

HOW THE PLAN WORKS

Your Dividends Reinvested Automatically

The Plan is administered by the Company's plan agent, American Stock Transfer & Trust Company, LLC ("AST"). Once you have enrolled, your cash dividends will no longer be mailed to you but will be transferred to AST. AST will automatically reinvest the total amount of dividends paid to you both on shares you hold of record outside the Plan and on any full or fractional shares acquired under the Plan and will purchase additional shares for you at the current market price. If the dividends are not sufficient to purchase a full share, AST will credit you with a fractional share computed up to four decimal places, which will also earn dividends. Dividends will be reinvested each time dividends are paid. LTC currently pays dividends on a monthly basis.

You May Make Cash Purchases of Shares

In addition to shares obtained by dividend reinvestment, you may purchase shares with voluntary cash payments.

Voluntary cash payments may be made on the investment date (approximately on the 15th business day of the month) in any amount between \$25.00 and \$1,000.00. Payments should be sent to AST in the form of check or money order, payable to AST at least five business days before the investment date. Cash deposits received no later than five business days prior to the 15th business day of the month will be invested on that date or as soon as practicable after each investment date. Timeliness of your cash payments is important because AST does not pay interest on cash deposits. Funds not previously invested will be invested along with the next monthly reinvestment. All brokerage commissions incurred in connection with open market purchases made under the Plan through voluntary cash payments will be charged to the participant.

You may obtain a refund of any voluntary cash payments if a written request for such a refund is received by AST at least two business days before the next succeeding investment date. It is entirely up to you whether you wish to buy additional shares with voluntary cash payments, and you do not have to send in the same amount each time if you do.

Your Statement of Account

Following each automatic dividend reinvestment or voluntary cash purchase, you will receive a detailed statement of your account, showing funds invested, shares purchased, and the total number of shares held in your Plan account. The price is the average price of all shares purchased under the Plan in connection with a given dividend, including shares purchased with any voluntary cash payments.

AST Holds the Shares

AST, in the name of its nominee, will hold in safekeeping the shares it has purchased for you. These shares will be issued to you upon your request or if you withdraw from the Plan (see "How to Withdraw"). Stock certificates will be issued without charge to you upon written request. Certificates for fractional shares will not be issued.

Voting Privileges

AST will vote any shares that it holds for you under the Plan in accordance with your proxy or other instructions relating to other shares held by you of record outside the Plan. Any written consent you provide as to such other shares will be deemed to apply to shares held by AST for you under the Plan.

HOW TO ENROLL

Reinvestment of Dividends

If you wish to reinvest all or a portion of your dividends automatically, just complete the enclosed authorization card and mail it in the envelope provided to:

American Stock Transfer & Trust CO, LLC.
P.O. Box 922, Wall Street Station
New York, NY 10269-0560
Tel: 1-800-278-4353 (toll free)

Your authorization card is all AST requires to begin your participation in the Plan. Do not send dividend checks to AST.

A stockholder whose securities are registered in the name of a broker or nominee who wishes to participate in the Plan but not change the registration of his securities should contact the broker or nominee and request him to complete an authorization card on behalf of the beneficial owner of securities by signing and returning the authorization card to AST.

Your participation will begin with the first dividend payment after receipt of your authorization card, provided the card is received at least two business days prior to the next dividend record date or upon receipt of a voluntary cash investment accompanied by an authorization card. The record date for such dividends generally occur during the last week of the preceding month. If your authorization card is not received within the required time, you will receive that dividend in the usual manner, and your participation in the Plan will begin with the next dividend payment.

Partial Reinvestment of Dividends

By selecting the "Partial Reinvestment" option in the enrollment form, you may elect to receive part of your dividend in cash and reinvest the remainder. When electing a partial reinvestment, you must specify the number of your shares on which you want to reinvest the cash payment.

After you have enrolled, your participation continues automatically until you change the dividend reinvestment option or withdraw from the Plan. Change in the option may be made at any time by submitting a newly executed enrollment form to AST or by writing to AST. Any change in the number of shares to which AST is authorized to reinvest dividends must be received by Computershare within two business days prior to the record date.

HOW TO WITHDRAW

Partial Withdrawal of Shares

You may withdraw any whole number of shares from the Plan at any time after simply notifying AST in writing. AST, without charge to you, will issue you a certificate for those shares requested, and will retain the remaining whole and fractional shares in your account while continuing your participation in the Plan.

Complete Withdrawal from the Plan

You may withdraw any time after giving written notice to AST at least seven days before a dividend record date. Dividend payments made after such notice will be sent directly to you. You may elect to receive either cash or stock for all the full shares in your account.

Upon receipt of your request for withdrawal and election to receive a certificate, the stock certificate will be issued in your name for the full shares AST holds for you under the Plan. Any fractional shares will be converted to cash on the basis of current market value, and a check in the amount of the proceeds will be sent to you less any related brokerage commissions, transfer taxes (if any) and a nominal Bank charge.

INCOME TAX

Even though your dividends (including those paid to AST for your certificate holdings and shares accrued under the Plan) will be reinvested, they may be subject to income taxes. The payment of brokerage commissions by the Company on your behalf might be deemed to be a taxable dividend. The amount of your dividends as well as the brokerage commissions paid on your behalf by the Company will be reported to you and the Internal Revenue Service at year end.

FURTHER QUESTIONS

Any notices, questions, or other communications regarding the Plan should be addressed to AST.

Each stockholder should carefully read the Terms and Conditions contained on the following pages. Please retain a copy of this brochure for your records. A complete copy of the Automatic Dividend Reinvestment and Cash Stock Purchase Plan may be obtained, without charge, by writing to American Stock Transfer & Trust CO, LLC., P.O. Box 922, Wall Street Station, New York, NY 10269-0560.

For Complete Details,

Please read the Terms and Conditions

TERMS AND CONDITIONS OF AUTHORIZATION FOR AUTOMATIC DIVIDEND REINVESTMENT AND CASH STOCK PURCHASE PLAN

1. As plan agent for the participants, American Stock Transfer & Trust Company, LLC ("AST") will apply all or any portion of the dividends you specify on the shares of LTC Properties, Inc. (the "Company") held of record by the participant and on any full or fractional shares (credited to four decimal places) acquired under the Automatic Dividend Reinvestment and Cash Stock Purchase Plan (the "Plan"), and all additional voluntary cash payments received from such participant to the purchase of common stock of the Company on the open market for the participant's account. Such purchases may be made on any securities exchange where such shares are traded, in the over-the-counter market, or in negotiated transactions, and may be on such terms as to price, delivery, and otherwise as AST may determine.

A participant may elect to receive cash dividends on a specified number of their shares, and reinvest the dividends on the balance of such shares. A participant may change the dividend reinvestment portion at any time by submitting a newly executed enrollment form to AST or by writing to AST. Any change in the number of shares with respect to which AST is authorized to reinvest dividends must be received by AST within two business days prior to the record date for a dividend to permit the new number of shares to apply to that dividend.

A participant may send voluntary cash payments from \$25 minimum to \$1,000 maximum each month to AST by money order or check drawn against United States Banks and in US dollars to be used for the purpose of purchasing additional common stock of the Company. Funds received by AST at least five business days prior to the investment date (approximately on the 15th business day of the month) will be invested on that date or as soon as practicable after each investment date but will not exceed ten business days subsequent to such investment date. Funds not previously invested will be invested along with the next monthly reinvestment. No interest will be paid on such funds. A participant may withdraw any additional cash investment by written notice received by AST not less than two business days before such amount is to be invested.

If a participant elects to choose voluntary cash payments only, the Company will continue to pay cash dividends on the shares registered in the participant's name in the usual manner, but any dividends or voluntary cash payments received with respect to any of the shares credited to the participant's Plan account

will be applied toward the purchase of additional common stock of the Company under the Plan.

In the event that any check is returned unpaid for any reason, AST will consider the request for reinvestment of such money null and void and shall immediately remove from the participant's account shares, if any, purchased upon the prior credit of such money. AST shall thereupon be entitled to sell these shares to satisfy any uncollected amounts. If the net proceeds of the sale of such shares are insufficient to satisfy the balance of such uncollected amounts, AST, in addition to any other legal remedies it may have, shall be entitled to sell such additional shares from the participant's account to satisfy the uncollected balance.

2. In making purchases for the participant's account, AST may commingle the participant's funds with those of other stockholders of the Company participating in the Plan. No interest shall be payable on such funds. The price at which AST shall be deemed to have acquired shares for the participant's Plan account shall be the average price of all shares purchased with the funds available from the dividend and any voluntary cash payments being concurrently invested. No participant shall have any authority or power to direct the time or price at which stock may be purchased.

AST will make every effort to invest available funds promptly on the dividend payment date or as soon as practicable thereafter, and in no event more than 10 business days after AST's receipt of a dividend, except where postponement is deemed necessary to comply with applicable provisions of the federal securities laws or regulations of any exchange where such shares are traded.

AST will hold the total shares purchased for all participants in its name or in the name of its nominee and will have no responsibility for the value of such shares after their purchase.

3. As soon as practicable after the completion of each transaction, AST will send each participant whose funds have been applied to such purchase a statement setting forth all transactions in the account since the last purchase. Participants should be aware that it is important to retain all statements received as there could be a fee incurred when requesting AST to supply past history.

4. All costs of administration of the Plan will be paid by the Company. Brokerage commissions incurred in connection with the reinvestment of a participant's dividend (as opposed to voluntary cash payments) through open market purchases under the Plan are paid by the Company, but only in the event that such commissions do not exceed five percent (5%) of the cash dividends reinvested by such participant. The brokerage commissions currently do not exceed five percent (5%) of the cash dividends distributed by the Company and are not expected to do so in the future.

All brokerage commissions incurred in connection with open market purchases made through voluntary cash payments will be charged to the participant. Brokerage commissions will be included as income in each participant's Form 1099-DIV. All fees, including transfer taxes if any, associated with any or all sales of the Company stock are paid by the participant.

5. Certificates will not be issued to a participant for shares in a participant's account unless a request is made to AST in writing, or until the account is terminated. Such requests shall be handled by AST without charge to the participant. Certificates for fractional shares will not be issued in any case, but dividends on fractional shares will be credited to the participant's account.

6. It is understood that the reinvestment of dividends under the Plan and the payment by the Company of brokerage commissions does not release the participant from any income tax which may be deemed payable on or in connection therewith. Statements sent to participants by AST will reflect the amount of dividends paid and brokerage commissions credited to the account. AST will send information copies to federal and state income tax agencies.

7. AST will not vote shares that it holds for a participant's account except as directed by the participant. If no instructions are given, the shares will not be voted. Each participant will receive a proxy voting card for the total of their whole shares, including that shares that they hold in the Plan. Shares held in the Plan may not be pledged or assigned, and any such purported pledge or assignment shall be void.

8. AST may terminate the account at any time by notice in writing mailed to the participant. A participant may terminate the account at any time by writing to AST. To be effective on any given dividend payment, the notice to terminate must be received by AST at least seven days prior to record date for that payment. If a termination notice is not received by AST at least seven days prior to a voluntary cash investment date, the voluntary cash investment may be invested in common shares by AST. A participant may elect to receive either stock or cash for all the full shares in the account. If cash is elected, AST will sell such shares at the then-current market value, and AST will send the net proceeds after deducting brokerage commissions and transfer taxes, if any, and a nominal service charge. No participant shall have the power or authority to direct the date or sales price at which common shares may be sold. If no election is made in the request for termination, stock will be issued for all full shares. In either case, the participant will receive cash at the then-current market value in lieu of any fractional interest in a share.

9. The participant agrees to notify AST in writing of any change in address. Notice to the participant will be given by letter addressed to the participant at the participant's last address of record with AST. AST may terminate any participant's participation in the Plan upon written notice.

10. It is understood that any stock dividends or stock splits distributed by the Company on shares held by AST for the participant will be credited to the participant's account. In the event that the Company makes available to its shareholders rights to purchase additional shares or other securities, AST will sell such rights accruing to shares held by AST for the participant and will combine the resultant funds with the next regular investment date. If a participant desires to exercise these rights, the participant must request, prior to the record date for the issuance of any such rights, that the shares credited to the participant's account be transferred from the participant's account and registered in the participant's name.

11. LTC Properties, Inc. and AST reserve the right to amend, modify, suspend, or terminate the Plan.

12. AST shall not be liable hereunder for any act done in good faith, or for good faith omission to act, including without limitation, any claims of liability (1) arising out of failure to terminate the participant's account upon participant's death prior to receipt of notice in writing of such death and (2) with respect to prices at which shares are purchased or sold for the participant's account, the times such purchases or sales are made and for fluctuations in the value of the stock subsequent to purchases or sales.

13. The Terms and Conditions for this authorization shall be governed by the laws of New York.

Neither Corporation, nor the Plan Administrator will provide any advice, make any recommendations, or offer any opinion with respect to whether or not you should purchase or sell shares or otherwise participate under the Plan. You must make independent investment decisions based on your own judgment and research. The shares held in Plan accounts are not subject to protection under the Securities Investor Protection Act of 1970.

ADDITIONAL INFORMATION ABOUT
LTC Properties, Inc. (Corporate Offices)
2829 Townsgate RD Suite 350
Westlake Village CA. 91361
(805) 981-8655

The common stock of LTC Properties, Inc. trades on the NASDAQ stock market under the symbol - (LTC).

HOW TO CONTACT THE PLAN ADMINISTRATOR:
Telephone: 1-800-278-4353 (toll free)
Internet: www.amstock.com
Mail: American Stock Transfer & Trust CO, LLC.
P.O. Box 922, Wall Street Station
New York, NY 10269-0560

LTC Properties, Inc.



Automatic Dividend Reinvestment & Cash Stock Purchase Plan

INTRODUCTION

As a shareholder of LTC Properties, Inc. ("LTC"), you may participate in the Company's Automatic Dividend Reinvestment and Cash Stock Purchase Plan (the "Plan"). The Plan offers you a convenient and economical way to acquire additional shares of LTC without the payment of any brokerage commissions, service charges or other expenses for shares purchased through the dividend reinvestment program.

This brochure explains how the Plan works and how you can participate. It also contains the terms and conditions of the Plan.

PARTICIPATION

If you hold your shares in your name, you are a shareholder of record and are eligible to participate in the Plan. Participation is voluntary. You may enroll or withdraw at any time.

Owners of common stock of LTC whose shares are registered in the name of a broker or nominee are eligible to participate in the Plan through the broker or nominee. If you wish to participate in the Plan through your broker or nominee (i.e. without transferring some or all of your securities to your name), you must make appropriate arrangements with your broker or nominee.

PLAN COST

All costs of administration of the Plan will be paid by the Company. Brokerage commissions covering the reinvestment of a participant's dividends (as opposed to voluntary cash payments) through open market purchases of shares made pursuant to the Plan will be paid by LTC, provided that such commissions do not exceed five percent (5%) of the cash dividends reinvested by such participant pursuant to the Plan. The brokerage commissions currently do not exceed five percent (5%) of the cash dividends distributed by the Company and are not expected to do so in the future. All brokerage commissions incurred in connection with open market purchases made through voluntary cash payments will be charged to the participant.