

August 7, 2013



## **LTC Announces \$141 Million Skilled Nursing Portfolio Transaction**

WESTLAKE VILLAGE, Calif.--(BUSINESS WIRE)-- LTC Properties, Inc. (NYSE:LTC) announced today that it entered into a \$141.0 million mortgage loan agreement with affiliates of Prestige Healthcare to be secured by 15 properties with a total of 2,092 licensed skilled nursing beds and 24 independent living units in Michigan. Prestige Healthcare is a privately held operating company based in Louisville, KY that currently operates skilled nursing facilities with approximately 2,500 beds in 7 states including Michigan. The loan is for a term of 30 years and will bear interest at an initial rate of 9.41% for five years, escalating annually thereafter by 2.25%. Payments will be interest-only for a period of three years, after which the borrower will make interest payments along with annual principal payments of \$1.0 million.

Of the aggregate loan amount, LTC anticipates funding approximately \$126.0 million during the fourth quarter of 2013 with additional forward commitments of \$12.0 million for capital improvements and up to \$3.0 million for short-term working capital. The loan agreement also provides, under certain conditions and based on certain operating metrics and valuation thresholds achieved and sustained within the first twelve years of the term, for additional loan proceeds of up to \$40.0 million with such proceeds limited to \$10.0 million per year.

The borrower will have a one-time option between the third and twelfth years to prepay up to 50% of the then outstanding loan balance without penalty. Exclusively for the purposes of this option, the properties collateralizing the loan have been separated by LTC into two pools of assets. If and when the option is exercised, LTC will identify which of the two pools it will release for prepayment and removal from the portfolio of properties securing the loan. If the prepayment option is exercised and timely concluded, the borrower forfeits its opportunity to access any additional loan proceeds.

Additionally, under certain circumstances, including a change in the regulatory environment, LTC has an option to purchase the properties.

Wendy Simpson, the Company's CEO and President, commented, "LTC is very pleased to announce this transaction expanding our existing relationship with Prestige Healthcare, further diversifying our operator base, enhancing our geographic diversification and increasing our presence in the top 31 Metropolitan Statistical Areas. Furthermore, this off-market transaction demonstrates the success of our relationship oriented marketing strategy and our strategy to invest in newer or newly renovated skilled nursing assets or properties with expansion and/or renovation potential. Although structured as a long term mortgage loan to meet the needs of our customer, this transaction embodies most elements of a long term master lease."

The Company has posted additional information for this transaction on its website at [www.LTCProperties.com](http://www.LTCProperties.com) in the "Presentation" section of the "Investor Information" tab under the title "August 7, 2013 Press Release Michigan Transaction Supplemental."

The Company is a self-administered real estate investment trust that primarily invests in senior housing and long-term care properties through triple-net 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

Source: LTC Properties, Inc.