Update on Welltower Agreements

June 27, 2018

Forward-Looking Statements – Safe Harbor

Certain statements in this presentation 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 presentation. 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.

Expected Benefits

Updates on Agreements with Welltower

- Reduces lease exposure and improves cash flows through early termination of triple-net lease obligations on 37 communities with current and projected negative cash flows

- Further streamlining is available to Brookdale through lease terminations on communities with aggregate annual base rent of up to $5 million upon Welltower's sale of such communities

- Sale of equity interest in Welltower RIDEA joint venture to Welltower provides liquidity and simplifies Brookdale's contractual arrangements

- Improved strategic flexibility with an objective change of control standard once the lease terminations and expirations are completed

Transaction Details

Early Lease Termination

- Early termination of Brookdale's triple-net lease obligations on 37 communities effective June 30, 2018 with current or projected negative cash flows
  - Leases on 10 communities (920 units) were due to mature in 2020
  - Leases on 27 communities (3,175 units) were due to mature in 2028
- Brookdale to pay Welltower an aggregate lease early termination fee of approximately $58 million
- Financial results for the 37 communities for the trailing 12 months ending March 31, 2018:

Resident Fee Revenue	$170 million
Facility Operating Expenses	$107 million
Cash Lease Payments	$ 60 million
Non-Development CapEx	$ 12 million

- Brookdale ultimately expects to rationalize G&A expense by 3% to 4% of the communities' resident fee revenue

Transaction Details

RIDEA Restructuring

- Brookdale to sell its 20% equity interest in its existing Welltower RIDEA joint venture to Welltower effective June 30, 2018
- Net sales proceeds to Brookdale of approximately $35 million
- Brookdale to continue to manage the communities until management is transferred by Welltower to new managers --- 15 communities (1,970 units)

Future Lease Terminations

- Brookdale can cause Welltower to sell communities with annual base rent aggregating up to $5 million
- Welltower will actively market and sell the communities, subject to an agreed upon floor price and will retain net proceeds from the sale
- Brookdale's leasehold interest will be terminated upon sales, and Brookdale will receive 6.25% rent credit (cash rent reduction) on net proceeds from sales

Other Highlights

Current Lease Expirations

- Brookdale has elected not to renew two master leases with Welltower (11 communities; 1,128 units), which were scheduled to mature on September 30, 2018

Change in Control

- Following completion of the foregoing lease terminations and expirations, Brookdale's remaining lease agreements with Welltower will contain an objective change of control standard

- 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

Remaining Communities

- After the conclusion of the early lease terminations and current lease expirations, Brookdale will continue to operate 74 communities (3,688 units) under triple-net leases with Welltower