

Mainstreet Health Investments Inc. Announces Sale Leaseback of Senior Living & Post-Acute Portfolio with The Ensign Group Inc.

TORONTO, March 14, 2017 /CNW/ - Mainstreet Health Investments Inc. (TSX:HLP.U) (the "**Company**") announced today it has entered into a definitive agreement to acquire two post-acute/skilled nursing facilities and a senior living community (collectively, the "**Properties**") from The Ensign Group Inc. (NASDAQ:ENSG) ("**Ensign**") for a purchase price of approximately US\$38 million. Upon closing the transaction, the Company will lease the properties to Ensign under an absolute net master lease with an initial 20-year term and CPI-based annual escalators. The properties are located within high density neighborhoods within the Los Angeles and Phoenix metro markets.

"The transaction would represent our first acquisitions in California and Arizona, further diversifying our portfolio, and is consistent with our growth strategy of owning senior living and care properties with leading operators like Ensign, one of the largest operators in the country" noted Scott White, the Company's Chief Executive Officer. "And we are thrilled about strengthening our relationship with them."

"Mainstreet Health Investments has been instrumental in orchestrating this important transaction that would strengthen our balance sheet and further enable us to continue our strategy of disciplined growth" said Chad Keetch, Executive Vice President and Secretary of Ensign. "In addition, these are great properties in great markets, and we are excited to continue serving each of these communities for decades to come."

Upon closing the transaction, the Company's portfolio will expand to 38 properties with over 4,800 beds across nine U.S. states and one Canadian province. In conjunction with the transaction, the Company has agreed to release Ensign from its lease obligations on three transitional care facilities in Kansas and Texas under development (the "**Development Properties**"). These state-of-the-art post-acute facilities are purpose built for short-term transitional care patients and will be subsequently leased to one or more operators. Under the income support agreement (the "**Income Support Agreement**") entered into when the properties were acquired by the Company, Mainstreet Property Group, LLC, the developer of the properties, is required to make monthly payments to the Company until new tenants are identified and their leases commence. The Company is in active discussions with a number of replacement operators.

The proposed transaction is subject to certain closing conditions, including satisfactory completion of due diligence. There can be no assurances that any such conditions will be satisfied or that the transaction will be consummated.

About Mainstreet Health Investments Inc.

Mainstreet Health Investments Inc. is a North American health care real estate company with a growing portfolio of high-quality properties located in the United States and Canada and operated by best-in-class senior living and care operators primarily under long-term leases. Its mission is to create long-term shareholder value while providing an investment opportunity that matters. For more information, visit www.mainstreethealthinvestments.com.

About Ensign™:

The Ensign Group, Inc.'s independent operating subsidiaries provide a broad spectrum of skilled nursing and assisted living services, physical, occupational and speech therapies, home health and hospice services, and other rehabilitative and healthcare services at 211 healthcare facilities, fifty-one of which are owned, twenty hospice agencies, seventeen home health agencies, and three home care businesses across fourteen states. More information about Ensign is available at <http://www.ensigngroup.net>.

Forward-looking Information

This press release contains forward-looking information that reflects the current expectations of management about the future results and opportunities for the Company. Forward-looking statements generally can be identified by words such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "project", or "continue" or similar expressions suggesting future outcomes or events. More particularly and without limitation, this press release contains forward looking statements and information concerning the completion of the acquisition of the Properties, payments under the Income Support Agreement and the leasing of the Development Properties to operators. Such forward-looking statements reflect the Company's current beliefs and are based on information currently available to management. Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements

and information because the Company can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties include, but are not limited to, the conditions to the acquisition of the Properties not being satisfied or waived, the failure to make payments under the Income Support Agreement and the Company's inability to identify operators for the Development Properties on terms acceptable to the Company. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof and to not use such forward looking information for anything other than its intended purpose. The Company undertakes no obligation to update publicly or revise any forward looking information, whether as a result of new information, future events or otherwise, except as required by law.

SOURCE Mainstreet Health Investments Inc.

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