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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20459

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**FORM 8-K**

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(D)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of report: **April 30, 2015**  
(Date of earliest event reported)

**LTC PROPERTIES, INC.**

(Exact name of Registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of  
incorporation or organization)

**1-11314**  
(Commission file number)

**71-0720518**  
(I.R.S. Employer  
Identification No)

**2829 Townsgate Road, Suite 350**  
**Westlake Village, CA 91361**  
(Address of principal executive offices)

**(805) 981-8655**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. — Results of Operations and Financial Condition**

On April 30, 2015, LTC Properties, Inc. announced the operating results for the three months ended March 31, 2015. The text of the press release and the supplemental information package are furnished herewith as Exhibits 99.1 and 99.2, respectively, and are specifically incorporated by reference herein.

The information in this Form 8-K and the related information in the exhibits attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section and shall not be incorporated by reference into any filing of LTC under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in any such filing.

**Item 9.01. — Financial Statements and Exhibits**

- 99.1 Press Release issued April 30, 2015.
- 99.2 LTC Properties, Inc. Supplemental Information Package for the period ending March 31, 2015.

**SIGNATURE**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

LTC PROPERTIES, INC.

Dated: April 30, 2015

By: /s/ WENDY L. SIMPSON  
Wendy L. Simpson  
Chairman, CEO & President

**FOR IMMEDIATE RELEASE**

For more information contact: Wendy L. Simpson  
Pam Kessler  
(805) 981-8655

**LTC REPORTS 2015 FIRST QUARTER RESULTS;  
ANNOUNCES NEW EQUITY INVESTMENT AND AMENDED AND RESTATED PRIVATE SHELF AGREEMENT WITH PRUDENTIAL**

WESTLAKE VILLAGE, CALIFORNIA, April 30, 2015 — LTC Properties, Inc. (NYSE: LTC), a real estate investment trust that primarily invests in seniors housing and health care properties, today announced operating results for its first quarter ended March 31, 2015.

Funds from Operations ("FFO") increased 4.5% to \$23.4 million for the 2015 first quarter, up from \$22.4 million for the comparable 2014 period. FFO per diluted common share was \$0.65 and \$0.63, respectively, for the quarters ended March 31, 2015 and 2014. Net income available to common stockholders increased to \$16.6 million, or \$0.47 per diluted share, for the 2015 first quarter, up from \$16.1 million, or \$0.46 per diluted share, for the same period in 2014. The increase in FFO and net income available to common stockholders was primarily due to higher revenues from mortgage loan originations and completed development projects, partially offset by higher interest expense resulting from the sale of senior unsecured notes and utilization of our line of credit as well as additional general and administrative expenditures related to investment activity and vesting of restricted stock.

During the 2015 first quarter, LTC made a preferred equity investment in an unconsolidated joint venture that owns a 29-acre, 436-unit, three-building campus in Peoria, Arizona providing independent, assisted living and memory care services, and a 149-unit property in Yuma, Arizona providing assisted living and memory care services. At closing, the Company funded an initial capital contribution of \$20.1 million, and has committed to contributing an additional \$5.5 million, for a total potential preferred equity investment of \$25.6 million. LTC is entitled to receive a 15% preferred return, a portion of which is required to be paid in cash as a preferred, priority distribution with the balance being deferred if the cash flow of the joint venture is insufficient to pay the accrued preferred return in its entirety. In addition, LTC has been granted a fair-market value purchase option to acquire the properties owned by the joint venture beginning in 2018.

Subsequent to the end of the quarter, LTC reached an agreement with Prudential to amend and increase its existing private shelf facility to \$200.0 million, affording immediate access up to \$102.0 million. The senior unsecured notes issued under the facility will bear fixed interest at a spread over applicable U.S. Treasury rates with maturities of up to 15 years from the date of issuance.

"The first quarter reflected continued progress as we executed on our strategic initiatives," said Wendy Simpson, LTC's Chairman and Chief Executive Officer. "We are successfully developing new communities, expanding relationships with existing partners and diversifying our asset base by property type and geography. Our new shelf agreement will provide LTC with even greater financial flexibility to achieve our long-term goals."

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**Conference Call Information**

LTC will conduct a conference call on Friday, May 1, 2015, at 8:00 a.m. Pacific Time (11:00 a.m. Eastern Time), to provide commentary on the Company's performance and operating results for the quarter ended March 31, 2015. The conference call is accessible by telephone and the internet. Telephone access will be available by dialing 877-510-2862 (domestically) or 412-902-4134 (internationally). To participate in the webcast, log on to LTC's website at [www.LTCreit.com](http://www.LTCreit.com) 15 minutes before the call to download the necessary software.

An audio replay of the conference call will be available from May 1 through May 16, 2015 and may be accessed by dialing 877-344-7529 (domestically) or 412-317-0088 (internationally) and entering conference number 10064303. Additionally, an audio archive will be available on the Company's website on the "Presentations" page of the "Investor Information" section, which is under the "Investors" tab. The Company's earnings release and supplemental information package for the current period will be available on its website on the "Press Releases" and "Presentations" pages, respectively, of the "Investor Information" section which is under the "Investors" tab.

**About LTC**

LTC is a self-administered real estate investment trust that primarily invests in seniors housing and health care properties through lease transactions, mortgage loans and other investments. At March 31, 2015, LTC had 199 investments located in 29 states comprising 98 skilled nursing properties, 93 assisted living properties, 7 range of care properties, 1 school, 3 parcels of land under development and 5 parcels of land held-for-use. Assisted living properties, independent living properties, memory care properties and combinations thereof are included in the assisted living property type. Range of care properties consist of properties providing skilled nursing and any combination of assisted living, independent living and/or memory care services. For more information on LTC Properties, Inc., visit the Company's website at [www.LTCreit.com](http://www.LTCreit.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 LTC's most recent Annual Report on Form 10-K, its subsequent Quarterly Reports on Form 10-Q, and its 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 LTC 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.

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**LTC PROPERTIES, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(amounts in thousands, except per share amounts)

	Three Months Ended March 31,	
	2015	2014
	(unaudited)	
<b>Revenues:</b>		
Rental income	\$ 26,678	\$ 25,252
Interest income from mortgage loans	4,607	4,093
Interest and other income	195	93
Total revenues	<u>31,480</u>	<u>29,438</u>
<b>Expenses:</b>		
Interest expense	3,766	3,187
Depreciation and amortization	6,779	6,298
General and administrative expenses	3,499	2,949
Total expenses	<u>14,044</u>	<u>12,434</u>
Operating income	17,436	17,004
Income from unconsolidated joint ventures	116	—
Net income	17,552	17,004
Income allocated to participating securities	(123)	(103)
Income allocated to preferred stockholders	(818)	(818)
Net income available to common stockholders	<u>\$ 16,611</u>	<u>\$ 16,083</u>
<b>Earnings per common share:</b>		
Basic	<u>\$ 0.47</u>	<u>\$ 0.47</u>
Diluted	<u>\$ 0.47</u>	<u>\$ 0.46</u>
<b>Weighted average shares used to calculate earnings per common share:</b>		
Basic	35,277	34,586
Diluted	<u>37,292</u>	<u>36,611</u>
Dividends declared and paid per common share	<u>\$ 0.51</u>	<u>\$ 0.51</u>

**Supplemental Reporting Measures**

FFO, adjusted FFO (“AFFO”), and Funds Available for Distribution (“FAD”) are supplemental measures of a real estate investment trust’s (“REIT”) financial performance that are not defined by U.S. generally accepted accounting principles (“GAAP”). Investors, analysts and the Company use FFO, AFFO and FAD as supplemental measures of operating performance. The Company believes FFO, AFFO and FAD are helpful in evaluating the operating performance of a REIT. Real estate values historically rise and fall with market conditions, but cost accounting for real estate assets in accordance with U.S. GAAP assumes that the value of real estate assets diminishes predictably over time. We believe that by excluding the effect of historical cost depreciation, which may be of limited relevance in evaluating current performance, FFO, AFFO and FAD facilitate like comparisons of operating performance between periods.

FFO, as defined by the National Association of Real Estate Investment Trusts (“NAREIT”), means net income available to common stockholders (computed in accordance with U.S. GAAP) excluding gains or losses on the sale of real estate and impairment write-downs of depreciable real estate, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. The Company’s computation of FFO may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or have a different interpretation of the current NAREIT definition from that of the Company; therefore, caution should be exercised when comparing our Company’s FFO to that of other REITs.

We define AFFO as FFO excluding the effects of straight-line rent, amortization of lease inducement and effects of effective interest income. U.S. GAAP requires rental revenues related to non-contingent leases that contain specified rental increases over the life of the lease to be recognized evenly over the life of the lease. This method results in rental income in the early years of a lease that is higher than actual cash received, creating a straight-line rent receivable asset included in our consolidated balance sheet. At some point during the lease, depending on its terms, cash rent payments exceed the straight-line rent which results in the straight-line rent receivable asset decreasing to zero over the remainder of the lease term. Effective interest method, as required by U.S. GAAP, is a technique for calculating the actual interest rate for the term of a mortgage loan based on the initial origination value. Similar to the accounting methodology of straight-line rent, the actual interest rate is higher than the stated interest rate in the early years of the mortgage loan thus creating an effective interest receivable asset included in the interest receivable line item in our consolidated balance sheet and reduces down to zero when, at some point during the mortgage loan, the stated interest rate is higher than the actual interest rate. By excluding the non-cash portion of straight-line rental revenue, amortization of lease inducement and non-cash portion of effective interest income, investors, analysts and our management can compare AFFO between periods.

We define FAD as AFFO excluding the effects of non-cash compensation charges, capitalized interest and non-cash interest charges. FAD is useful in analyzing the portion of cash flow that is available for distribution to stockholders. Investors, analysts and the Company utilize FAD as an indicator of common dividend potential. The FAD payout ratio, which represents annual distributions to common shareholders expressed as a percentage of FAD, facilitates the comparison of dividend coverage between REITs.

While the Company uses FFO, AFFO and FAD as supplemental performance measures of our cash flow generated by operations and cash available for distribution to stockholders, such measures are not representative of cash generated from operating activities in accordance with U.S. GAAP, and are not necessarily indicative of cash available to fund cash needs and should not be considered an alternative to net income available to common stockholders.

## Reconciliation of FFO, AFFO and FAD

The following table reconciles each of net income, FFO available to common stockholders, as well as AFFO and FAD (unaudited, amounts in thousands, except per share amounts):

	Three Months Ended March 31,	
	2015	2014
Net income available to common stockholders	\$ 16,611	\$ 16,083
Add: Depreciation and amortization	6,779	6,298
FFO available to common stockholders	23,390	22,381
Less: Non-cash rental income, net	(1,923)	(474)
(Less) add: Non-cash effective interest income	(551)	20
Less: Non-cash deferred investment from unconsolidated joint venture	(77)	—
Adjusted FFO (AFFO)	20,839	21,927
Add: Non-cash compensation charges	982	666
Add: Non-cash interest related to earn-out liabilities	54	—
Less: Capitalized interest	(147)	(307)
Funds available for distribution (FAD)	\$ 21,728	\$ 22,286
Basic FFO available to common stockholders per share	\$ 0.66	\$ 0.65
Diluted FFO available to common stockholders per share	\$ 0.65	\$ 0.63
Diluted FFO available to common stockholders	\$ 24,331	\$ 23,302
Weighted average shares used to calculate diluted FFO per share available to common stockholders	37,529	36,806
Basic AFFO per share	\$ 0.59	\$ 0.63
Diluted AFFO per share	\$ 0.58	\$ 0.62
Diluted AFFO	\$ 21,780	\$ 22,848
Weighted average shares used to calculate diluted AFFO per share	37,529	36,806
Basic FAD per share	\$ 0.62	\$ 0.64
Diluted FAD per share	\$ 0.60	\$ 0.63
Diluted FAD	\$ 22,669	\$ 23,207
Weighted average shares used to calculate diluted FAD per share	37,529	36,806

## LTC PROPERTIES, INC. CONSOLIDATED BALANCE SHEETS (amounts in thousands, except per share)

	March 31, 2015 (unaudited)	December 31, 2014 (audited)
<b>ASSETS</b>		
Investments:		
Land	\$ 83,858	\$ 80,024
Buildings and improvements	899,727	869,814
Accumulated depreciation and amortization	(230,071)	(223,315)
Real estate properties, net	753,514	726,523
Mortgage loans receivable, net of loan loss reserves: 2015 — \$1,653; 2014 — \$1,673	163,647	165,656
Real estate investments, net	917,161	892,179
Investment in unconsolidated joint ventures	20,220	—
Investments, net	937,381	892,179
Other assets:		
Cash and cash equivalents	3,417	25,237
Debt issue costs, net	3,561	3,782
Interest receivable	1,167	597
Straight-line rent receivable, net of allowance for doubtful accounts: 2015 — \$754; 2014 — \$731	34,903	32,651
Prepaid expenses and other assets	12,657	9,931
Notes receivable	2,334	1,442
Total assets	\$ 995,420	\$ 965,819
<b>LIABILITIES</b>		
Bank borrowings	\$ 36,500	\$ —
Senior unsecured notes	277,467	281,633
Accrued interest	2,472	3,556
Earn-out liabilities	3,313	3,258

Accrued expenses and other liabilities	16,284	17,251
Total liabilities	336,036	305,698
<b>EQUITY</b>		
Stockholders' equity:		
Preferred stock \$0.01 par value; 15,000 shares authorized; shares issued and outstanding: 2015 — 2,000; 2014 — 2,000	38,500	38,500
Common stock: \$0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2015 — 35,541; 2014 — 35,480	355	355
Capital in excess of par value	718,050	717,396
Cumulative net income	872,799	855,247
Accumulated other comprehensive income	73	82
Cumulative distributions	(970,393)	(951,459)
Total equity	659,384	660,121
Total liabilities and equity	\$ 995,420	\$ 965,819



**Supplemental Operating and Financial Data**  
**March 31, 2015**  
*(Unaudited)*



Skilled Nursing Property – Granbury, TX  
Operated by Senior Care Centers



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### CORPORATE

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## Company Information



### Company

Founded in 1992, LTC Properties, Inc. ("LTC") is a self-administered real estate investment trust that primarily invests in senior housing and long-term care properties through facility lease transactions, mortgage loans, and other investments. Our primary objectives are to create, sustain and enhance stockholder equity value and provide current income for distribution to stockholders through real estate investments in senior housing and long-term health care properties managed by experienced operators. Our primary senior housing and long-term health care property types include skilled nursing properties (or SNF), assisted living properties (or ALF), independent living properties (or ILF), memory care properties (or MC), and combinations thereof. To meet these objectives, we attempt to invest in properties that provide opportunity for additional value and current returns to our stockholders and diversify our investment portfolio by geographic location, operator, property type and form of investment. For more information on LTC, visit the Company's website at [www.LTCreit.com](http://www.LTCreit.com).

### Board of Directors

**Wendy Simpson**  
Chairman

**Boyd Hendrickson**  
Lead Director

**Edmund King**

**James Pieczynski**

**Devra Shapiro**

**Timothy Triche, MD**

### Management

**Wendy Simpson**  
Chairman, Chief Executive Officer and President

**Pam Kessler**  
Executive Vice President, CFO, and Secretary

**Clint Malin**  
Executive Vice President and Chief Investment Officer

**Brent Chappell**  
Senior VP, Investment and Portfolio Management

**Cece Chikhale**  
Vice President, Controller and Treasurer

**Mark Hemingway**  
Vice President of Marketing

**Peter Lyew**  
Vice President and Director of Taxes

### Contact Information

**Corporate Office**  
2829 Townsgate Road, Suite 350  
Westlake Village, CA 91361

**Investor Relations**  
[Investor.Relations@LTCreit.com](mailto:Investor.Relations@LTCreit.com)  
(805) 981-8655

[www.LTCreit.com](http://www.LTCreit.com)  
(805) 981-8655 phone  
(805) 981-8663 fax

### CORPORATE

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## **Additional Information**

### **Analyst Coverage**

**BMO Capital Markets Corp**  
John Kim

**Crowell, Weedon, & Co.**  
Doug Christopher

**J.J. B. Hilliard, W.L. Lyons, Inc.**  
John Roberts

**JMP Securities, LLC**  
Peter Martin

**KeyBanc Capital Markets, Inc.**  
Jordan Sadler

**Mizuho Securities USA Inc.**  
Rich Anderson

**MLV & Co LLC**  
Paul Morgan

**RBC Capital Markets Corporation**  
Mike Carroll

**Stifel, Nicolaus & Company, Inc.**  
Dan Bernstein

**Wells Fargo Securities, LLC**  
Todd Stender

Any opinions, estimates, or forecasts regarding LTC's performance made by the analysts listed above do not represent the opinions, estimates, or forecasts of LTC or its management.



## Forward-Looking Statements

This supplemental information contains 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, adopted pursuant to the Private Securities Litigation Reform Act of 1995. Statements that are not purely historical may be forward-looking. You can identify some of the forward-looking statements by their use of forward-looking words, such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates” or “anticipates,” or the negative of those words or similar words. Forward-looking statements involve inherent risks and uncertainties regarding events, conditions and financial trends that may affect our future plans of operation, business strategy, results of operations and financial position. A number of important factors could cause actual results to differ materially from those included within or contemplated by such forward-looking statements, including, but not limited to, the status of the economy, the status of capital markets (including prevailing interest rates), and our access to capital; the income and returns available from investments in health care related real estate, the ability of our borrowers and lessees to meet their obligations to us, our reliance on a few major operators; competition faced by our borrowers and lessees within the health care industry, regulation of the health care industry by federal, state and local governments, (including as a result of the Patient Protection and Affordable Care Act of 2010 and the Health Care and Education Reconciliation Act of 2010), changes in Medicare and Medicaid reimbursement amounts (including due to federal and state budget constraints), compliance with and changes to regulations and payment policies within the health care industry, debt that we may incur and changes in financing terms, our ability to continue to qualify as a real estate investment trust, the relative illiquidity of our real estate investments, potential limitations on our remedies when mortgage loans default, and risks and liabilities in connection with properties owned through limited liability companies and partnerships. For a discussion of these and other factors that could cause actual results to differ from those contemplated in the forward-looking statements, please see the discussion under “Risk Factors” and other information contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and in our publicly available filings with the Securities and Exchange Commission. We do not undertake any responsibility to update or revise any of these factors or to announce publicly any revisions to forward-looking statements, whether as a result of new information, future events or otherwise.

## Non-GAAP Information

This supplemental information contains certain non-GAAP information including EBITDA, normalized EBITDA, FFO, AFFO, FAD, normalized interest coverage ratio, and normalized fixed charges coverage ratio. A reconciliation of this non-GAAP information is provided on pages 20, 23, and 24 of this supplemental information, and additional information is available under the “Non-GAAP Financial Measures” subsection under the “Selected Financial Data” section of our website at [www.LTCreit.com](http://www.LTCreit.com).

## CORPORATE

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## Real Estate Activities

(dollar amounts in thousands)

### ACQUISITIONS

Date	# of Properties	Property Type	# Beds/Units	Location	Operator	Date of Construction	Purchase Price
10/22/2014	1	UDP <sup>(1)(2)</sup>	66 units	Burr Ridge, IL	Under Development Property	2014-2016	\$ 1,400
12/5/2014	1	MC <sup>(3)</sup>	48 units	Castle Rock, CO	Senior Lifestyle	2012	9,800
	2		114 units				\$ 11,200
2/6/2015	1	UDP <sup>(1)(4)</sup>	56 units	Corpus Christi, TX	Under Development Property	2015	\$ 7,195
2/19/2015	1	SNF <sup>(5)</sup>	106 beds	Slinger, WI	Fundamental	2014	13,946
2/20/2015	1	UDP <sup>(1)(6)</sup>	89 units	Murrells Inlet, SC	Under Development Property	2015-2016	2,490
	3		145 units/106 beds				\$ 23,631

(1) See page 7 for Development activities.

(2) Simultaneous with the purchase, we made a development commitment totaling \$12.2 million, including the land purchase, and added the property into a master lease.

(3) The property was included in a master lease at an incremental initial cash yield of 6.5%, escalating in the first two years by 2.65% and 2.63% in the third year and each subsequent anniversary thereafter. We also provided the lessee with contingent earn-out payments totaling up to \$4,000 as a lease inducement.

(4) Purchased a parcel of land and existing improvements to complete construction of a memory care property for a total of \$12.2 million. We also entered into a master lease which provides for our payment of a lease inducement of up to \$1,589.

(5) Purchased and equipped the property for a total of \$13,946 by exercising our right under a \$10,600 mortgage loan. The property was added to an existing master lease at a lease rate of 10.3%, which was the interest rate in effect on the loan, and provided the lessee a lease inducement in an amount of \$1,054. See page 7 for Lease-up activities.

(6) Purchased a parcel of land to develop a combination assisted living and memory care property. We added the land to the master lease discussed in (4) above and provided an additional lease inducement payment of up to \$2,363.

### LOAN ORIGINATIONS

Date	# of Properties	Property Type	# Beds/Units	Location	Operator	Origination	Development Funding	Funded to Date	2015 YTD Revenue	Stated Interest Rate
7/31/14	1	ALF	100 units	Phoenix, AZ	Gray Health Care	\$ 3,027	N/A	N/A	\$ 57 <sup>(1)</sup>	7.0%
1/30/15	1	SNF	157 beds	Grand Blanc, MI	Prestige Healthcare	\$ 11,000	\$ -	\$ 9,500	\$ 197 <sup>(2)</sup>	9.4%

(1) Represents year-to-date mortgage GAAP interest income. We expect mortgage GAAP interest income, assuming no loan modifications, to be \$228 for 2015.

(2) Represents year-to-date mortgage GAAP interest income. We expect mortgage GAAP interest income, assuming no loan modifications, to be \$1,061 for 2015.

## REAL ESTATE PORTFOLIO

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## Real Estate Activities

(dollar amounts in thousands)

### LEASE-UP

Date Opened	Occupancy at March 31, 2015	Commitment Year	Project Type	Location	# of Projects	Property Type	Approximate Initial Cash Lease/ Loan Yield	# Beds/Units	Total Commitment	1Q15 Funding	Total Funded to Date
Feb-14	58%	2012	Redevelopment	Slinger, WI	1	SNF <sup>(1)</sup>	10.08%	106 beds	\$ 10,600	\$ -	\$ 10,600
Aug-14	58%	2013	Development	Littleton, CO	1	MC	9.25%	60 units	9,931	4	9,692
Nov-14	49%	2012	Development	Cold Spring, KY	1	SNF	8.50%	143 beds	23,500	1,763	22,667
Dec-14	56%	2012	Development	Frisco, TX	1	ALF/MC	9.25%	80 units	5,800	215	5,907
Dec-14	35%	2013	Development	Aurora, CO	1	MC	9.25%	48 units	9,622	412	9,156
Feb-15	25%	2013	Development	Westminster, CO	1	MC	9.25%	60 units	10,703	1,360	10,541
					<u>6</u>			<u>248 units/249 beds</u>	<u>\$ 70,156</u>	<u>\$ 3,754</u>	<u>\$ 68,563</u>

(1) We purchased and equipped the property securing the mortgage loan for a total of \$13,946 by exercising our right under this loan.

### DEVELOPMENT

Estimated Rent/Interest Inception Date	Commitment Year	Project Type	Location	# of Projects	Property Type	Approximate Initial Cash Lease/Loan Yield	# Beds/Units	Investment Commitment <sup>(1)</sup>	1Q15 Funding	Total Funded to Date	Remaining Commitment
- <sup>(2)</sup>	2015	Renovation	Mesa, AZ	1	SNF	9.00%	-	5,000	-	-	5,000
- <sup>(3)</sup>	2013	Renovation	Various cities in MI	15	SNF	9.41%	-	12,000 <sup>(4)</sup>	1,858	5,196	6,804
- <sup>(4)</sup>	2015	Expansion	Richmond, MI	1	SNF	9.41%	-	10,000 <sup>(4)</sup>	-	-	10,000
- <sup>(4)</sup>	2015	Expansion	Rochester Hills, MI	1	SNF	9.41%	-	10,000 <sup>(4)</sup>	-	-	10,000
4Q15	2015	Development	Corpus Christi, TX	1	MC	8.75%	56 units	12,182	7,224	7,224 <sup>(4)</sup>	4,958
				<u>19</u>			<u>56 units</u>	<u>\$ 49,182</u>	<u>\$ 9,082</u>	<u>\$ 12,420</u>	<u>\$ 36,762</u>
2Q16	2014	Development	Burr Ridge, IL	1	MC	9.30%	66 units	\$ 12,248	\$ 406	\$ 2,463	\$ 9,785
2Q16	2015	Development	Murrells Inlet, SC	1	ALF/MC	8.75%	89 units	16,535	3,341	3,341 <sup>(4)</sup>	13,194
				<u>2</u>			<u>155 units</u>	<u>\$ 28,783</u>	<u>\$ 3,747</u>	<u>\$ 5,804</u>	<u>\$ 22,979</u>
				<u>21</u>	WA	9.12%	<u>211 units</u>	<u>\$ 77,965</u>	<u>\$ 12,829</u>	<u>\$ 18,224</u>	<u>\$ 59,741</u>

(1) Includes purchase of land and existing improvements, if applicable, and development commitment.

(2) Rent increases upon each funding.

(3) Commitment is part of the total loan commitment secured by 15 properties in Michigan operated by Prestige Healthcare. We amended the loan to provide additional loan proceeds of \$20.0 million for the expansion projects at two of the properties securing the loan. Interest increases upon each funding.

(4) We purchased a parcel of land and existing improvements to complete construction of a memory care property.

(5) We purchased a parcel of land to develop a combination assisted living and memory care property.

### REAL ESTATE PORTFOLIO





## Real Estate Activities



Lease-Up in Frisco, TX  
80-unit assisted living and memory care property  
Certificate of Occupancy – October 3, 2014  
Operated by Mustang Creek Management



REAL ESTATE PORTFOLIO

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## Real Estate Activities



Development in Corpus Christi, TX  
56-unit memory care property  
Target Completion Date – 4Q15  
To be operated by Thrive Senior Living



REAL ESTATE PORTFOLIO

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## Real Estate Portfolio Summary

(dollar amounts in thousands)

### Real Estate Snapshot – Owned and Loan Portfolio

Type of Property	# of Properties	Gross Investments	% of Investments	Trailing Twelve Months Ended March 31, 2015			% of Revenues
				Rental Income <sup>(1)</sup>	Interest Income <sup>(1)</sup>		
Skilled Nursing	98	\$ 650,932	56.7%	\$ 53,238	\$ 15,213		59.1%
Assisted Living	93	430,027	37.4%	39,324	1,134		35.0%
Range of Care	7	43,907	3.8%	5,582	-		4.8%
Under Development <sup>(2)</sup>	-	13,136	1.1%	-	-		-
Other <sup>(3)</sup>	1	10,883	1.0%	1,299	-		1.1%
<b>Total</b>	<b>199</b>	<b>\$ 1,148,885</b>	<b>100.0%</b>	<b>\$ 99,443</b>	<b>\$16,347</b>		<b>100.0%</b>

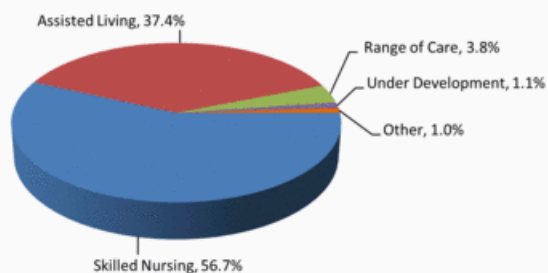
Investment Type	Gross Investment	%
Real Property	\$ 983,585	85.6%
Loans Receivable	165,300	14.4%
<b>Total</b>	<b>\$1,148,885</b>	<b>100.0%</b>

(1) Includes rental income and interest income from mortgage loans and excludes rental income from properties sold and interest income from loans that paid off during the twelve months ended March 31, 2015.

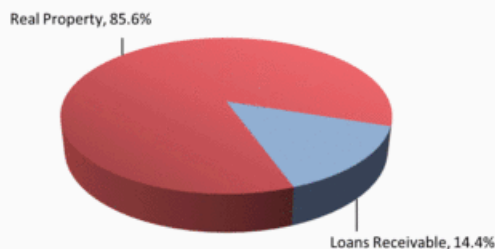
(2) Includes two MC developments with a total of 122 units and a combination ALF and MC development with 89 units.

(3) Includes one school property and five parcels of land held-for-use.

**Gross Investment By Property Type**



**Gross Investment By Investment Type**





## Real Estate Portfolio Metrics

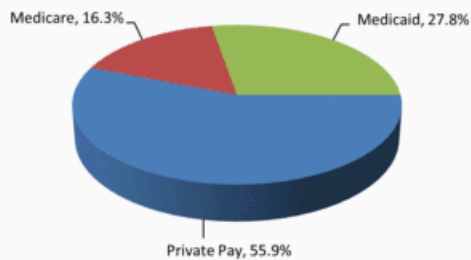
### Same Property Portfolio Statistics <sup>(1)</sup>

Owned Properties	Occupancy		Normalized EBITDARM Coverage		Normalized EBITDAR Coverage	
	4Q14	3Q14	4Q14	3Q14	4Q14	3Q14
Assisted Living	85.1%	85.7%	1.63	1.62	1.40	1.39
Skilled Nursing	79.7%	79.7%	2.25	2.24	1.66	1.66
Range of Care	85.6%	85.1%	1.79	1.73	1.30	1.24

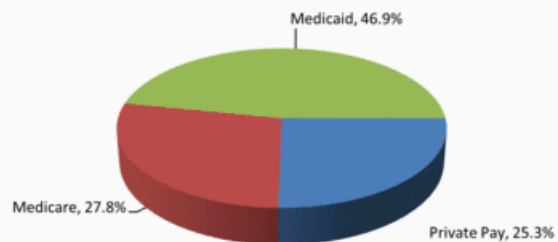
(1) Information is for the trailing twelve months through December 31, 2014 and September 30, 2014 and is from property level operator financial statements which are unaudited and have not been independently verified by us.

### Stabilized Owned Property Portfolio – TTM Ended December 31, 2014

Total Portfolio Payor Source



Skilled Nursing Portfolio Payor Source

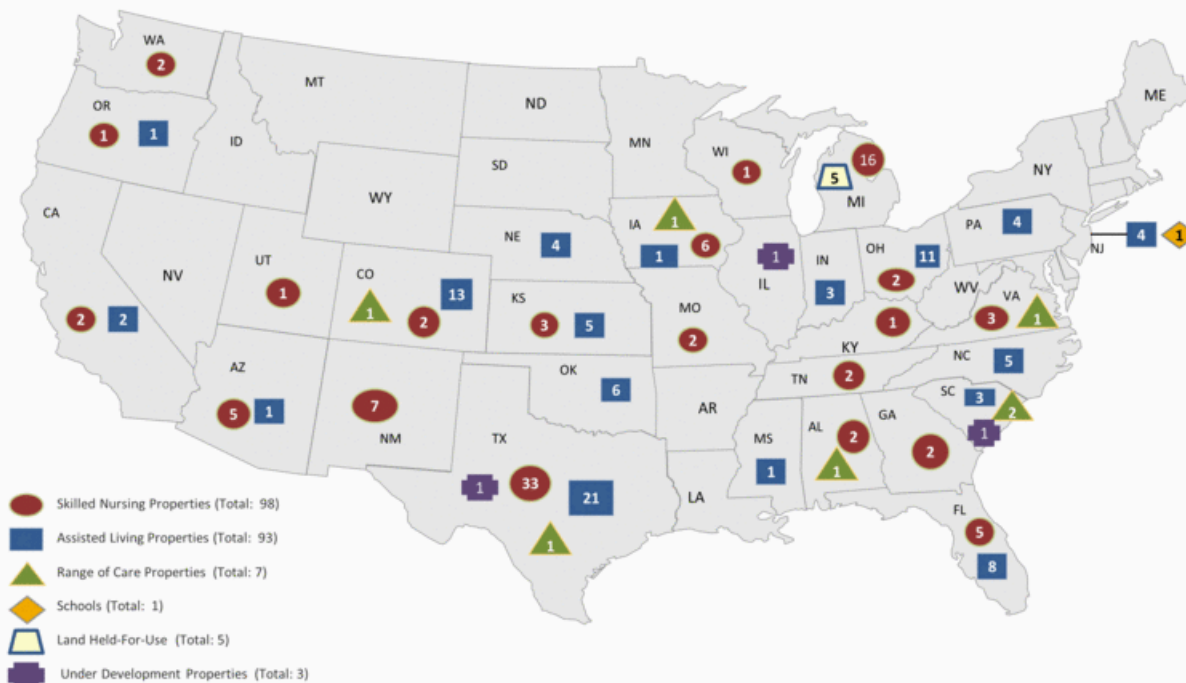


### REAL ESTATE PORTFOLIO

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## Real Estate Portfolio Diversification



LTC owns or holds mortgages on 199 properties, three parcels of land under development, and five parcels of land held-for-use in 29 states.

### REAL ESTATE PORTFOLIO

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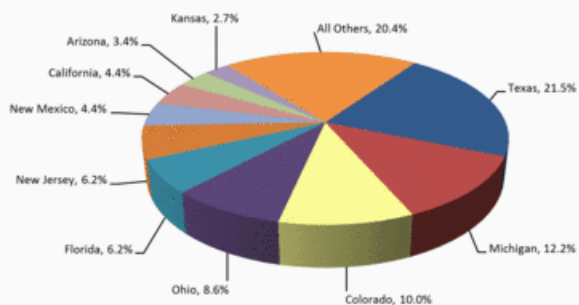


## Real Estate Portfolio Diversification

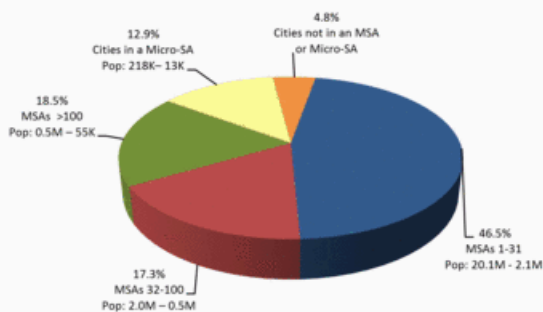
(dollar amounts in thousands)

### State Diversification By Property Type - Owned and Loan Portfolio

Gross Investment By State



Gross Portfolio By MSA<sup>(1)</sup>



State <sup>(2)</sup>	# of Props	SNF	%	ALF	%	ROC	%	UDP	%	OTH	%	Gross Investment	%
Texas	55	\$ 192,823	29.6%	\$ 43,668	10.1%	\$ 2,994	6.8%	\$ 7,271	55.4%	\$ -	-	\$ 246,756	21.5%
Michigan	16	139,083	21.4%	-	-	-	-	-	-	1,613	14.8%	140,696	12.2%
Colorado	16	6,038	0.9%	106,656	24.8%	2,007	4.6%	-	-	-	-	114,701	10.0%
Ohio	13	54,000	8.3%	44,647	10.4%	-	-	-	-	-	-	98,647	8.6%
Florida	13	35,361	5.4%	35,692	8.3%	-	-	-	-	-	-	71,053	6.2%
New Jersey	5	-	-	61,397	14.3%	-	-	-	-	9,270	85.2%	70,667	6.2%
New Mexico	7	50,913	7.8%	-	-	-	-	-	-	-	-	50,913	4.4%
California	4	22,130	3.4%	28,070	6.5%	-	-	-	-	-	-	50,200	4.4%
Arizona	6	36,091	5.6%	3,009	0.7%	-	-	-	-	-	-	39,100	3.4%
Kansas	8	14,111	2.2%	17,145	4.0%	-	-	-	-	-	-	31,256	2.7%
All Others	56	100,382	15.4%	89,743	20.9%	38,906	88.6%	5,865	44.6%	-	-	234,896	20.4%
Total	199	\$ 650,932	100.0%	\$ 430,027	100.0%	\$ 43,907	100.0%	\$ 13,136	100.0%	\$ 10,883	100.0%	\$ 1,148,885	100.0%

(1) The MSA rank by population as of July 1, 2014, as estimated by the United States Census Bureau.

(2) Due to master leases with properties in multiple states, revenue by state is not available.

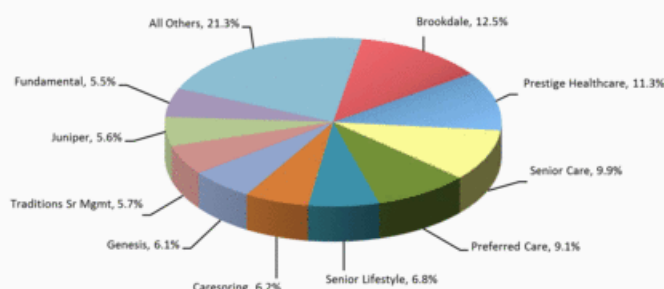


## Real Estate Portfolio Diversification

(dollar amounts in thousands)

### Operator Diversification – Owned and Loan Portfolio

Annual Income By Operator



Operators <sup>(1)</sup>	# of Properties	Annual Income <sup>(2)</sup>	%	Gross Investment	%
Brookdale Senior Living	37	\$ 15,574	12.5%	\$ 126,991	11.1%
Prestige Healthcare	18	14,032	11.3%	152,885	13.3%
Senior Care Centers	9	12,336	9.9%	115,039	10.0%
Preferred Care	30	11,354	9.1%	86,700	7.5%
Senior Lifestyle Corporation	17	8,458	6.8%	57,349	5.0%
Carespring Health Care Management	3	7,778	6.2%	77,479	6.7%
Genesis Healthcare	8	7,614	6.1%	54,864	4.8%
Traditions Senior Management	5	7,056	5.7%	63,402	5.5%
Juniper Communities	6	7,031	5.6%	87,088	7.6%
Fundamental	5	6,819	5.5%	48,882	4.3%
All Others	61	26,616	21.3%	278,206	24.2%
	199	\$ 124,668	100.0%	\$ 1,148,885	100.0%

(1) We have investments in 29 states leased or mortgaged to 35 different operators.

(2) Includes annualized GAAP rent for leased properties and includes interest income from mortgage loans excluding interest income from loans that paid off during the twelve months ended March 31, 2015.

### REAL ESTATE PORTFOLIO

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## Top Ten Operators

**Brookdale Senior Living** (NYSE: BKD) operates nearly 1,150 independent living, assisted living, and memory care communities and continuing care retirement centers, with the ability to serve over 111,000 residents. As of March 31, 2015, the LTC portfolio consisted of 37 assisted living properties in nine states with a gross investment balance of \$127.0 million.

**Prestige Healthcare** (privately held) provides skilled nursing, assisted living, and independent living services, and other rehabilitative and healthcare services at 35 facilities in seven states. As of March 31, 2015, the LTC portfolio consisted of 16 skilled nursing properties and five parcels of land held-for-use in Michigan and two range of care properties in South Carolina with a gross investment balance of \$152.9 million.

**Senior Care Centers** (privately held) provides skilled nursing care, memory care, assisted living, and independent living services in 94 facilities exclusively in Texas. As of March 31, 2015, the LTC portfolio consisted of nine skilled nursing properties in Texas with a gross investment balance of \$115.0 million.

**Preferred Care** (privately held) operates 108 facilities comprised of skilled nursing, assisted living, and independent living facilities, as well as five specialty care facilities, in 12 states. As of March 31, 2015, the LTC portfolio consisted of 28 skilled nursing and two range of care properties in six states with a gross investment balance of \$86.7 million.

**Senior Lifestyle Corporation** (privately held) manages 167 communities consisting of independent living, assisted living, memory care, skilled nursing and rehabilitative, affordable senior apartments, and short term stays in 27 states. As of March 31, 2015, the LTC portfolio consisted of 17 assisted living properties in seven states, with a gross investment balance of \$57.3 million.

**Carespring Health Care Management** (privately held) provides skilled nursing, assisted living, and independent living services, and other rehabilitative and healthcare services at 11 facilities in two states. As of March 31, 2015, the LTC portfolio consisted of three skilled nursing properties in two states with a gross investment balance of \$77.5 million.

**Genesis Healthcare** (NYSE: GEN) provides skilled nursing and assisted/senior living communities at more than 500 facilities in 34 states. They also supply rehabilitation and respiratory therapy to more than 1,600 locations in 46 states and the District of Columbia. As of March 31, 2015, the LTC portfolio consisted of seven skilled nursing properties and one range of care property in three states, with a gross investment balance of \$54.9 million.

**Traditions Senior Management** (privately held) operates 28 facilities consisting of independent living, assisted living, and skilled nursing facilities in eight states. As of March 31, 2015, the LTC portfolio consisted of four skilled nursing properties and one range of care property in three states with a gross investment balance of \$63.4 million. They also operate two skilled nursing properties under a sub-lease with Preferred Care, Inc. which is not included in the Traditions Senior Management annual income.

**Juniper Communities** (privately held) operates 20 facilities comprised of skilled nursing, assisted living, memory care, and independent living facilities in four states. As of March 31, 2015, the LTC portfolio consisted of six assisted living and memory care properties in three states with a gross investment balance of \$87.1 million.

**Fundamental** (privately held) provides skilled nursing facilities, assisted living facilities, long term acute care hospitals, hospices, outpatient clinics, behavioral health services and other healthcare services at 76 locations in 9 states. As of March 31, 2015, the LTC portfolio consisted of five skilled nursing properties in three states, with a gross investment balance of \$48.9 million.

### REAL ESTATE PORTFOLIO

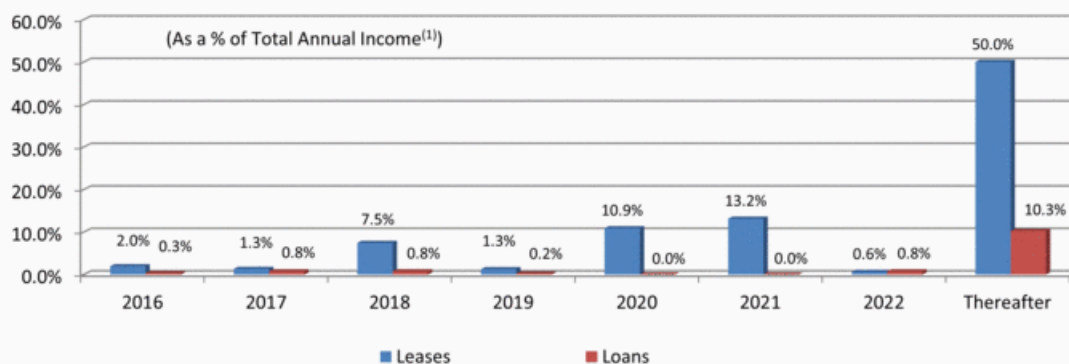
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## Real Estate Portfolio Maturity

(dollar amounts in thousands)

Year	Rental Income <sup>(1)</sup>	% of Total	Interest Income <sup>(1)</sup>	% of Total	Annual Income <sup>(1)</sup>	% of Total
2016	\$ 2,448	2.3%	\$ 422	2.6%	\$ 2,870	2.3%
2017	1,670	1.5%	932	5.7%	2,602	2.1%
2018	9,431	8.7%	960	5.9%	10,391	8.3%
2019	1,596	1.5%	289	1.8%	1,885	1.5%
2020	13,598	12.6%	-	-	13,598	10.9%
2021	16,410	15.1%	-	-	16,410	13.2%
2022	771	0.7%	946	5.8%	1,717	1.4%
Thereafter	62,397	57.6%	12,798	78.2%	75,195	60.3%
<b>Total</b>	<b>\$ 108,321</b>	<b>100.0%</b>	<b>\$ 16,347</b>	<b>100.0%</b>	<b>\$ 124,668</b>	<b>100.0%</b>



(1) Includes annualized GAAP rent for leased properties and includes interest income from mortgage loans excluding interest income from loans that paid off during the twelve months ended March 31, 2015.



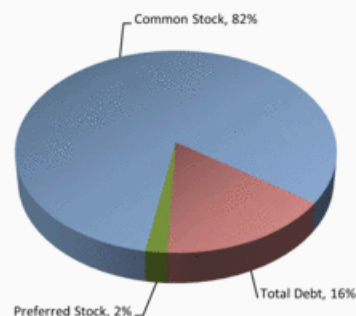


## Enterprise Value

(amounts in thousands, except per share amounts and number of shares)

	At March 31, 2015	Capitalization
<b>Debt</b>		
Bank borrowings <sup>(1)</sup>	\$ 36,500	
Senior unsecured notes - weighted average rate 4.8% <sup>(2)</sup>	277,467	
Total debt	313,967	16%
<b>Equity</b>		
	No. of shares	3/31/15 Closing Price
Preferred stock - Series C <sup>(3)</sup>		38,500
Common stock <sup>(4)</sup>	35,540,762	\$ 46.00 <sup>(5)</sup>
Total equity		1,673,375
		84%
<b>Total Market Value</b>		<b>\$ 1,987,342</b>
		100%
Less: Cash and cash equivalents	(3,417)	
<b>Enterprise Value</b>		<b>\$ 1,983,925</b>
<b>Debt to Enterprise Value 15.8%</b>		
<b>Debt &amp; Preferred to Enterprise Value 17.8%</b>		
<b>Debt to Normalized EBITDA <sup>(6)</sup> 2.9x</b>		

### Capitalization



- (1) Our \$400,000 Unsecured Credit Agreement provides us the opportunity to increase the credit line up to \$600,000 and matures on October 14, 2018.
- (2) Includes amortization of debt issue cost.
- (3) Non-traded shares. Two million shares outstanding with a face rate of 8.5% and a liquidation value of \$19.25 per share, convertible into common stock on a one-for-one basis. Our Series C preferred stock is not redeemable by us.
- (4) Traded on NYSE.
- (5) Closing price of our common stock as reported by the NYSE on March 31, 2015, the last trading day of first quarter 2015.
- (6) Normalized EBITDA for the twelve months ended March 31, 2015. See page 20 for reconciliation of normalized EBITDA.

## FINANCIAL

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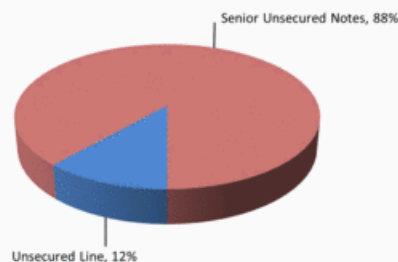


## Debt Maturity

(dollar amounts in thousands)

Year	Unsecured Line of Credit <sup>(1)</sup>	Senior Unsecured Notes <sup>(2)</sup>	Total
2015	\$ -	\$ 25,000	\$ 25,000
2016	-	26,667	26,667
2017	-	26,167	26,167
2018	36,500	28,167	64,667
2019	-	25,666	25,666
2020	-	32,160	32,160
2021	-	32,160	32,160
Thereafter	-	81,480	81,480
Total	\$ 36,500	\$ 277,467	\$ 313,967

### Debt Structure



- (1) Our \$400,000 Unsecured Credit Agreement provides us the opportunity to increase the credit line up to \$600,000 and matures on October 14, 2018.
- (2) Reflects scheduled principal payments.

## FINANCIAL

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## Financial Data Summary

(dollar amounts in thousands)

### Balance Sheet, Leverage Ratios and Coverage Ratios

	3/31/15	12/31/14	12/31/13	12/31/12
<b>Balance Sheet</b>				
Gross real estate assets	\$1,148,885	\$1,117,167	\$1,104,732	\$940,176
Net real estate assets	917,161	892,179	884,361	740,846
Gross asset value	1,227,144	1,190,807	1,151,781	988,922
Total debt	313,967	281,633	278,835	303,935
Total liabilities	336,036	305,698	298,972	326,484
Preferred stock	38,500	38,500	38,500	38,500
Total equity	659,384	660,121	632,438	463,108
<b>Leverage Ratios</b>				
Debt to gross asset value	25.6%	23.7%	24.2%	30.7%
Debt & preferred stock to gross asset value	28.7%	26.9%	27.6%	34.6%
Debt to total enterprise value	15.8%	15.4%	18.1%	21.6%
Debt & preferred stock to total enterprise value	17.8%	17.5%	20.6%	24.3%
<b>Coverage Ratios <sup>(1)</sup></b>				
Debt to normalized EBITDA	2.9x	2.6x	2.9x	3.7x
Normalized EBITDA / interest incurred	7.2x	7.3x	7.7x	8.3x
Normalized EBITDA / fixed charges	5.9x	6.0x	6.1x	6.2x

(1) Trailing twelve months for the periods presented.



## Financial Data Summary

(dollar amounts in thousands)

### Reconciliation of Normalized EBITDA and Fixed Charges

	Trailing Twelve Months Ended			
	3/31/15	12/31/14	12/31/13	12/31/12
Net income	\$ 73,947	\$ 73,399	\$ 57,815	\$ 51,327
Less: Gain on sale of real estate, net	(4,959)	(4,959)	(1,605)	(16)
Add: Interest expense	13,707	13,128	11,364	9,932
Add: Depreciation and amortization	26,010	25,529	24,706	22,153
Adjusted EBITDA	108,705	107,097	92,280	83,396
Add back/(deduct):				
Non-recurring one-time items	-	-	2,687 <sup>(1)</sup>	(347) <sup>(2)</sup>
Normalized EBITDA	\$ 108,705	\$ 107,097	\$ 94,967	\$ 83,049
Interest expense:	\$ 13,707	\$ 13,128	\$ 11,364	\$ 9,932
Add: Capitalized interest	1,346	1,506	932	129
Interest incurred	15,053	14,634	12,296	10,061
Interest incurred	15,053	14,634	12,296	10,061
Preferred stock dividend	3,273	3,273	3,273	3,273
Fixed Charges	\$ 18,326	\$ 17,907	\$ 15,569	\$ 13,334

(1) Represents the one-time severance and accelerated restricted stock vesting charge of \$707 related to the retirement of the Company's former Senior Vice President, Marketing and Strategic Planning, a \$1,244 provision for loan loss reserve on a \$124,387 mortgage loan origination, and an \$869 non-cash write-off of straight-line rent offset by revenue from the Sunwest bankruptcy settlement distribution of \$133.

(2) Represents revenue from the Sunwest bankruptcy settlement distribution.

### Non-Cash Revenue Components

	1Q15	2Q15 <sup>(1)</sup>	3Q15 <sup>(1)</sup>	4Q15 <sup>(1)</sup>	1Q16 <sup>(1)</sup>
Straight-line rent	\$2,275	\$2,268	\$2,080	\$1,826	\$1,126
Amort of lease inducement	(352)	(384)	(384)	(384)	(384)
Effective Interest	551	903	899	897	897
Net	\$2,474	\$2,787	\$2,595	\$2,339	\$1,639

(1) For leases and loans in place at March 31, 2015, assuming no renewals, modification or replacement, and no new investments are added to our portfolio.

### FINANCIAL

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## Consolidated Statements of Income

(amounts in thousands, except per share amounts)

	Three Months Ended	
	March 31,	
	2015	2014
	(unaudited)	
<b>Revenues</b>		
Rental income	\$ 26,678	\$ 25,252
Interest income from mortgage loans	4,607	4,093
Interest and other income	195	93
Total revenues	31,480	29,438
<b>Expenses</b>		
Interest expense	3,766	3,187
Depreciation and amortization	6,779	6,298
General and administrative expenses	3,499	2,949
Total expenses	14,044	12,434
Operating Income	17,436	17,004
Income from unconsolidated joint venture	116	-
Net Income	17,552	17,004
Income allocated to participating securities	(123)	(103)
Income allocated to preferred stockholders	(818)	(818)
Net income available to common stockholders	\$ 16,611	\$ 16,083
<b>Earnings per common share:</b>		
Basic	\$0.47	\$0.47
Diluted	\$0.47	\$0.46
<b>Weighted average shares used to calculate earnings per common share:</b>		
Basic	35,277	34,586
Diluted	37,292	36,611
Dividends declared and paid per common share	\$0.51	\$0.51

### FINANCIAL

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## Consolidated Balance Sheets

(amounts in thousands, except per share)

	March 31, 2015 (unaudited)	December 31, 2014 (audited)
<b>ASSETS</b>		
<b>Investments:</b>		
Land	\$ 83,858	\$ 80,024
Buildings and improvements	899,727	869,814
Accumulated depreciation and amortization	(230,071)	(223,315)
Real estate properties, net	753,514	726,523
Mortgage loans receivable, net of loan loss reserves: 2015 - \$1,653; 2014 - \$1,673	163,647	165,656
Real estate investments, net	917,161	892,179
Investment in unconsolidated joint venture	20,220	-
Investments, net	937,381	892,179
<b>Other assets:</b>		
Cash and cash equivalents	3,417	25,237
Debt issue costs, net	3,561	3,782
Interest receivable	1,167	597
Straight-line rent receivable, net of allowance for doubtful accounts: 2015 - \$754; 2014 - \$731	34,903	32,651
Prepaid expenses and other assets	12,657	9,931
Notes receivable	2,334	1,442
<b>Total assets</b>	<b>\$ 995,420</b>	<b>\$ 965,819</b>

	March 31, 2015 (unaudited)	December 31, 2014 (audited)
<b>LIABILITIES</b>		
Bank borrowings	\$ 36,500	\$ -
Senior unsecured notes	277,467	281,633
Accrued interest	2,472	3,556
Earn-out liabilities	3,313	3,258
Accrued expenses and other liabilities	16,284	17,251
<b>Total liabilities</b>	<b>336,036</b>	<b>305,698</b>
<b>EQUITY</b>		
<b>Stockholders' equity:</b>		
Preferred stock <sup>(1)</sup>	38,500	38,500
Common stock <sup>(2)</sup>	355	355
Capital in excess of par value	718,050	717,396
Cumulative net income	872,799	855,247
Accumulated other comprehensive income	73	82
Cumulative distributions	(970,393)	(951,459)
<b>Total equity</b>	<b>659,384</b>	<b>660,121</b>
<b>Total liabilities and equity</b>	<b>\$ 995,420</b>	<b>\$ 965,819</b>

(1) Preferred stock \$0.01 par value; 15,000 shares authorized; shares issued and outstanding: 2015 - 2,000; 2014 - 2,000

(2) Common stock \$0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2015 - 35,541; 2014 - 35,480



## Funds from Operations

(unaudited, amounts in thousands, except per share amounts)

### Reconciliation of FFO, AFFO, and FAD

	Three Months Ended March 31,	
	2015	2014
Net income available to common stockholders	\$ 16,611	\$ 16,083
Add: Depreciation and amortization	6,779	6,298
FFO available to common stockholders	23,390	22,381
Less: Non-cash rental income	(1,923)	(474)
(Less) add: Non-cash effective interest income	(551)	20
Less: Non-cash deferred income from unconsolidated joint venture	(77)	-
Adjusted FFO (AFFO)	20,839	21,927
Add: Non-cash compensation charges	982	666
Add: Non-cash interest related to earn-out liabilities	54	-
Less: Capitalized interest	(147)	(307)
Funds available for distribution (FAD)	\$ 21,728	\$ 22,286
Diluted FFO available to common stockholders per share	\$0.65	\$0.63
Diluted AFFO per share	\$0.58	\$0.62
Diluted FAD per share	\$0.60	\$0.63

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## Funds from Operations

(unaudited, amounts in thousands, except per share amounts)

### Reconciliation of FFO Per Share

	Three Months Ended March 31,	
	2015	2014
FFO available to common stockholders	\$ 23,390	\$ 22,381
Effect of dilutive securities:		
Participating securities	123	103
Convertible preferred securities	818	818
Diluted FFO available to common stockholders	\$ 24,331	\$ 23,302
Shares for basic FFO per share	35,277	34,586
Effect of dilutive securities:		
Stock options	15	25
Participating securities	237	195
Convertible preferred securities	2,000	2,000
Shares for diluted FFO per share	37,529	36,806
Basic FFO per share	\$0.66	\$0.65
Diluted FFO per share	\$0.65	\$0.63

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**Adjusted Funds From Operations ("AFFO"):** FFO excluding the effects of straight-line rent and amortization of lease inducement.

**Assisted Living Properties ("ALF"):** The ALF portfolio consists of assisted living, independent living, and/or memory care properties. (See Independent Living and Memory Care) Assisted living properties are senior housing properties serving elderly persons who require assistance with activities of daily living, but do not require the constant supervision skilled nursing properties provide. Services are usually available 24 hours a day and include personal supervision and assistance with eating, bathing, grooming and administering medication. The facilities provide a combination of housing, supportive services, personalized assistance and health care designed to respond to individual needs.

**Contractual Lease Rent:** Rental revenue as defined by the lease agreement between us and the operator for the lease year.

**EBITDA:** Earnings before interest, taxes, depreciation and amortization.

**Funds Available for Distribution ("FAD"):** AFFO excluding the effects of non-cash compensation charges, capitalized interest and non-cash interest charges.

**Funds From Operations ("FFO"):** As defined by the National Association of Real Estate Investment Trusts ("NAREIT"), net income available to common stockholders (computed in accordance with U.S. GAAP) excluding gains or losses on the sale of real estate and impairment write-downs of depreciable real estate plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

**GAAP Lease Yield:** GAAP rent divided by the sum of the purchase price and transaction costs.

**GAAP Rent:** Total rent we will receive as a fixed amount over the life of the lease and recognized evenly over that life. GAAP rent recorded in the early years of a lease is higher than the cash rent received and during the later years of the lease, the cash rent received is higher than GAAP rent recognized. GAAP rent is commonly referred to as straight-line rental income.

**Gross Asset Value:** Represents total assets including accumulated depreciation and loan loss reserves.

**Gross Investment:** Original price paid for an asset plus capital improvements funded by LTC, without any depreciation deductions. Gross Investment is commonly referred to as undepreciated book value.

**Independent Living Properties ("ILF"):** Senior housing properties offering a sense of community and numerous levels of service, such as laundry, housekeeping, dining options/meal plans, exercise and wellness programs, transportation, social, cultural and recreational activities, on-site security and emergency response programs. Many offer on-site conveniences like beauty/barber shops, fitness facilities, game rooms, libraries and activity centers. ILFs are also known as retirement communities or senior apartments.

**Interest Income:** Represents interest income from mortgage loans.





## Glossary

**Licensed Beds/Units:** The number of beds and/or units that an operator is authorized to operate at senior housing and long-term care properties. Licensed beds and/or units may differ from the number of beds and/or units in service at any given time.

**Memory Care Properties ("MC"):** Senior housing properties offering specialized options for seniors with Alzheimer's disease and other forms of dementia. These facilities offer dedicated care and specialized programming for various conditions relating to memory loss in a secured environment that is typically smaller in scale and more residential in nature than traditional assisted living facilities. These facilities have staff available 24 hours a day to respond to the unique needs of their residents.

**Metropolitan Statistical Areas ("MSA"):** Based on the U.S. Census Bureau, MSA is a geographic entity defined by the Office of Management and Budget (OMB) for use by Federal statistical agencies in collecting, tabulating, and publishing Federal statistics. A metro area contains a core urban area of 50,000 or more population.

**Micropolitan Statistical Areas ("Micro-SA"):** Based on the U.S. Census Bureau, Micro-SA is a geographic entity defined by the Office of Management and Budget (OMB) for use by Federal statistical agencies in collecting, tabulating, and publishing Federal statistics. A micro area contains an urban core of at least 10,000 (but less than 50,000) population.

**Net Real Estate Assets:** Gross real estate investment less accumulated depreciation. Net Real Estate Asset is commonly referred to as Net Book Value ("NBV").

**Non-cash Rental Income:** Straight-line rental income and amortization of lease inducement.

**Non-cash Compensation Charges:** Vesting expense relating to stock options and restricted stock.

**Normalized AFFO:** AFFO adjusted for non-recurring, infrequent or unusual items.

**Normalized EBITDAR Coverage:** The trailing twelve month's earnings from the operator financial statements adjusted for non-recurring, infrequent, or unusual items and before interest, taxes, depreciation, amortization, and rent divided by the operator's contractual lease rent. Management fees are imputed at 5% of revenues.

**Normalized EBITDARM Coverage:** The trailing twelve month's earnings from the operator financial statements adjusted for non-recurring, infrequent, or unusual items and before interest, taxes, depreciation, amortization, rent, and management fees divided by the operator's contractual lease rent.

**Normalized FAD:** FAD adjusted for non-recurring, infrequent or unusual items.

**Normalized FFO:** FFO adjusted for non-recurring, infrequent or unusual items.

**Occupancy:** The weighted average percentage of all beds and/or units that are occupied at a given time. The calculation uses the trailing twelve months and is based on licensed beds and/or units which may differ from the number of beds and/or units in service at any given time.

**Operator Financial Statements:** Property level operator financial statements which are unaudited and have not been independently verified by us.

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## Glossary

**Payor Source:** LTC revenue by operator underlying payor source for the quarter presented. LTC is not a Medicaid or a Medicare recipient. Statistics represent LTC's rental revenues times operators' underlying payor source revenue percentage. Underlying payor source revenue percentage is calculated from property level operator financial statements which are unaudited and have not been independently verified by us.

**Private Pay:** Private pay includes private insurance, HMO, VA, and other payors.

**Purchase Price:** Represents the fair value price of an asset that is exchanged in an orderly transaction between market participants at the measurement date. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets; it is not a forced transaction (for example, a forced liquidation or distress sale).

**Range of Care ("ROC"):** Range of care properties consist of properties providing skilled nursing and any combination of assisted living, independent living and/or memory care services.

**Rental Income:** Represents GAAP rent net of amortized lease inducement cost.

**Same Property Portfolio ("SPP"):** Same property statistics allow for the comparative evaluation of performance across a consistent population of LTC's leased property portfolio. Our SPP is comprised of stabilized properties owned and operated throughout the duration of the quarter-over-quarter comparison periods presented (excluding assets sold and assets held-for-sale). Accordingly, a leased property must be owned and stabilized for a minimum of 15 months to be included in our SSP.

**School:** An institution for educating students which includes a charter school. Charter schools provide an alternative to the traditional public school and are generally autonomous entities authorized by the state or locality to conduct operations independent from the surrounding public school district. Laws vary by state, but generally charters are granted by state boards of education either directly or in conjunction with local school districts or public universities. Operators are granted charters to establish and operate schools based on the goals and objectives set forth in the charter. Upon receipt of a charter, schools receive an annuity from the state for each student enrolled.

**Skilled Nursing Properties ("SNF"):** Senior housing properties providing restorative, rehabilitative and nursing care for people not requiring the more extensive and sophisticated treatment available at acute care hospitals. Many SNFs provide ancillary services that include occupational, speech, physical, respiratory and IV therapies, as well as sub-acute care services which are paid either by the patient, the patient's family, private health insurance, or through the federal Medicare or state Medicaid programs.

**Stabilized:** Properties are generally considered stabilized upon the earlier of achieving certain occupancy thresholds (e.g. 80% for SNFs and 90% for ALFs) and, as applicable, 12 months from the date of acquisition or, in the event of a de novo development, redevelopment, major renovations or addition, 24 months from the date the property is first placed in or returned to service.

**Under Development Properties ("UDP"):** Development projects to construct senior housing properties.

## GLOSSARY

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