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January 19, 2011

Dear Shareholder:

For the year ended December 31, 2010, LTC Properties, Inc. made cash distributions of \$1.59375 per outstanding share of **Series E Preferred Stock** (CUSIP # 502175508).

All distributions are broken down by percentage according to the following categories for income tax purposes:

Ordinary Taxable Distribution	96.336%
Long-term Capital Gain	0.948%
Unrecaptured Section 1250 Gain	<u>2.716%</u>
Total:	<u>100.00%</u>

For individuals, federal tax law provides that long-term capital gains are taxed at a maximum rate of 15% while Unrecaptured Section 1250 gain is taxed at a maximum of 25%. Return of capital distributions reduce a shareholder's basis in his stock and the excess of such distribution is taxable as a capital gain. The rules in various states may be different. Taxpayers should consult their tax advisers in order to determine how to report the different categories of their distributions in their Federal and state returns.

As a real estate investment trust, LTC Properties, Inc. is required to distribute at least 90% of its net ordinary taxable income. In addition, the Company may elect to distribute cash in excess of the required amount.

Very truly yours,

LTC Properties, Inc.

/S/ PAMELA J. SHELLEY-KESSLER  
Executive Vice President, CFO, & Secretary