

December 18, 2012



## LTC Announces Fourth Quarter Transactions Totaling \$121 Million

WESTLAKE VILLAGE, Calif.--(BUSINESS WIRE)-- [LTC Properties, Inc.](#) (NYSE:LTC) ("the Company") announced today \$108.7 million of transactions that have closed or are expected to close by December 31, 2012 and one \$12.0 million transaction that is anticipated to close in 2013.

The Company announced the details of the transactions as follows:

In December 2012, the Company entered into an agreement to purchase three assisted living facilities with a total of 202 units and three memory care facilities with a total of 136 units for an aggregate purchase price of \$94.0 million. The properties have a combined average age of approximately 12 years and all but one of the properties are located in the top 31 Metropolitan Statistical Areas ("MSA"). Three of the properties are located in New Jersey, two are located in Colorado and one is located in Pennsylvania. The Company plans to finance the acquisition with funds drawn from its unsecured revolving line of credit and the assumption of approximately \$6.8 million of HUD debt which bears interest at 3.75% and matures in 2051. The transaction is scheduled to close in two phases. The first phase is expected to close prior to December 31, 2012 and includes five properties with a combined purchase price of \$82.0 million. Closing of the second phase is subject to the Company's assumption of HUD debt, which is anticipated to occur in 2013. Simultaneous with the acquisition closing in 2012, the Company will lease the five properties, in a master lease structure, to an entity affiliated with Juniper Communities, LLC ("Juniper") at an initial cash yield of 7.0% and an estimated GAAP yield of 8.1%. The initial term of the lease is 15 years with two 5-year renewal options and annual rent escalations of 1.5% for the first two years of the master lease and annual rent escalations of 2.25% thereafter. Simultaneous with the acquisition of the property secured by HUD debt, the Company will lease the property to an entity affiliated with Juniper under similar terms and conditions as the master lease. Additionally in December 2012, the Company entered into an agreement to fund a \$5.1 million two-year interest-only bridge loan to an affiliate of Juniper. The loan will be secured by a 70-unit assisted living facility in Pennsylvania and will bear interest at 7.0% annually increasing by 1.5% in the second year. The Company expects the loan origination to be completed by December 31, 2012.

In November 2012, the Company originated a \$10.6 million construction loan to affiliates of SCI Construction, Ltd., an experienced developer of skilled nursing facilities. The loan is secured by an operational 106-bed skilled nursing facility and a 5.62 acre vacant parcel of land in Slinger, WI (Milwaukee MSA) upon which a 106-bed replacement facility will be constructed. At closing, the Company funded \$2.6 million of loan proceeds for the borrower's acquisition of the existing, operational facility and the vacant land parcel. Interest on the loan

will be paid monthly in arrears at a rate of 9.0% increasing 25 basis points annually. The term of the loan is 10 years and is pre-payable after the 32<sup>nd</sup> month following the issuance of the certificate of occupancy. The borrower has leased both properties to entities within the Fundamental family of companies ("Fundamental"), a nationwide group of skilled nursing facility operators. The agreement gives the Company the right to purchase the replacement facility for \$13.5 million during an 18 month period beginning on the first anniversary of the issuance of the certificate of occupancy. If the purchase option is exercised, the replacement facility will be added to an existing master lease with other Fundamental affiliates at a lease rate equivalent to the interest rate in effect on the loan at the time the purchase option is exercised.

In October 2012, the Company purchased a 4.59 acre vacant parcel of land in Wichita, Kansas for \$0.7 million and entered into a lease and development commitment with affiliates of Oxford Development Holdings, LLC ("Oxford") in an amount not to exceed \$9.9 million for the construction of a 77-unit assisted living and memory care facility. Rent at the rate of 9.25% will be calculated based on the land purchase price and construction costs funded plus 9.0% compounded on the land purchase price and each advance under the commitment. Payment of rent will begin on the earlier of the issuance of the certificate of occupancy or the 15<sup>th</sup> month following the land acquisition. The lease has a 10-year initial term, two 5-year renewal options and annual escalations of 2.5%. This transaction was previously disclosed as a subsequent event in the Company's 10-Q for the quarter ended September 30, 2012. Additionally, the Company committed to fund, after receipt of the certificate of occupancy, a \$0.4 million line of credit at an interest rate of 12%, maturing in 2017.

Wendy Simpson, the Company's CEO and President commented, "LTC is very pleased to announce this active fourth quarter, again demonstrating the success of our relationship oriented marketing strategy and further execution under our development platform. Year-to-date we have announced \$223.8 million of transactions comprised of \$166.2 million in immediately accretive investments already closed or expected to close in 2012 and \$12.0 million expected to close in 2013 and \$45.6 million in development, re-development and expansion projects. We continue to execute on our strategy to develop replacement skilled nursing facilities and are excited to potentially expand our relationship with Fundamental upon exercise of the purchase option. LTC is also delighted to establish two new long-term relationships. Our development and lease agreement with Oxford expands our memory care development platform with a new developer/operator. We are excited about our \$94.0 million sale-leaseback of stabilized assets with Juniper, a well respected operator of premier senior housing and memory care communities, and are delighted to add Juniper to our roster of experienced operators. This investment expands our real estate portfolio with newer, private-pay facilities in top metropolitan markets. The execution of the transactions we are announcing today further diversifies our operator and revenue bases."

Lynne Katzmann, President and CEO of Juniper stated, "We are very happy to complete this transaction with LTC. We feel this transaction and its structure benefit both of our organizations and we see this as providing a foundation for the pursuit of further growth opportunities in 2013 and beyond. Moreover, working with the principals of LTC has been a great experience. Their strong industry knowledge and extremely capable team of professionals enabled us to quickly and efficiently complete this transaction."

The Company is a self-administered real estate investment trust that primarily invests in long-term care and other health care related facilities through facility lease transactions,

mortgage loans and other investments. For more information on LTC Properties, Inc., visit the Company's website at [www.ltcproperties.com](http://www.ltcproperties.com).

### Forward Looking Statements

This press release includes statements that are not purely historical and are "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, including statements regarding the Company's expectations, beliefs, intentions or strategies regarding the future. All statements other than historical facts contained in this press release are forward looking statements. These forward looking statements involve a number of risks and uncertainties. Please see our most recent Annual Report on Form 10-K, our subsequent Quarterly Reports on Form 10-Q, and in our other publicly available filings with the Securities and Exchange Commission for a discussion of these and other risks and uncertainties. All forward looking statements included in this press release are based on information available to the Company on the date hereof, and the Company assumes no obligation to update such forward looking statements. Although the Company's management believes that the assumptions and expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. The actual results achieved by the Company may differ materially from any forward looking statements due to the risks and uncertainties of such statements.

LTC Properties, Inc.  
Wendy L. Simpson  
Pam Kessler  
805-981-8655

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