

Mainstreet Health Investments announces it has obtained shareholder approval by way of consents for previously announced transaction

TORONTO, Dec. 8, 2017 /CNW/ - Mainstreet Health Investments (TSX: HLP-U) ("**Mainstreet**" or the "**Company**") today announced that, in connection with its previously announced acquisition of Care Investment Trust LLC ("**CIT**") from Tiptree Operating Company, LLC ("**Tiptree**") (the "**Transaction**"), it has obtained consents from shareholders of the Company ("**Shareholders**") holding, in the aggregate, 51.55% of the Company's issued and outstanding common shares ("**Shares**"), approving the issuance of Shares to Tiptree or its subsidiaries pursuant to the Transaction. Tiptree Inc., a publicly traded diversified company, the shares of which are listed on the NASDAQ Capital Market under the symbol TIPT, indirectly owns approximately 82% of Tiptree.

As consideration under the Transaction, the Company intends to issue approximately 16,800,000 Shares (the "**Equity Consideration**") to Tiptree or its subsidiaries (as such number may be adjusted in accordance with the purchase agreement entered into in connection with the Transaction (the "**Purchase Agreement**")), representing approximately 52% of the Company's issued and outstanding Shares on a non-diluted basis as of December 7, 2017 and 34% of the Company's Shares after giving effect to the Transaction. Where additional Shares are issued as a result of certain adjustments under the Purchase Agreement (including adjustments related to the amount of working capital and mortgage debt on closing of the Transaction), the following table illustrates the effect of such issuances on the total number of Shares to be issued and the corresponding impact on dilution:

Number of Additional Shares ⁽¹⁾	Total Number of Shares to be Issued	Percentage of Issued and Outstanding Shares (Pre-Transaction)	Percentage of Issued and Outstanding Shares (Post-Transaction)
100,000	16,900,000	52%	34%
500,000	17,300,000	53%	35%
1,000,000	17,800,000	55%	36%

- (1) The number of additional Shares is for illustrative purposes only. The precise number of additional Shares, if any, to be issued to Tiptree or its subsidiaries is currently unknown and may exceed the number of additional Shares reflected in the above table.

The Shares will be issued at a fixed price per Share of US\$9.75.

The Transaction has been negotiated at arm's length, and is subject to certain customary conditions to closing including the approval of the issuance of the Equity Consideration by the Toronto Stock Exchange ("**TSX**").

The Transaction, if completed, will materially affect control of the Company (as determined in accordance with the TSX Company Manual), and therefore requires Shareholder approval under section 604(a) of the TSX Company Manual. The Transaction is also subject to Shareholder approval pursuant to section 611(c) of the TSX Company Manual, as it involves the issuance of greater than 25% of the Company's outstanding Shares on a non-diluted basis. The Company has obtained such approval through the solicitation of written consents in a form acceptable to the TSX as permitted under section 604(d) of the TSX Company Manual. The threshold for approval by way of consent is approval by beneficial Shareholders owning, in the aggregate, more than 50% of the outstanding Shares.

Upon closing of the Transaction, subject to certain conditions set out in a governance and investor rights agreement (the "**Governance and Investor Rights Agreement**"), Tiptree will have the right to nominate one board member and one board observer (with no voting rights) to Mainstreet's Board of Directors, which, upon the closing of the Transaction, will be comprised of a total of six board members. Also pursuant to the Governance and Investor Rights Agreement, Tiptree has agreed to a 24 month standstill (the "**Standstill**") and to restrictions on the sale of its Equity Consideration for a period ranging from 6 months to 18 months. The Standstill prohibits Tiptree from taking certain specified actions without Mainstreet's approval, including among other things, launching a takeover bid or increasing its ownership in Mainstreet.

Please refer to the press release of the Company dated November 17, 2017 for additional information concerning CIT and the Transaction. Copies of the Purchase Agreement and Governance and Investor Rights Agreement (as an exhibit to the Purchase Agreement) can be found on SEDAR at www.sedar.com.

To the knowledge of the Company (i) no insider of the Company is participating in the Transaction as a securityholder, and (ii) other than as described herein, there are no voting trusts or similar agreements to be

entered into in connection with the Transaction. Upon the completion of the Transaction, to the knowledge of the Company, the only Shareholders that would hold in excess of 10% of the then outstanding Shares are (i) Tiptree (which will hold approximately 34% of the outstanding Shares following Closing), and (ii) certain funds managed by Magnetar Financial LLC (which currently hold, in the aggregate, 11,635,104 Shares, which would represent approximately 24% of the Company's outstanding Shares following Closing), in each case subject to any applicable adjustments under the Purchase Agreement.

About Mainstreet Health Investments

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

Forward-looking Information

This news release may contain forward-looking statements (within the meaning of applicable securities laws) relating to the business of the Company and the environment in which it operates. Forward-looking statements are identified by words such as "believe", "anticipate", "project", "expect", "intend", "plan", "will", "may", "estimate", "pro forma" and other similar expressions. These statements are based on the Company's expectations, estimates, forecasts and projections and include, without limitation, statements regarding the completion of the Transaction. The forward-looking statements in this news release are based on certain assumptions, including that all conditions to completion of the Transaction will be satisfied or waived, and that the Transaction will be completed. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, risks that the conditions to the completion of the Transaction will not be satisfied or waived or that the Transaction will otherwise not be completed, as well as the factors discussed under the heading "Risk Factors" in the Company's annual information form available at www.sedar.com. There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, these forward-looking statements are made as of the date of this news release and, except as expressly required by applicable law, the Company assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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<http://invesque.mediaroom.com/2017-12-08-Mainstreet-Health-Investments-announces-it-has-obtained-shareholder-approval-by-way-of-consents-for-previously-announced-transaction>