

May 14, 2018



# Omega Receives Approval to Transition Majority of Orianna Portfolio; Signature Portfolio Restructuring Completed

HUNT VALLEY, Md.--(BUSINESS WIRE)-- Omega Healthcare Investors, Inc. (NYSE:OHI) ("Omega") today announced that it has received court approval to begin the orderly transition to new operators of 23 of the 42 facilities currently operated by its tenant, 4 West Holdings, Inc. (together with certain of its affiliates, "Orianna").

Court approval came on May 11, 2018, from the United States Bankruptcy Court for the Northern District of Texas, which is presiding over Orianna's reorganization under chapter 11 of the Bankruptcy Code. Orianna's chapter 11 bankruptcy case is styled *In re 4 West Holdings, Inc.*, Case No. 18-30777-hdh11 (Bankr. N.D. Tex.). Copies of all materials filed in this action are available at <http://www.omnimgt.com/4west>.

Also on May 11, the Bankruptcy Court approved on a final basis the \$30 million senior secured debtor-in-possession financing provided by Omega to Orianna, which has been used to repay in full Orianna's prior working capital lender and will also be used to provide Orianna with additional liquidity to fund on-going business operations. Additionally, the Bankruptcy Court approved procedures for the solicitation of competing proposals for the sale or restructuring of the 19 remaining Omega facilities currently operated by Orianna.

Taylor Pickett, Omega's Chief Executive Officer, stated, "We are pleased to have completed this phase of the process and look forward to transitioning these 23 facilities to new operators. We remain confident that the 42 current Orianna facilities will generate rent or rent equivalents within our previously stated range of \$32 million to \$38 million upon completion of the planned transitions and sales." Mr. Pickett continued, "Together with the restructuring of the Signature Healthcare portfolio reported last week, we have made substantial progress in resolving the issues relating to these two portfolios."

## **Signature Healthcare Portfolio Restructuring**

As previously reported in our Form 10-Q filing last week, Omega and Signature Healthcare entered into a consensual out-of-court restructuring agreement on May 7, 2018. As part of the restructuring, Signature Healthcare was reorganized to separate each of its primary portfolios with its three major landlords into distinct lease silos. Signature Healthcare formed Agemo to be the holding company of the lessees of the Omega portfolio.

In connection with the Signature Healthcare restructuring, Omega agreed to: (1) defer up to \$6.3 million of rent per annum for 3 years commencing May 1, 2018; (2) provide capital expenditure funds of approximately \$4.5 million per year for 3 years to be used for the general maintenance and capital improvements of our 59 facilities; (3) extend a 7-year working capital term loan at 7% for an amount up to \$25 million with a maturity date of April 30, 2025; (4) extend the term of the master lease by two years to December 31, 2030 and

(5) extend the maturity date of the existing term loan by two years to December 31, 2024.

As part of the restructuring, Signature Healthcare entered into new working capital credit facilities with its new working capital lender for each of its separate silos, including Agemo.

Omega is a real estate investment trust that invests in the long-term healthcare industry, primarily in skilled nursing and assisted living facilities. Its portfolio of assets is operated by a diverse group of healthcare companies, predominantly in a triple-net lease structure. The assets span all regions within the US, as well as in the UK.

*This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements regarding Omega's or its tenants', operators', borrowers' or managers' expected future financial condition, results of operations, cash flows, funds from operations, dividends and dividend plans, financing opportunities and plans, capital markets transactions, business strategy, budgets, projected costs, operating metrics, capital expenditures, competitive positions, acquisitions, investment opportunities, dispositions, facility transitions, growth opportunities, expected lease income, continued qualification as a REIT, plans and objectives of management for future operations and statements that include words such as "anticipate," "if," "believe," "plan," "estimate," "expect," "intend," "may," "could," "should," "will" and other similar expressions are forward-looking statements. These forward-looking statements are inherently uncertain, and actual results may differ from Omega's expectations. Omega does not undertake a duty to update these forward-looking statements, which speak only as of the date on which they are made.*

*Omega's actual results may differ materially from those reflected in such forward-looking statements as a result of a variety of factors, including, among other things: (i) uncertainties relating to the business operations of the operators of Omega's properties, including those relating to reimbursement by third-party payors, regulatory matters and occupancy levels; (ii) regulatory and other changes in the healthcare sector; (iii) changes in the financial position of Omega's operators; (iv) the ability of any of Omega's operators in bankruptcy to reject unexpired lease obligations, modify the terms of Omega's mortgages and impede the ability of Omega to collect unpaid rent or interest during the pendency of a bankruptcy proceeding and retain security deposits for the debtor's obligations; (v) the availability and cost of capital; (vi) changes in Omega's credit ratings and the ratings of its debt securities; (vii) competition in the financing of healthcare facilities; (viii) Omega's ability to maintain its status as a REIT; (ix) Omega's ability to sell assets held for sale or complete potential asset sales on a timely basis and on terms that allow Omega to realize the carrying value of these assets; (x) Omega's ability to re-lease, otherwise transition or sell underperforming assets on a timely basis and on terms that allow Omega to realize the carrying value of these assets; (xi) the effect of economic and market conditions generally, and particularly in the healthcare industry; (xii) the potential impact of changes in the skilled nursing and assisted living facility markets or local real estate conditions on the Company's ability to dispose of assets held for sale for the anticipated proceeds or on a timely basis, or to redeploy the proceeds therefrom on favorable terms; (xiii) changes in interest rates; (xiv) changes in tax laws and regulations affecting REITs; and (xv) other factors identified in Omega's filings with the Securities and Exchange Commission. Statements regarding future events and developments and Omega's future performance, as well as management's expectations, beliefs, plans, estimates or projections relating to the future, are forward looking statements. Omega undertakes no*

*obligation to update any forward-looking statements contained in this announcement.*

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