affecting REITs (including the potential effects of the Tax Cuts and Jobs Act); compliance with REIT requirements and certain tax and tax regulatory matters related to our status as a REIT; and the ownership limits and takeover defenses in our governing documents and under Maryland law, which may restrict change of control or business combination opportunities.

Additional information concerning risks and uncertainties that could affect our business can be found in our filings

with the Securities and Exchange Commission (the “SEC”), including Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2018. We do not intend, and we undertake no obligation, to update any forward-looking information to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events, unless required by law to do so.

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