



Brookdale and Welltower Enter into Mutually-Beneficial Agreements

Nashville, Tenn., June 27, 2018 - Brookdale Senior Living Inc. (NYSE: BKD) ("Brookdale" or the "Company") today announced that it has entered into definitive agreements with lessor and joint venture partner, Welltower Inc. ("Welltower"). The parties have agreed to early termination of Brookdale's triple-net lease obligations on 37 communities (4,095 units) effective June 30, 2018, and Brookdale has agreed to sell its 20% equity interest in its existing RIDEA joint venture with Welltower. In addition, Brookdale has elected not to renew two master leases with Welltower scheduled to mature on September 30, 2018 (11 communities; 1,128 units). After conclusion of such transactions, Brookdale will continue to operate 74 communities (3,688 units) under triple-net leases with Welltower.

Lucinda ("Cindy") Baier, Brookdale's President and CEO, said, "We are excited to announce a second significant lease restructuring this year. We have now entered into mutually-beneficial transactions with three of our largest REIT partners, which have restructured our leased portfolios and will provide us with improved strategic flexibility. The transactions with Welltower will improve our ongoing cash flows and overall lease coverage, reduce our lease exposure, streamline our portfolio, provide us with greater transactional flexibility, and offer long-term stability for the remaining portfolio. We are grateful to Tom DeRosa and the Welltower team for their creativeness and focus on completing this win-win transaction, which strengthens our long-term relationship with Welltower and is another important step in our turnaround strategy."

The transactions include:

- **Lease Terminations** – Brookdale and Welltower have agreed to early termination of Brookdale's triple-net lease obligations on 37 communities effective June 30, 2018. The two lease portfolios, which had current and projected negative cash flows, were due to mature in 2028 (27 communities; 3,175 units) and 2020 (10 communities; 920 units). Brookdale has agreed to pay Welltower an aggregate lease termination fee of approximately \$58 million and will continue to operate the communities until the communities are transitioned to new operators.
- **Future Lease Terminations** – The parties separately agreed to allow Brookdale to terminate leases with respect to, and to remove from the remaining Welltower leased portfolio, a number of communities with annual aggregate base rent up to \$5 million upon Welltower's sale of such communities, with Brookdale to receive a corresponding 6.25% rent credit on Welltower's disposition proceeds.

- **RIDEA Restructuring** – Brookdale has agreed to sell its 20% equity interest in its existing Welltower RIDEA joint venture to Welltower, effective June 30, 2018, for net proceeds of approximately \$35 million. Brookdale currently provides management services to the 15 joint venture communities (1,970 units), and will continue to manage the communities until the communities are transitioned by Welltower to new managers.

As noted above, Brookdale has also elected not to renew two master leases with Welltower scheduled to mature on September 30, 2018. Following completion of the foregoing transactions, Brookdale's remaining lease agreements with Welltower will contain an objective change of control standard, which would allow Brookdale to engage in certain change of control and other transactions without the need to obtain Welltower's consent, subject to the satisfaction of certain conditions.

About Brookdale Senior Living

Brookdale Senior Living Inc. is the leading operator of senior living communities throughout the United States. The Company is committed to providing senior living solutions primarily within properties that are designed, purpose-built and operated to provide the highest-quality service, care and living accommodations for residents. Brookdale operates independent living, assisted living, and dementia-care communities and continuing care retirement centers, with approximately 1,010 communities in 46 states and the ability to serve approximately 99,000 residents as of March 31, 2018. Through its ancillary services program, the Company also offers a range of home health, hospice and outpatient therapy services. Brookdale's stock is traded on the New York Stock Exchange under the ticker symbol BKD.

Safe Harbor

Certain statements in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to various risks and uncertainties and include all statements that are not historical statements of fact and those regarding our intent, belief or expectations, including, but not limited to, statements relating to our expectations regarding the lease restructuring transactions with Welltower and our other REIT partners, reducing our lease exposure, improving our cash flows, strengthening our lease coverage, providing long-term stability for our leased portfolio, and improving our strategic flexibility. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may," "will," "should," "could," "would," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "overestimate," "underestimate," "believe," "project," "predict," "continue," "plan," "target" or other similar words or expressions. These forward-looking statements are based on certain assumptions and expectations, and our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Although we believe that expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and actual results and performance could differ materially from those projected. Factors which could have a

material adverse effect on our operations and future prospects or which could cause events or circumstances to differ from the forward-looking statements include, but are not limited to, the risk associated with the current global economic situation and its impact upon capital markets and liquidity; changes in governmental reimbursement programs; the risk of overbuilding, new supply and new competition; our inability to extend (or refinance) debt (including our credit and letter of credit facilities) as it matures; the risk that we may not be able to satisfy the conditions precedent to exercising the extension options associated with certain of our debt agreements; events which adversely affect the ability of seniors to afford our resident fees or entrance fees; the conditions of housing markets in certain geographic areas; our ability to generate sufficient cash flow to cover required interest and long-term lease payments and to fund our planned capital projects; risks related to the implementation of our redefined strategy, including initiatives undertaken to execute on our strategic priorities and their effect on our results; the effect of our indebtedness and long-term leases on our liquidity; the effect of our non-compliance with any of our debt or lease agreements (including the financial covenants contained therein) and the risk of lenders or lessors declaring a cross default in the event of our non-compliance with any such agreements; the risk of loss of property pursuant to our mortgage debt and long-term lease obligations; the possibilities that changes in the capital markets, including changes in interest rates and/or credit spreads, or other factors could make financing more expensive or unavailable to us; our determination from time to time to purchase any shares under our share repurchase program; our ability to fund any repurchases; our ability to effectively manage our growth; our ability to maintain consistent quality control; delays in obtaining regulatory approvals; the risk that we may not be able to expand, redevelop and reposition our communities in accordance with our plans; our ability to complete acquisition, disposition, lease restructuring and termination, financing, re-financing and venture transactions on agreed upon terms or at all, including in respect of the satisfaction of closing conditions, the risk that regulatory approvals are not obtained or are subject to unanticipated conditions, and uncertainties as to the timing of closing, and our ability to identify and pursue any such opportunities in the future; our ability to successfully integrate acquisitions; competition for the acquisition of assets; our ability to obtain additional capital on terms acceptable to us; a decrease in the overall demand for senior housing; our vulnerability to economic downturns; acts of nature in certain geographic areas; terminations of our resident agreements and vacancies in the living spaces we lease; early terminations or non-renewal of management agreements; increased competition for skilled personnel; increased wage pressure and union activity; departure of our key officers and potential disruption caused by changes in management; increases in market interest rates; environmental contamination at any of our communities; failure to comply with existing environmental laws; an adverse determination or resolution of complaints filed against us; the cost and difficulty of complying with increasing and evolving regulation; unanticipated costs to comply with legislative or regulatory developments, including requirements to obtain emergency power generators for our communities; as well as other risks detailed from time to time in our filings with the Securities and Exchange Commission, including those contained in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in such SEC filings. Readers are cautioned not to place undue reliance on any of these forward-

looking statements, which reflect our management's views as of the date of this press release. We cannot guarantee future results, levels of activity, performance or achievements, and we expressly disclaim any obligation to release publicly any updates or revisions to any of these forward-looking statements to reflect any change in our expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

* * *

Contacts for Brookdale Senior Living Inc.

Investor Relations: (615) 564-8104
Kathy MacDonald kathy.macdonald@brookdale.com

Media: (615) 564-8225
Julie K. Davis jkdavis@brookdale.com