

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2015

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-11316

OMEGA HEALTHCARE INVESTORS, INC.
(Exact name of Registrant as specified in its charter)

Maryland
(State of incorporation)

38-3041398
(IRS Employer
Identification No.)

200 International Circle, Suite 3500, Hunt Valley, MD 21030
(Address of principal executive offices)

(410) 427-1700
(Telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one:)

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of May 1, 2015.

Common Stock, \$.10 par value
(Class)

182,683,520
(Number of shares)

OMEGA HEALTHCARE INVESTORS, INC.
FORM 10-Q
March 31, 2015

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PART I – FINANCIAL INFORMATION

Item 1 - Financial Statements

OMEGA HEALTHCARE INVESTORS, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)

	March 31, 2015	December 31, 2014
	(Unaudited)	
ASSETS		
Real estate properties		
Land and buildings	\$ 3,227,983	\$ 3,223,785
Less accumulated depreciation	(847,240)	(821,712)
Real estate properties – net	2,380,743	2,402,073
Investment in direct financing leases	541,846	539,232
Mortgage notes receivable	649,793	648,079
	3,572,382	3,589,384
Other investments	48,268	48,952
	3,620,650	3,638,336
Assets held for sale – net	16,877	12,792
Total investments	3,637,527	3,651,128
Cash and cash equivalents	700,143	4,489
Restricted cash	27,880	29,076
Accounts receivable – net	176,877	168,176
Other assets	55,593	68,776
Total assets	\$ 4,598,020	\$ 3,921,645
LIABILITIES AND STOCKHOLDERS' EQUITY		
Revolving line of credit	\$ —	\$ 85,000
Term loan	200,000	200,000
Secured borrowings	93,719	251,454
Unsecured borrowings – net	2,333,657	1,842,049
Accrued expenses and other liabilities	199,691	141,815
Total liabilities	2,827,067	2,520,318
Stockholders' equity:		
Common stock \$.10 par value authorized – 350,000 shares, issued and outstanding – 138,752 shares as of March 31, 2015 and 127,606 as of December 31, 2014	13,875	12,761
Common stock – additional paid-in capital	2,580,248	2,136,234
Cumulative net earnings	1,191,050	1,147,998
Cumulative dividends paid	(2,014,220)	(1,895,666)
Total stockholders' equity	1,770,953	1,401,327
Total liabilities and stockholders' equity	\$ 4,598,020	\$ 3,921,645

See notes to consolidated financial statements .

OMEGA HEALTHCARE INVESTORS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
Unaudited
(in thousands, except per share amounts)

	Three Months Ended March 31,	
	2015	2014
Revenue		
Rental income	\$ 100,964	\$ 95,918
Income from direct financing leases	14,346	14,084
Mortgage interest income	16,579	9,326
Other investment income – net	1,531	1,673
Total operating revenues	<u>133,420</u>	<u>121,001</u>
Expenses		
Depreciation and amortization	30,610	31,444
General and administrative	6,014	6,497
Acquisition costs	4,868	95
Impairment loss on real estate properties	5,982	-
Provisions for uncollectible mortgages, notes and accounts receivable	(2)	(16)
Total operating expenses	<u>47,472</u>	<u>38,020</u>
Income before other income and expense	85,948	82,981
Other income (expense)		
Interest income	193	8
Interest expense	(32,359)	(27,081)
Interest – amortization of deferred financing costs	(1,353)	(922)
Interest – refinancing costs	(9,377)	(2,040)
Total other expense	<u>(42,896)</u>	<u>(30,035)</u>
Income before gain on assets sold	43,052	52,946
Gain on assets sold – net	-	2,883
Net income available to common stockholders	\$ 43,052	\$ 55,829
Income per common share available to common shareholders:		
Basic:		
Net income	<u>\$ 0.32</u>	<u>\$ 0.45</u>
Diluted:		
Net income	<u>\$ 0.32</u>	<u>\$ 0.45</u>
Dividends declared per common share	<u>\$ 0.89</u>	<u>\$ 0.49</u>
Weighted-average shares outstanding, basic	<u>134,346</u>	<u>124,459</u>
Weighted-average shares outstanding, diluted	<u>134,806</u>	<u>124,822</u>

See notes to consolidated financial statements.

OMEGA HEALTHCARE INVESTORS, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
Unaudited
(in thousands, except per share amounts)

	Common Stock Par Value	Additional Paid-in Capital	Cumulative Net Earnings	Cumulative Dividends	Total
Balance at December 31, 2014 (127,606 common shares)	\$ 12,761	\$ 2,136,234	\$ 1,147,998	\$ (1,895,666)	\$ 1,401,327
Amortization of restricted stock	—	1,551	—	—	1,551
Vesting of restricted stock to company executives, net of tax withholdings (85 shares)	8	(1,914)	—	—	(1,906)
Dividend reinvestment plan (135 shares at \$40.13 per share)	13	5,401	—	—	5,414
Grant of stock as payment of directors fees (1 share at an average of \$40.61 per share)	—	50	—	—	50
Issuance of common stock (10,925 shares at an average of \$40.32 per share)	1,093	438,926	—	—	440,019
Net income	—	—	43,052	—	43,052
Common dividends declared (\$0.89 per share)	—	—	—	(118,554)	(118,554)
Balance at March 31, 2015 (138,752 common shares)	<u>\$ 13,875</u>	<u>\$ 2,580,248</u>	<u>\$ 1,191,050</u>	<u>\$ (2,014,220)</u>	<u>\$ 1,770,953</u>

See notes to consolidated financial statements.

OMEGA HEALTHCARE INVESTORS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Unaudited (in thousands)

	Three months Ended March 31,	
	2015	2014
Cash flows from operating activities		
Net income	\$ 43,052	\$ 55,829
Adjustment to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	30,610	31,444
Provision for impairment on real estate properties	5,982	—
Provision for uncollectible mortgages, notes and accounts receivable	(2)	—
Amortization of deferred financing and debt extinguishment costs	10,730	2,962
Accretion of direct financing leases	(2,614)	(2,350)
Stock-based compensation	1,610	2,263
Gain on assets sold – net	—	(2,883)
Amortization of acquired in-place leases - net	(1,192)	(1,287)
Change in operating assets and liabilities – net of amounts assumed/acquired:		
Accounts receivable, net	(196)	(431)
Straight-line rent receivables	(5,275)	(5,324)
Lease inducements	(2,110)	715
Effective yield receivable on mortgage notes	(1,120)	(319)
Other operating assets and liabilities	23,819	(2,563)
Net cash provided by operating activities	<u>103,294</u>	<u>78,056</u>
Cash flows from investing activities		
Acquisition of real estate – net of liabilities assumed and escrows acquired	(6,300)	(4,700)
Investment in construction in progress	(5,851)	—
Placement of mortgage loans	(2,002)	(113,114)
Proceeds from sale of real estate investments	255	3,631
Capital improvements to real estate investments	(5,604)	(3,334)
Proceeds from other investments	2,155	1,067
Investments in other investments	(1,468)	(4,065)
Collection of mortgage principal	288	132
Net cash used in investing activities	<u>(18,527)</u>	<u>(120,383)</u>
Cash flows from financing activities		
Proceeds from credit facility borrowings	6,000	120,000
Payments on credit facility borrowings	(91,000)	(446,000)
Receipts of other long-term borrowings	689,822	594,320
Payments of other long-term borrowings	(347,883)	(201,238)
Payments of financing related costs	(21,318)	(4,155)
Receipts from dividend reinvestment plan	5,414	31,540
Payments for exercised options and restricted stock – net	(1,906)	(530)
Net proceeds from issuance of common stock	440,019	27,818
Dividends paid	(68,261)	(61,670)
Net cash provided by financing activities	<u>610,887</u>	<u>60,085</u>
Increase in cash and cash equivalents	695,654	17,758
Cash and cash equivalents at beginning of period	4,489	2,616
Cash and cash equivalents at end of period	<u>\$ 700,143</u>	<u>\$ 20,374</u>
Interest paid during the period, net of amounts capitalized	<u>\$ 25,829</u>	<u>\$ 26,243</u>
Non-cash financing activities:		
Accrued dividends	<u>\$ 50,221</u>	<u>\$ —</u>

See notes to consolidated financial statements .

OMEGA HEALTHCARE INVESTORS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Unaudited
March 31, 2015

NOTE 1 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Business Overview

Omega Healthcare Investors, Inc. (“Omega” or the “Company”) has one reportable segment consisting of investments in healthcare-related real estate properties. Our core business is to provide financing and capital to the long-term healthcare industry with a particular focus on skilled nursing facilities (“SNFs”) located in the United States. Our core portfolio consists of long-term leases and mortgage agreements. All of our leases are “triple-net” leases, which require the tenants to pay all property-related expenses. Our mortgage revenue derives from fixed-rate mortgage loans, which are secured by first mortgage liens on the underlying real estate and personal property of the mortgagor.

Basis of Presentation

The accompanying unaudited consolidated financial statements for Omega have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) regarding interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by U.S. generally accepted accounting principles (“GAAP”) for complete financial statements. In our opinion, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The results of operations for the interim periods reported herein are not necessarily indicative of results to be expected for the full year. We have evaluated all subsequent events through the date of the filing of this Form 10-Q. These unaudited consolidated financial statements should be read in conjunction with the financial statements and the footnotes thereto included in our latest Annual Report on Form 10-K.

Our consolidated financial statements include the accounts of (i) Omega and (ii) all direct and indirect wholly owned subsidiaries of Omega. All inter-company accounts and transactions have been eliminated in consolidation of the financial statements.

On April 1, 2015, Aviv REIT Inc., a Maryland corporation (“Aviv”), merged (the “Merger”) with and into a wholly owned subsidiary of Omega, pursuant to the terms of that certain Agreement and Plan of Merger, dated as of October 30, 2014 (the “Merger Agreement”), by and among the Company, Aviv, OHI Healthcare Properties Holdco, Inc., a Delaware corporation and a direct wholly-owned subsidiary of Omega (“Merger Sub”), OHI Healthcare Properties Limited Partnership, a Delaware limited partnership (“Omega OP” or the “Operating Partnership”), and Aviv Healthcare Properties Limited Partnership, a Delaware limited partnership (the “Aviv OP”).

Prior to April 1, 2015 and in accordance with the Merger Agreement, Omega restructured the manner in which it holds its assets by converting to an umbrella partnership real estate investment trust structure (the “UPREIT Conversion”). As a result of UPREIT conversion, substantially all of the Company’s assets are held by an Operating Partnership which is a subsidiary of the Company. See Note 15 – Subsequent Events for more details.

Recent Accounting Pronouncements

Amendments to the Consolidation Analysis

In February 2015, the Financial Accounting Standards Board (“FASB”) issued updated guidance that makes targeted amendments to the current consolidation accounting guidance. The update is in response to accounting complexity concerns, particularly from the asset management industry. The guidance simplifies consolidation accounting by reducing the number of approaches to consolidation, provides a scope exception to registered money market funds and similar unregistered money market funds and ends the indefinite deferral granted to investment companies from applying the variable interest entity guidance.

The updated guidance is effective for annual and interim periods beginning after December 15, 2015. The adoption of this guidance is not expected to have a material effect on the Company's results of operations, financial position or liquidity.

Presentation of Debt Issuance Costs

In April 2015, the FASB issued ASU No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. This standard amends existing guidance to require the presentation of debt issuance costs in the balance sheet as a deduction from the carrying amount of the related debt liability instead of as a deferred charge. It is effective for annual reporting periods beginning after December 15, 2015, but early adoption is permitted. The adoption of this guidance is not expected to have a material effect on the Company's results of operations, financial position or liquidity.

Revenue Recognition

In May 2014, the FASB issued a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance under GAAP. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The effective date is for periods beginning after December 15, 2016. We are currently evaluating the impact, if any, the adoption of this standard will have on our consolidated financial statements.

Accounts Receivable

Accounts receivable includes: contractual receivables, effective yield interest receivables, straight-line rent receivables and lease inducements, net of an estimated provision for losses related to uncollectible and disputed accounts. Contractual receivables relate to the amounts currently owed to us under the terms of our lease and loan agreements. Effective yield interest receivables relate to the difference between the interest income recognized on an effective yield basis over the term of the loan agreement and the interest currently due to us according to the contractual agreement. Straight-line receivables relate to the difference between the rental revenue recognized on a straight-line basis and the amounts currently due to us according to the contractual agreement. Lease inducements result from value provided by us to the lessee, at the inception or renewal of the lease, are amortized as a reduction of rental revenue over the non-cancellable lease term.

On a quarterly basis, we review our accounts receivable to determine their collectability. The determination of collectability of these assets requires significant judgment and is affected by several factors relating to the credit quality of our operators that we regularly monitor, including (i) payment history, (ii) the age of the contractual receivables, (iii) the current economic conditions and reimbursement environment, (iv) the ability of the tenant to perform under the terms of their lease and/or contractual loan agreements and (v) the value of the underlying collateral of the agreement. If we determine collectability of any of our contractual receivables is at risk, we estimate the potential uncollectible amounts and provide an allowance. In the case of a lease recognized on a straight-line basis or existence of lease inducements, we generally provide an allowance for straight-line accounts receivable and/or the lease inducements when certain conditions or indicators of adverse collectability are present.

A summary of our net receivables by type is as follows:

	March 31, 2015	December 31, 2014
	(in thousands)	
Contractual receivables	\$ 4,969	\$ 4,799
Effective yield interest receivables	7,352	6,232
Straight-line receivables	148,927	143,652
Lease inducements	15,681	13,571
Allowance	(52)	(78)
Accounts receivable – net	<u>\$ 176,877</u>	<u>\$ 168,176</u>

We continuously evaluate the payment history and financial strength of our operators and have historically established allowance reserves for straight-line rent adjustments for operators that do not meet our requirements. We consider factors such as payment history and the operator's financial condition as well as current and future anticipated operating trends when evaluating whether to establish allowance reserves.

NOTE 2 – PROPERTIES AND INVESTMENTS

In the ordinary course of our business activities, we periodically evaluate investment opportunities and extend credit to customers. We also regularly engage in lease and/or loan extensions and modifications. Additionally, we actively monitor and manage our investment portfolio with the objectives of improving credit quality and increasing investment returns. In connection with our portfolio management, we may engage in various collection and foreclosure activities.

Leased Property

Our leased real estate properties, represented by 421 SNFs, 22 assisted living facilities (“ALFs”) and 11 specialty facilities at March 31, 2015, are leased under provisions of single or master leases with initial terms typically ranging from 5 to 15 years, plus renewal options. Substantially all of our leases contain provisions for specified annual increases over the rents of the prior year and are generally computed in one of three methods depending on specific provisions of each lease as follows: (i) a specific annual percentage increase over the prior year's rent, generally 2.5%; (ii) an increase based on the change in pre-determined formulas from year to year (i.e., such as increases in the Consumer Price Index (“CPI”)); or (iii) specific dollar increases over prior years. Under the terms of the leases, the lessee is responsible for all maintenance, repairs, taxes and insurance on the leased properties.

\$6.8 Million New Investment in Q1 2015

On January 28, 2015, we purchased one SNF from an unrelated third party for approximately \$6.3 million in cash and leased it to an existing operator. The purchase and sale agreement includes a provision that requires us to make an additional payment of \$0.5 million to the seller if certain financial metrics of the facility are achieved. As a result, we recorded the potential \$0.5 million payment as part of the purchase price. The 93 bed SNF, located in Texas, was added to the operator's existing master lease with an initial annual cash yield of 9.5%.

Pro Forma Acquisition Results

The facilities acquired in 2015 and 2014 are included in our results of operations from the date of acquisition. The following unaudited pro forma results of operations reflect the impact of first quarter 2015 and 2014 transactions as if they occurred on January 1, 2014. For a list of the 2014 transactions, refer to Note 3 – Properties in our 2014 Form 10-K. In the opinion of management, all significant necessary adjustments to reflect the effect of the acquisitions have been made. The following pro forma information does not reflect acquisition of Aviv and is not indicative of future operations.

	Pro Forma Three Months Ended March 31,	
	2015	2014
	(in thousands, except per share amounts, unaudited)	
Revenues	\$ 133,478	\$ 123,827
Net income available to common stockholders	\$ 43,085	\$ 56,923
Earnings per share – diluted:		
Net income available to common stockholders – as reported	\$ 0.32	\$ 0.45
Net income available to common stockholders – pro forma	\$ 0.32	\$ 0.46

Asset Sales, Impairments and Other

During the three-month period ended March 31, 2015, we initiated plans to construct a new single facility with an existing operator that would consolidate and replace three existing facilities. As a result, we recorded a total of \$6.0 million in impairment charges related to three Florida SNFs to reduce their net book values to their estimated sales price.

During the three-month period ended March 31, 2015, we reclassified one SNF in Alabama with a carrying value of approximately \$4.1 million to assets held for sale.

Mortgage Notes Receivables

Our mortgage notes receivables relate to 14 fixed-rate mortgages on 53 SNFs and two ALFs. The mortgage notes are secured by first mortgage liens on the borrowers' underlying real estate and personal property. The mortgage notes receivable relate to facilities located in five states, which are operated by five independent healthcare operating companies. We monitor compliance with mortgages and when necessary have initiated collection, foreclosure and other proceedings with respect to certain outstanding loans. As of March 31, 2015, none of our mortgages were in default or in foreclosure proceedings. Where appropriate, the mortgaged properties are generally cross-collateralized with the master lease agreement with the same operator.

Mortgage interest income is recognized as earned over the terms of the related mortgage notes, using the effective yield method. Allowances are provided against earned revenues from mortgage interest when collection of amounts due becomes questionable or when negotiations for restructurings of troubled operators lead to lower expectations regarding ultimate collection. When collection is uncertain, mortgage interest income on impaired mortgage loans is recognized as received after taking into account application of security deposits.

NOTE 3 – ASSETS HELD FOR SALE

	Properties Held For Sale	
	Number of Properties	Net Book Value (in thousands)
December 31, 2014 ⁽¹⁾	4	\$ 12,792
Properties sold	—	—
Properties added	1	4,085
March 31, 2015 ⁽²⁾	5	\$ 16,877

⁽¹⁾ Includes one parcel of land and three facilities.

⁽²⁾ Included one parcel of land and four facilities.

As mentioned above in Note 2 – Properties and Investments, in the first quarter of 2015, we reclassified one SNF in Alabama with a carrying value of approximately \$4.1 million to assets held for sale.

NOTE 4 – DIRECT FINANCING LEASES

The components of investment in direct financing leases consist of the following:

	March 31, 2015	December 31, 2014
	(in thousands)	
Minimum lease payments receivable	\$ 4,232,317	\$ 4,244,067
Estimated residual values	—	—
Less unearned income	(3,690,471)	(3,704,835)
Investment in direct financing leases	<u>\$ 541,846</u>	<u>\$ 539,232</u>
Properties subject to direct financing leases	<u>56</u>	<u>56</u>

On November 27, 2013, we closed on an aggregate \$529 million purchase/leaseback transaction in connection with the acquisition of Ark Holding Company, Inc. (“Ark Holding”) by 4 West Holdings Inc. At closing, we acquired 55 SNFs and 1 ALF operated by Ark Holding and leased the facilities back to Ark Holding, now known as New Ark Investment Inc. (“New Ark”), pursuant to four 50-year master leases, with rental payments yielding 10.6% per annum over the term of the leases. The purchase/leaseback transaction is being accounted for as a direct financing lease.

The lease agreements allow the tenant the right to purchase the facilities for a bargain purchase price plus closing costs at the end of the lease term. In addition, commencing in the 41st year of each lease, the tenant will have the right to prepay the remainder of its obligations thereunder for an amount equal to the sum of the unamortized portion of the original aggregate \$529 million investment plus the net present value of the remaining payments under the lease and closing costs. In the event the tenant exercises either of these options, we have the right to purchase the properties for fair market value at the time.

The 56 facilities represent 5,623 licensed beds located in 12 states, predominantly in the southeastern United States. The 56 facilities are separated by region and divided amongst four cross-defaulted master leases. The four regions include the Southeast (39 facilities), the Northwest (7 facilities), Texas (9 facilities) and Indiana (1 facility). As of March 31, 2015, the following minimum rents are due under our direct financing leases for the next five years (in thousands):

Year 1	Year 2	Year 3	Year 4	Year 5
\$47,000	\$47,128	\$47,778	\$48,972	\$50,197

NOTE 5 – OTHER INVESTMENTS

A summary of our other investments is as follows:

	March 31, 2015	December 31, 2014
	(in thousands)	
Other investment notes due 2015	\$ 91	\$ 141
Other investment notes due 2021 - 2023	17,413	16,182
\$31.5 million other investment note due 2017	23,500	23,500
\$2.5 million other investment note due 2014	—	1,640
\$6.0 million other investment note due 2015	5,439	5,439
\$1.3 million other investment note due 2017	1,300	1,300
\$0.9 million other investment note due 2015	525	750
Notes receivable, gross ⁽¹⁾	48,268	48,952
Allowance for loss on notes receivable	—	—
Total other investments	<u>\$ 48,268</u>	<u>\$ 48,952</u>

⁽¹⁾ The majority of these notes bear interest at approximately 10% annually .

\$2.5 Million Other Investment note due 2014 Payoff

In May 2013, we entered into a \$2.5 million working capital note at 6% interest rate with an existing operator. The loan was paid off in March 2015.

NOTE 6 – CONCENTRATION OF RISK

As of March 31, 2015, our portfolio of real estate investments consisted of 569 healthcare facilities, located in 38 states and operated by 50 third-party operators. Our gross investment in these facilities, net of impairments and before reserve for uncollectible loans, totaled approximately \$4.4 billion at March 31, 2015, with approximately 99% of our real estate investments related to long-term care facilities. Our portfolio is made up of 474 SNFs, 23 ALFs, 11 specialty facilities, fixed rate mortgages on 53 SNFs and two ALFs, and six SNFs that are closed/held-for-sale. At March 31, 2015, we also held miscellaneous investments of approximately \$48.3 million, consisting primarily of secured loans to third-party operators of our facilities.

At March 31, 2015, we had investments with one operator and/or manager that exceeded 10% of our total investments: New Ark (13%). The three states in which we had our highest concentration of investments were Florida (14%), Michigan (10%) and Ohio (9%) at March 31, 2015.

For the three-month period ended March 31, 2015, our revenues from operations totaled \$133.4 million, of which approximately \$15.3 million were from New Ark (11%) and \$13.8 million were from Genesis HealthCare (“Genesis”) (10%). No other operator generated more than 10% of our revenues from operations for the three-month period ended March 31, 2015.

NOTE 7 – DIVIDENDS AND STOCKHOLDERS' EQUITY

On April 15, 2015, our Board of Directors declared a prorated dividend of \$0.18 per share of Omega's common stock in view of the completed acquisition of Aviv, pursuant to the Merger. The per share dividend amount payable by Omega represents dividends for April 2015, at a quarterly dividend rate of \$0.54 per share of common stock, representing an increase of \$0.01 per share over the quarterly dividend rate for the immediately preceding quarterly period. The \$0.18 dividend will be payable in cash on May 15, 2015 to stockholders of record as of the close of business on April 30, 2015.

On March 5, 2015, the Board of Directors declared a prorated dividend of \$0.36 per share of Omega's common stock in view of the pending acquisition of Aviv, pursuant to the Merger. The per share dividend amount represented dividends for February and March 2015, at a quarterly dividend rate of \$0.54 per share of common stock, representing an increase of \$0.01 per share over the quarterly dividend rate for the immediately preceding quarterly period. The dividend was paid in cash on April 7, 2015 to stockholders of record as of the close of business on March 31, 2015.

On January 14, 2015, the Board of Directors declared a common stock dividend of \$0.53 per share, increasing the quarterly common dividend by \$0.01 per share over the prior quarter, which was paid February 16, 2015 to common stockholders of record on February 2, 2015.

Increase of Authorized Omega Common Stock

On March 27, 2015, Omega amended its charter to increase the number of authorized shares of Omega capital stock from 220 million to 370 million and the number of authorized shares of Omega common stock from 200 million to 350 million.

10.925 Million Common Stock Offering

On February 9, 2015, we completed an underwritten public offering of 10.925 million shares of our common stock at \$42.00 per share before underwriting and other offering expenses. The Company's total net proceeds from the offering were approximately \$440 million, after deducting underwriting discounts and commissions and other estimated offering expenses.

Dividend Reinvestment and Common Stock Purchase Plan

For the three-month period ended March 31, 2015, approximately 0.1 million shares of our common stock at an average price of \$40.13 per share were issued through our Dividend Reinvestment and Common Stock Purchase Program for gross proceeds of approximately \$5.4 million.

NOTE 8 – TAXES

So long as we qualify as a real estate investment trust ("REIT") under the Internal Revenue Code (the "Code"), we generally will not be subject to federal income taxes on the REIT taxable income that we distribute to stockholders, subject to certain exceptions. On a quarterly and annual basis, we test our compliance within the REIT taxation rules to ensure that we are in compliance with the REIT rules.

Subject to the limitation under the REIT asset test rules, we are permitted to own up to 100% of the stock of one or more taxable REIT subsidiaries ("TRSs"). Currently, we have one TRS that is taxable as a corporation and pays federal, state and local income tax on its net income at the applicable corporate rates. As of March 31, 2015, the TRS had a net operating loss carry-forward of approximately \$1.0 million. The loss carry-forward is fully reserved with a valuation allowance as of March 31, 2015.

NOTE 9 – STOCK-BASED COMPENSATION

The following is a summary of our stock-based compensation expense for the three- month periods ended March 31, 2015 and 2014, respectively:

	Three Months Ended March 31,	
	2015	2014
	(in thousands)	
Stock-based compensation expense	\$ 1,610	\$ 2,263

Restricted Stock and Restricted Stock Units

Restricted stock and restricted stock units (“RSUs”) are subject to forfeiture if the holder’s service to us terminates prior to vesting, subject to certain exceptions for certain qualifying terminations of employment or a change in control of the Company. Prior to vesting, ownership of the shares/units cannot be transferred. The restricted stock has the same dividend and voting rights as our common stock. RSUs accrue dividend equivalents but have no voting rights. Restricted stock and RSUs are valued at the price of our common stock on the date of grant. We expense the cost of these awards ratably over their vesting period.

On December 31, 2013, we granted 213,741 RSUs to employees. The RSUs vest ratably over the three year period ending December 31, 2016, subject to continued employment on the vesting date and subject to certain exceptions for certain qualifying terminations of employment or a change in control of the Company. In December 2014, 71,247 shares of restricted stock vested and were distributed to employees.

On January 1, 2014, we granted 122,137 RSUs to employees. The RSUs vest on December 31, 2016, subject to continued employment on the vesting date and subject to certain exceptions for certain qualifying terminations of employment or a change in control of the Company.

On March 31, 2015, we granted 123,693 RSUs to employees. The RSUs vest on December 31, 2017, subject to continued employment on the vesting date and subject to certain exceptions for certain qualifying terminations of employment or a change in control of the Company.

Performance Restricted Stock Units

Performance restricted stock units (“PRSUs”) are subject to forfeiture if the performance requirements are not achieved or if the holder’s service to us terminates prior to vesting, subject to certain exceptions for certain qualifying terminations of employment or a change in control of the Company. The PRSUs awarded in January 2011, January 2013, December 2013 and January 2014 have varying degrees of performance requirements to achieve vesting, and each PRSU award represents the right to a variable number of shares of common stock based on performance and related dividend equivalents based on dividends paid to stockholders during the applicable performance period. The vesting requirements are based on either the (i) total shareholders return (“TSR”) of Omega or (ii) Omega’s TSR relative to other real estate investment trusts in the MSCI U.S. REIT Index. We expense the cost of these awards ratably over their service period.

Prior to vesting and distribution of shares, ownership of the PRSUs cannot be transferred. The dividends on the PRSUs accumulate and if vested are paid when the shares are distributed to the employee.

2011 PRSU Grant (for Performance Periods 2011 through 2013)

In January 2011, we awarded PRSUs to employees, including: (i) 279,552 multi-year absolute TSR PRSUs and (ii) 93,183 multi-year relative TSR PRSUs. On January 1, 2013, we awarded to employees 124,244 annual TSR PRSUs for the year ended December 31, 2013 ("2013 Annual TSR PRSUs").

2013 Annual TSR PRSUs

The TSR goal for the 2013 Annual TSR PRSUs was achieved at the high level and 124,244 shares vested and were distributed to the employees in January 2014.

Multi-year TSR PRSUs (for the 2011- 2013 Performance Period)

The number of shares earned under the multi-year TSR PRSUs depended generally on the level of achievement of TSR for the three years ended December 31, 2013. In January 2014, our Board of Directors reviewed the performance and determined the performance targets were met at the high level. The multi-year TSR PRSUs vested 25% on the last day of each calendar quarter in 2014, and were distributed in 2014.

Multi-year Relative TSR PRSUs (for the 2011- 2013 Performance Period)

The number of shares earned under the multi-year relative TSR PRSUs depended generally on the level of achievement of TSR relative to other real estate investment trusts in the MSCI U.S. REIT Index for the three-years ended December 31, 2013. In January 2014, our Board of Directors reviewed the performance and determined the performance targets were met at the high level. The multi-year relative TSR PRSUs vested 25% on the last day of each calendar quarter in 2014 and were distributed in 2014.

December 31, 2013 PRSU Grant (for 2013- 2016 Performance Periods)

In December 2013, we awarded six types of PRSUs to employees: (i) 77,371 PRSUs that vest based on TSR for the one year period starting December 31, 2013 and ending December 31, 2014 ("2014 Transition TSR PRSUs"), (ii) 77,369 PRSUs that vest based on the TSR for the two year period starting December 31, 2013 and ending December 31, 2015 ("2015 Transition TSR PRSUs"), (iii) 115,785 PRSUs that vest based on TSR for the three year period starting December 31, 2013 and ending December 31, 2016 ("2016 Transition TSR PRSUs"), (iv) 77,371 PRSUs that vest based on relative TSR for the one year period starting December 31, 2013 and ending December 31, 2014 ("2014 Transition Relative TSR PRSUs"), (v) 77,368 Transition PRSUs that vest based on relative TSR for the two year period starting December 31, 2013 and ending December 31, 2015 ("2015 Transition Relative TSR PRSUs"), and (vi) 115,781 PRSUs that vest based on relative TSR for the three year period starting December 31, 2013 and ending December 31, 2016 ("2016 Transition Relative TSR PRSUs").

2014 Transition TSR PRSUs

The number of shares earned under the 2014 Transition TSR PRSUs depended generally on the level of achievement of Omega's TSR for the period beginning December 31, 2013 and ending December 31, 2014. The 2014 Transition TSR PRSUs vested on December 31, 2014. In January 2015, our Board of Directors reviewed the performance and determined the performance targets were met at the "high" level and the shares were distributed in January 2015.

2015 Transition TSR PRSUs

The number of shares earned under the 2015 Transition TSR PRSUs depends generally on the level of achievement of Omega's TSR for the period beginning December 31, 2013 and ending December 31, 2015. The 2015 Transition TSR PRSUs vest on December 31, 2015, subject to continued employment on the vesting date and subject to certain exceptions for certain qualifying terminations of employment or a change in control of the Company.

2016 Transition TSR PRSUs

The number of shares earned under the 2016 Transition TSR PRSUs depends generally on the level of achievement of Omega's TSR for the period beginning December 31, 2013 and ending December 31, 2016. The 2016 Transition TSR PRSUs vest on December 31, 2016, subject to continued employment on the vesting date and subject to certain exceptions for certain qualifying terminations of employment or a change in control of the Company.

2014 Transition Relative TSR PRSUs

The number of shares earned under the 2014 Transition Relative TSR PRSUs depended generally on the level of achievement of TSR relative to the MSCI U.S. REIT Index for the period beginning December 31, 2013 and ended December 31, 2014. The 2014 Transition Relative TSR PRSUs vested on December 31, 2014. In January 2015, our Board of Directors reviewed the performance and determined that 61,769 shares were earned. The shares were distributed in January 2015.

2015 Transition Relative TSR PRSUs

The number of shares earned under the 2015 Transition Relative TSR PRSUs depends generally on the level of achievement of TSR relative to MSCI U.S. REIT Index for the period beginning December 31, 2013 and ending December 31, 2015. The 2015 Transition Relative TSR PRSUs vest on December 31, 2015, subject to continued employment on the vesting date and subject to certain exceptions for certain qualifying terminations of employment or a change in control of the Company.

2016 Transition Relative TSR PRSUs

The number of shares earned under the 2016 Transition Relative TSR PRSUs depends generally on the level of achievement of TSR relative to MSCI U.S. REIT Index for the period beginning December 31, 2013 and ending December 31, 2016. The 2016 Transition Relative TSR PRSUs vest on December 31, 2016, subject to continued employment on the vesting date and subject to certain exceptions for certain qualifying terminations of employment or a change in control of the Company.

January 2014 PRSU Grant (for 2014- 2016 Performance Periods)

In January 2014, we awarded two types of PRSUs to employees: (i) 154,584 PRSUs that vest based on TSR for the three year period starting January 1, 2014 and ending December 31, 2016 ("2016 TSR PRSUs"), and (ii) 154,584 PRSUs that vest based on relative TSR for the three year period starting January 1, 2014 and ending December 31, 2016 ("2016 Relative TSR PRSUs").

2016 TSR PRSUs

The number of shares earned under the 2016 TSR PRSUs depends generally on the level of achievement of Omega's TSR for the period beginning January 1, 2014 and ending December 31, 2016. The 2016 TSR PRSUs vest quarterly in 2017 in equal increments, subject to continued employment on the vesting date and subject to certain exceptions for certain qualifying terminations of employment or a change in control of the Company.

2016 Relative TSR PRSUs

The number of shares earned under the 2016 Relative TSR PRSUs depends generally on the level of achievement of Omega's TSR relative to MSCI U.S. REIT Index for the period beginning January 1, 2014 and ending December 31, 2016. The 2016 Relative TSR PRSUs vest quarterly in 2017 in equal increments, subject to continued employment on the vesting date and subject to certain exceptions for certain qualifying terminations of employment or a change in control of the Company.

March 2015 PRSU and LTIP Grant (for 2015- 2017 Performance Periods)

In March 2015, we awarded two types of awards to employees: (i) 154,716 profit interest partnership units that vest based on TSR of Omega for the three year period starting January 1, 2015 and ending December 31, 2017 (“2017 TSR LTIP Units”), and (ii) 154,716 PRSUs that vest based on relative TSR for the three year period starting January 1, 2015 and ending December 31, 2017 (“2017 Relative TSR PRSUs”).

2017 TSR LTIPs Units

The number of shares earned under the 2017 TSR LTIP Units depends generally on the level of achievement of Omega’s TSR for the period beginning January 1, 2015 and ending December 31, 2017. The 2017 TSR LTIPs vest quarterly in 2018 in equal increments, subject to continued employment on the vesting date and subject to certain exceptions for certain qualifying terminations of employment or a change in control of the Company.

2017 Relative TSR PRSUs

The number of shares earned under the 2017 Relative TSR PRSUs depends generally on the level of achievement of Omega’s TSR relative to MSCI U.S. REIT Index for the period beginning January 1, 2015 and ending December 31, 2017. The 2017 Relative TSR PRSUs vest quarterly in 2018 in equal increments, subject to continued employment on the vesting date and subject to certain exceptions for certain qualifying terminations of employment or a change in control of the Company.

The following table summarizes our total unrecognized compensation cost as of March 31, 2015 associated with outstanding restricted stock, restricted stock units and PRSU awards to employees:

	Grant Year	Shares/ Units	Grant Date Average Fair Value Per Unit/Share	Total Compensation Cost (in millions)	Weighted Average Period of Expense Recognition (in months)	Unrecognized Compensation Cost (in millions)
Restricted stock units	2013	142,494	\$ 29.80	\$ 4.3	36	\$ 3.7
2015 Transition TSR PRSUs	2013	77,369	7.48	0.6	24	0.2
2016 Transition TSR PRSUs	2013	115,785	8.67	1.0	36	0.6
2015 Transition Relative TSR PRSUs	2013	77,368	13.06	1.0	24	0.4
2016 Transition Relative TSR PRSUs	2013	115,781	14.25	1.7	36	1.0
Restricted stock units	2014	122,137	29.80	3.6	36	2.1
2016 TSR PRSUs	2014	154,584	8.67	1.3	48	0.9
2016 Relative TSR PRSUs	2014	154,584	14.25	2.2	48	1.5
2017 Restricted stock units	2015	123,693	40.57	5.0	33	5.0
2017 LTIPs Units	2015	154,716	14.66	2.3	45	2.3
2017 Relative TSR PRSUs	2015	154,716	22.50	3.5	45	3.5
Total		1,393,227	\$ 18.98	\$ 26.5		\$ 21.2

We used a Monte Carlo model to estimate the fair value for PRSUs and the LTIP Units granted to the employees.

Director Restricted Stock Grants

As of March 31, 2015, we had 37,983 shares of restricted stock outstanding to directors. The directors' restricted shares are scheduled to vest over the next three years. As of March 31, 2015, the unrecognized compensation cost associated with outstanding director restricted stock grants is approximately \$0.5 million.

NOTE 10 – BORROWING ACTIVITIES AND ARRANGEMENTS

Secured and Unsecured Borrowings

The following is a summary of our long-term borrowings:

	Maturity	Rate as of March 31, 2015	March 31, 2015	December 31, 2014
(in thousands)				
Secured borrowings:				
HUD mortgages assumed June 2010 ⁽¹⁾	2040 - 2045	—	\$ —	\$ 126,319
HUD mortgages assumed October 2011 ⁽¹⁾	2036	4.91%	26,457	26,658
HUD mortgages assumed December 2011 ⁽¹⁾	2044	3.06%	57,116	57,416
HUD mortgages assumed December 2012 ⁽¹⁾	2041	4.35%	10,146	41,061
Total secured borrowings			<u>93,719</u>	<u>251,454</u>
Unsecured borrowings:				
Revolving line of credit	2018	—	—	85,000
Term loan	2019	1.68%	200,000	200,000
			<u>200,000</u>	<u>285,000</u>
2020 notes	2020	—	—	200,000
2022 notes	2022	6.75%	575,000	575,000
2024 notes	2024	5.875%	400,000	400,000
2024 notes	2024	4.95%	400,000	400,000
2025 notes	2025	4.50%	250,000	250,000
2027 notes	2027	4.50%	700,000	—
Subordinated debt	2021	9.00%	20,712	20,747
			<u>2,345,712</u>	<u>1,845,747</u>
Discount - net			<u>(12,055)</u>	<u>(3,698)</u>
Total unsecured borrowings			<u>2,533,657</u>	<u>2,127,049</u>
Total – net			<u>\$ 2,627,376</u>	<u>\$ 2,378,503</u>

⁽¹⁾ Reflects the weighted average annual contractual interest rate on the mortgages at March 31, 2015; however, excludes a 0.5% third-party administration fee.

Certain of our other secured and unsecured borrowings are subject to customary affirmative and negative covenants, including financial covenants. As of March 31, 2015 and December 31, 2014, we were in compliance with all affirmative and negative covenants, including financial covenants, for our secured and unsecured borrowings.

Bank Credit Facilities

On June 27, 2014, we entered into a \$1.2 billion unsecured credit facility, comprised of a \$1 billion senior unsecured revolving credit facility (the "Revolving Credit Facility") and a \$200 million senior unsecured term loan facility (the "Term Loan Facility" and, collectively, the "2014 Credit Facilities").

The Revolving Credit Facility is priced at LIBOR plus an applicable percentage (beginning at 130 basis points, with a range of 92.5 to 170 basis points) based on our ratings from Standard & Poor's, Moody's and/or Fitch Ratings, plus a facility fee based on the same ratings (initially 25 basis points, with a range of 12.5 to 30 basis points). The Revolving Credit Facility is used for acquisitions and general corporate purposes. At March 31, 2015, we had no borrowings outstanding under the Revolving Credit Facility. The Revolving Credit Facility matures on June 27, 2018, subject to a one-time option by us to extend such maturity date by one year.

The Term Loan Facility is also priced at LIBOR plus an applicable percentage (beginning at 150 basis points, with a range of 100 to 195 basis points) based on our ratings from Standard & Poor's, Moody's and/or Fitch Ratings. At March 31, 2015, we had \$200 million in borrowings outstanding under the Term Loan Facility. The Term Loan Facility matures on June 27, 2019.

In January 2015, we entered into an engagement letter with respect to various proposed amendments to our existing 2014 Credit Facilities. The amendments to our senior unsecured credit facility were completed on April 1, 2015. See Note 15 – Subsequent Events for more details.

HUD Mortgage Loans Payoff

On March 31, 2015, we paid approximately \$154.3 million to retire 21 mortgage loans guaranteed by U.S. Department of Housing and Urban Development ("HUD"), totaling approximately 146.9 million. 18 loans had an all-in blended interest rate of 5.35% per annum with maturities between January 2040 and January 2045 and three loans had an all-in blended interest rate of 5.23% per annum with maturities between February 2040 and February 2045. The payoff resulted in a \$2.3 million gain on the extinguishment of the debt due to the write-off of the \$9.7 million unamortized debt premium recorded at the time of acquisition offset by a prepayment fee of approximately \$7.4 million.

Issuance of \$700 Million of Senior Notes

On March 18, 2015, we sold \$700 million aggregate principal amount of our 4.50% Senior Notes due 2027 (the "2027 Notes"). The 2027 Notes were sold at an issue price of 98.546% of their face value before the initial purchasers' discount. The Company's total net proceeds from the offering, after deducting initial purchasers' discounts and other offering expenses, were approximately \$683 million. The net proceeds of the offering have or will be used for general corporate purposes, including the repayment of Aviv indebtedness on April 1, 2015 in connection with Omega's acquisition of Aviv by merger, and repayment of future maturities on Omega's outstanding debt.

The 2027 Notes mature on April 1, 2027. The 2027 Notes bear an interest rate of 4.50% per annum, and are fully and unconditionally guaranteed, jointly and severally, by our existing and future subsidiaries that guarantee indebtedness for money borrowed by Omega in a principal amount at least equal to \$50 million (including as of the date hereof our existing senior notes and the facilities under our credit agreement). The 2027 Notes are Omega's unsecured senior obligations and rank equally in right of payment with all of Omega's existing and future senior debt and is senior in right of payment to all of Omega's existing and future subordinated debt. Omega may redeem some or all of the 2027 Notes prior to January 1, 2027 at a price equal to 100% of the principal amount thereof plus a "make-whole" premium calculated by reference to U.S. treasuries with a maturity comparable to the remaining term of the 2027 Notes, and accrued and unpaid interest, if any, to, but not including, the applicable redemption date. The 2027 Notes will be redeemable at any time on or after January 1, 2027 at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date.

\$200 Million 7.5% Senior Notes due 2020 Redemption

On March 13, 2015, Omega redeemed all of its outstanding 7.5% Senior Notes due 2020 (the "2020 Notes") at a redemption price of approximately \$208.7 million, consisting of 103.750% of the principal amount, plus accrued and unpaid interest on such notes to, but not including, the date of redemption.

In connection with the redemption, during the first quarter of 2015, we recorded approximately \$11.7 million redemption related costs and write-offs, including \$7.5 million in prepayment fees for early redemption and \$4.2 million of write-offs associated with unamortized deferred financing and discount costs. The consideration for the redemption of the 2020 Notes was funded from the net proceeds of the 10.925 million share common stock offering. See Note 7 Dividends and Stockholders' Equity for additional details.

NOTE 11 – FINANCIAL INSTRUMENTS

At March 31, 2015 and December 31, 2014, the carrying amounts and fair values of our financial instruments were as follows:

	March 31, 2015		December 31, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(in thousands)			
Assets:				
Cash and cash equivalents	\$ 700,143	\$ 700,143	\$ 4,489	\$ 4,489
Restricted cash	27,880	27,880	29,076	29,076
Investment in direct financing leases	541,846	541,846	539,232	539,232
Mortgage notes receivable – net	649,793	646,088	648,079	642,626
Other investments – net	48,268	53,315	48,952	49,513
Totals	\$ 1,967,930	\$ 1,969,272	\$ 1,269,828	\$ 1,264,936
Liabilities:				
Revolving line of credit	\$ —	\$ —	\$ 85,000	\$ 85,000
Term loan	200,000	200,000	200,000	200,000
7.50% notes due 2020 – net	—	—	198,235	264,269
6.75% notes due 2022 – net	580,237	752,996	580,410	677,851
5.875% notes due 2024 – net	400,000	461,054	400,000	449,242
4.95% notes due 2024 – net	394,909	418,462	394,768	410,358
4.50% notes due 2025 – net	247,942	255,852	247,889	244,053
4.50% notes due 2027 – net	689,857	687,048	—	—
HUD debt	93,719	96,224	251,454	266,434
Subordinated debt	20,712	28,620	20,747	26,434
Totals	\$ 2,627,376	\$ 2,900,256	\$ 2,378,503	\$ 2,623,641

Fair value estimates are subjective in nature and are dependent on a number of important assumptions, including estimates of future cash flows, risks, discount rates and relevant comparable market information associated with each financial instrument (see Note 2 – Summary of Significant Accounting Policies in our Annual Report on Form 10-K for the year ended December 31, 2014). The use of different market assumptions and estimation methodologies may have a material effect on the reported estimated fair value amounts.

The following methods and assumptions were used in estimating fair value disclosures for financial instruments.

- Cash and cash equivalents and restricted cash: The carrying amount of cash and cash equivalents and restricted cash reported in the consolidated balance sheet approximates fair value because of the short maturity of these instruments (i.e., less than 90 days) (Level 1).
- Mortgage notes receivable: The fair value of the mortgage notes receivables are estimated using a discounted cash flow analysis, using interest rates being offered for similar loans to borrowers with similar credit ratings (Level 3).

- Direct financing leases: The fair value of the direct financing receivables are estimated using a discounted cash flow analysis, using interest rates being offered for similar leases to borrowers with similar credit ratings (Level 3).
- Other investments: Other investments are primarily comprised of notes receivable. The fair values of notes receivable are estimated using a discounted cash flow analysis, using interest rates being offered for similar loans to borrowers with similar credit ratings (Level 3).
- Revolving line of credit and term loan: The fair value of our borrowings under variable rate agreements are estimated using an expected present value technique based on expected cash flows discounted using the current market rates (Level 3).
- Senior notes and subordinated debt: The fair value of our borrowings under fixed rate agreements are estimated based on open market trading activity provided by a third party (Level 2).
- HUD debt: The fair value of our borrowings under HUD debt agreements are estimated based on quotes obtained by HUD debt brokers (Level 2).

NOTE 12 – LITIGATION

We are subject to various legal proceedings, claims and other actions arising out of the normal course of business. While any legal proceeding or claim has an element of uncertainty, management believes that the outcome of each lawsuit, claim or legal proceeding that is pending or threatened, or all of them combined, will not have a material adverse effect on our consolidated financial position or results of operations.

As previously reported, four putative class actions were filed by purported stockholders of Aviv against Aviv, its directors, the Company and Merger Sub challenging the Merger. The lawsuits sought injunctive relief preventing the parties from consummating the Merger, rescission of the transactions contemplated by the Merger Agreement, imposition of a constructive trust in favor of the class upon any benefits improperly received by the defendants, compensatory damages, and litigation costs including attorneys' fees. The four cases were transferred to the Business and Technology Case Management Program of the Circuit Court, Baltimore City, Maryland. The plaintiffs in each case amended their complaints to add allegations that the disclosures in the Form S-4 filed with the Securities and Exchange Commission on January 5, 2015 in connection with the Merger, were inadequate to allow Aviv shareholders to make an informed decision whether to approve the Merger. On January 28, 2015, the court entered a stipulated consolidation order consolidating the four lawsuits into a single proceeding styled *In re Aviv REIT Inc. Stockholder Litigation*, Case No. 24-C-14-006352. On February 6, 2015, (1) Aviv, the Aviv Partnership and the Aviv directors filed a motion to dismiss the consolidated complaint and (2) the Company, Merger Sub and the Omega Operating Partnership separately moved to dismiss the consolidated complaint as to them. The plaintiffs have moved to expedite the discovery period. On March 20, 2015, the court granted the defendants' motions to dismiss the consolidated complaint.

In addition to these lawsuits, Omega is aware of a derivative demand letter that was delivered to the Aviv board of directors by Gary Danley ("Danley"), who subsequently filed one of the aforementioned lawsuits. The allegations in the demand letter are substantially similar to the allegations in Danley's complaint.

Omega believes that these actions have no merit and intends to defend vigorously against any further attempts to prosecute these claims. The time period for taking an appeal of the grant of the motions to dismiss has now expired and, as a result, we believe these matters are now concluded.

NOTE 13 – EARNINGS PER SHARE

The computation of basic earnings per share (“EPS”) is computed by dividing net income available to common stockholders by the weighted-average number of shares of common stock outstanding during the relevant period. Diluted EPS is computed using the treasury stock method, which is net income available to common stockholders divided by the total weighted-average number of common outstanding shares plus the effect of dilutive common equivalent shares during the respective period. Dilutive common shares reflect the assumed issuance of additional common shares pursuant to certain of our share-based compensation plans, including stock options, restricted stock and performance restricted stock units.

The following tables set forth the computation of basic and diluted earnings per share:

	Three Months Ended March 31,	
	2015	2014
	(in thousands, except per share amounts)	
Numerator:		
Net income	\$ 43,052	\$ 55,829
Numerator for net income available to common stockholders' per share - basic and diluted	\$ 43,052	\$ 55,829
Denominator:		
Denominator for basic earnings per share	134,346	124,459
Effect of dilutive securities:		
Common stock equivalents	460	363
Denominator for diluted earnings per share	134,806	124,822
Earnings per share – basic:		
Net income – basic	\$ 0.32	\$ 0.45
Earnings per share – diluted:		
Net income – diluted	\$ 0.32	\$ 0.45

NOTE 14 – CONSOLIDATING FINANCIAL STATEMENTS

As of March 31, 2015, we had outstanding: (i) \$575 million 6.75% Senior Notes due 2022, (ii) \$400 million 5.875% Senior Notes due 2024, (iii) \$400 million 4.95% Senior Notes due 2024, (iv) \$250 million 4.5% Senior Notes due 2025 and (v) \$700 million 4.5% Senior Notes due 2027, which we collectively refer to as the Senior Notes. The Senior Notes are fully and unconditionally guaranteed, jointly and severally, by each of our subsidiaries that guarantee other indebtedness of Omega or any of the subsidiary guarantors. All of our subsidiaries that guarantee the Senior Notes also guarantee the 2014 Credit Facilities. Any subsidiary that we properly designate as an “unrestricted subsidiary” under the indentures governing the Senior Notes will not provide guarantees of the Senior Notes or the 2014 Credit Facilities.

For the three months ended March 31, 2015 and 2014, we had 47 and 52 “unrestricted subsidiaries” respectively. During the third quarter of 2014, four subsidiaries were re-designated as “restricted subsidiaries and Subsidiary Guarantors” due to the retirement of the HUD related debt on four facilities in September 2014. In October 2014, we retired HUD debt on one facility and one subsidiary was re-designated as a restricted subsidiary.

On March 31, 2015, the Company paid off HUD debt related to 21 facilities and 32 subsidiaries will be re-designated as “restricted subsidiaries and Subsidiary Guarantors”.

For the three months ended March 31, 2015 and 2014, the operating cash flow of the non-guarantor subsidiaries approximated net income of the non-guarantor subsidiaries, adjusted for depreciation and amortization expense and rent recorded on a straight-line basis. On September 30, 2014, we retired four HUD mortgages, \$34.3 million related to the outstanding principal of the four HUD mortgages, \$3.3 million related to the noncash write off of unamortized premium recorded at the time of acquisition offset by a prepayment fee of approximately \$1.7 million. On October 31, 2014, we retired one HUD mortgage, \$3.4 million related to the outstanding principal of the mortgage, \$0.2 million related to noncash of unamortized premium offset by a prepayment fee of approximately \$0.2 million.

On March 31, 2015, we retired 21 HUD mortgages, \$146.9 million related to the outstanding principal of the 21 HUD mortgages, \$9.7 million related to the noncash write off of unamortized premium recorded at the time of acquisition offset by a prepayment fee of approximately \$7.4 million.

For the three months ended March 31, 2015, and 2014, the non-guarantor subsidiaries did not engage in investing or financing activities other than the principal payment of \$1.0 and \$1.1 million, respectively for the HUD mortgages on the facilities owned by the non-guarantor subsidiaries. As of March 31, 2015, all of the Subsidiary Guarantors of our outstanding Senior Notes and 2014 Credit Facilities, and all of our non-guarantor subsidiaries, are 100% owned by Omega. See Note 15 – Subsequent Events.

The following summarized condensed consolidating financial information segregates the financial information of the non-guarantor subsidiaries from the financial information of Omega Healthcare Investors, Inc. and the subsidiary guarantors under the Senior Notes. The results and financial position of acquired entities are included from the dates of their respective acquisitions.

OMEGA HEALTHCARE INVESTORS, INC.
CONSOLIDATING BALANCE SHEETS
Unaudited
(in thousands, except per share amounts)

	March 31, 2015			
	Issuer & Subsidiary Guarantors	Non-Guarantor Subsidiaries	Elimination Company	Consolidated
ASSETS				
Real estate properties				
Land and buildings	\$ 2,837,697	\$ 390,286	\$ -	\$ 3,227,983
Less accumulated depreciation	(776,167)	(71,073)	-	(847,240)
Real estate properties – net	2,061,530	319,213	-	2,380,743
Investment in direct financing leases	541,846	-	-	541,846
Mortgage notes receivable – net	649,793	-	-	649,793
	3,253,169	319,213	-	3,572,382
Other investments – net	48,268	-	-	48,268
	3,301,437	319,213	-	3,620,650
Assets held for sale – net	16,877	-	-	16,877
Total investments	3,318,314	319,213	-	3,637,527
Cash and cash equivalents	700,143	-	-	700,143
Restricted cash	7,052	20,828	-	27,880
Accounts receivable – net	168,464	8,413	-	176,877
Investment in affiliates	224,843	-	(224,843)	-
Other assets	45,506	10,087	-	55,593
Total assets	\$ 4,464,322	\$ 358,541	\$ (224,843)	\$ 4,598,020
LIABILITIES AND STOCKHOLDERS' EQUITY				
Term loan	\$ 200,000	\$ -	\$ -	\$ 200,000
Secured borrowings	-	93,719	-	93,719
Unsecured borrowings – net	2,312,945	20,712	-	2,333,657
Accrued expenses and other liabilities	180,424	19,267	-	199,691
Intercompany payable	-	184,916	(184,916)	-
Total liabilities	2,693,369	318,614	(184,916)	2,827,067
Stockholders' equity:				
Common stock	13,875	-	-	13,875
Common stock – additional paid-in capital	2,580,248	-	-	2,580,248
Cumulative net earnings	1,191,050	39,927	(39,927)	1,191,050
Cumulative dividends paid	(2,014,220)	-	-	(2,014,220)
Total stockholders' equity	1,770,953	39,927	(39,927)	1,770,953
Total liabilities and stockholders' equity	\$ 4,464,322	\$ 358,541	\$ (224,843)	\$ 4,598,020

OMEGA HEALTHCARE INVESTORS, INC.
CONSOLIDATING BALANCE SHEETS
(in thousands, except per share amounts)

	December 31, 2014			
	Issuer & Subsidiary Guarantors	Non – Guarantor Subsidiaries	Elimination Company	Consolidated
ASSETS				
Real estate properties				
Land and buildings	\$ 2,834,498	\$ 389,287	\$ —	\$ 3,223,785
Less accumulated depreciation	(754,517)	(67,195)	—	(821,712)
Real estate properties – net	2,079,981	322,092	—	2,402,073
Investment in direct financing leases	539,232	—	—	539,232
Mortgage notes receivable – net	648,079	—	—	648,079
	3,267,292	322,092	—	3,589,384
Other investments – net	48,952	—	—	48,952
	3,316,244	322,092	—	3,638,336
Assets held for sale – net	12,792	—	—	12,792
Total investments	3,329,036	322,092	—	3,651,128
Cash and cash equivalents	4,489	—	—	4,489
Restricted cash	7,016	22,060	—	29,076
Accounts receivable – net	160,789	7,387	—	168,176
Investment in affiliates	73,622	—	(73,622)	—
Other assets	42,876	25,900	—	68,776
Total assets	\$ 3,617,828	\$ 377,439	\$ (73,622)	\$ 3,921,645
LIABILITIES AND STOCKHOLDERS' EQUITY				
Revolving line of credit	\$ 85,000	\$ —	\$ —	\$ 85,000
Term loan	200,000	—	—	200,000
Secured borrowings	—	251,454	—	251,454
Unsecured borrowings – net	1,821,302	20,747	—	1,842,049
Accrued expenses and other liabilities	110,199	31,616	—	141,815
Intercompany payable	—	40,309	(40,309)	—
Total liabilities	2,216,501	344,126	(40,309)	2,520,318
Stockholders' equity:				
Common stock	12,761	—	—	12,761
Common stock – additional paid-in-capital	2,136,234	—	—	2,136,234
Cumulative net earnings	1,147,998	33,313	(33,313)	1,147,998
Cumulative dividends paid	(1,895,666)	—	—	(1,895,666)
Total stockholders' equity	1,401,327	33,313	(33,313)	1,401,327
Total liabilities and stockholders' equity	\$ 3,617,828	\$ 377,439	\$ (73,622)	\$ 3,921,645

OMEGA HEALTHCARE INVESTORS, INC.
CONSOLIDATING STATEMENTS OF OPERATIONS
Unaudited
(in thousands, except per share amounts)

	Three Months Ended March 31, 2015			
	Issuer & Subsidiary Guarantors	Non – Guarantor Subsidiaries	Elimination	Consolidated
Revenue				
Rental income	\$ 89,610	\$ 11,354	\$ -	\$ 100,964
Income from direct financing leases	14,346	-	-	14,346
Mortgage interest income	16,579	-	-	16,579
Other investment income – net	1,531	-	-	1,531
Total operating revenues	122,066	11,354	-	133,420
Expenses				
Depreciation and amortization	26,732	3,878	-	30,610
General and administrative	5,977	37	-	6,014
Acquisition costs	4,868	-	-	4,868
Provision for impairment on real estate properties	5,982	-	-	5,982
Provision for uncollectible mortgages, notes and accounts receivable	(2)	-	-	(2)
Total operating expenses	43,557	3,915	-	47,472
Income before other income and expense	78,509	7,439	-	85,948
Other income (expense):				
Interest income	186	7	-	193
Interest expense	(29,235)	(3,124)	-	(32,359)
Interest – amortization of deferred financing costs	(1,348)	(5)	-	(1,353)
Interest – refinancing costs	(11,674)	2,297	-	(9,377)
Equity in earnings	6,614	-	(6,614)	-
Total other expense	(35,457)	(825)	(6,614)	(42,896)
Income before gain (loss) on assets sold	43,052	6,614	(6,614)	43,052
Gain (loss) on assets sold – net	-	-	-	-
Net income available to common stockholders	\$ 43,052	\$ 6,614	\$ (6,614)	\$ 43,052

OMEGA HEALTHCARE INVESTORS, INC.
CONSOLIDATING STATEMENTS OF OPERATIONS
Unaudited
(in thousands, except per share amounts)

	Three Months Ended March 31, 2014			
	Issuer & Subsidiary Guarantors	Non – Guarantor Subsidiaries	Elimination	Consolidated
Revenue				
Rental income	\$ 85,412	\$ 10,506	\$ -	\$ 95,918
Income from direct financing leases	14,084	-	-	14,084
Mortgage interest income	9,326	-	-	9,326
Other investment income – net	1,673	-	-	1,673
Total operating revenues	110,495	10,506	-	121,001
Expenses				
Depreciation and amortization	26,921	4,523	-	31,444
General and administrative	6,417	80	-	6,497
Acquisition costs	95	-	-	95
Provision for uncollectible mortgages, notes and accounts receivable	(16)	-	-	(16)
Total operating expenses	33,417	4,603	-	38,020
Income before other income and expense	77,078	5,903	-	82,981
Other income (expense):				
Interest income	2	6	-	8
Interest expense	(23,901)	(3,180)	-	(27,081)
Interest – amortization of deferred financing costs	(917)	(5)	-	(922)
Interest – refinancing costs	(2,040)	-	-	(2,040)
Equity in earnings	2,724	-	(2,724)	-
Total other expense	(24,132)	(3,179)	(2,724)	(30,035)
Income before gain on assets sold	52,946	2,724	(2,724)	52,946
Gain on assets sold – net	2,883	-	-	2,883
Net income available to common stockholders	\$ 55,829	\$ 2,724	\$ (2,724)	\$ 55,829

NOTE 15 – SUBSEQUENT EVENTS

UPREIT Structure

On April 1, 2015, the Company acquired Aviv as a result of the completion of the Merger pursuant to the Merger Agreement. See Note 1 – Basis of Presentation And Significant Accounting Policies.

Prior to April 1, 2015 and in accordance with the Merger Agreement, Omega completed the UPREIT Conversion, pursuant to which Omega restructured the manner in which it holds its assets by converting to an umbrella partnership real estate investment trust structure. As a result of the UPREIT Conversion, substantially all of the Company's assets are held by an Operating Partnership.

In order to more fully reflect the UPREIT Conversion and related transaction, Omega, Merger Sub and Aviv OP entered into that certain Second Amended and Restated Agreement of Limited Partnership of OHI Healthcare Properties Limited Partnership, dated as of April 1, 2015 (the "Partnership Agreement"). Pursuant to the Partnership Agreement, the Company and Merger Sub are the general partners of Omega OP. As a result of the Merger, Merger Sub also is the successor general partner of Aviv OP under the terms of its partnership agreement. As of April 1, 2015, the Company is the owner of approximately 138.9 million limited partnership interests in Omega OP ("Omega OP Units") and Aviv OP is the owner of approximately 52.9 million Omega OP Units. Each of the Omega OP Units is redeemable at the election of the Omega OP Unit holder for cash equal to the then fair market value of one share of Omega common stock, par value \$0.10 per share ("Omega Common Stock"), subject to the Company's election to exchange the Omega OP Units tendered for redemption for unregistered shares of Omega Common Stock on a one-for-one basis, and further subject to adjustment as set forth in the Partnership Agreement. The Company (through Merger Sub, in its capacity as the general partner of Aviv OP) plans to cause Aviv OP to make a distribution of all the Omega OP Units held by Aviv OP (or equivalent value) to all the holders of partnership interests of Aviv OP (the "Aviv OP Distribution") in connection with the liquidation of Aviv OP. On a pro forma basis as if the Aviv OP Distribution had been completed and the Omega OP Units held by the Aviv OP distributed to the holders of Aviv OP partnership interests, Omega would directly and indirectly own approximately 182.6 million or approximately 95% of the outstanding Omega OP Units and the other holders of Aviv OP partnership units would own approximately 9.2 million or approximately 5% of the outstanding Omega OP Units as of April 1, 2015. Until the completion of the Aviv OP Distribution, distributions by Omega OP in respect of the outstanding Omega OP Units will be passed through to the limited partners of Aviv OP in respect of their limited partner interests in Aviv OP adjusted for the 0.9 exchange ratio in the merger.

The Partnership Agreement also provides for limited partnership units structured as profits interests ("LTIP Units"), which are to be used for incentive compensation awards. When earned and vested, LTIP Units are intended to be convertible into Omega OP Units, at the election of the holder, on a one-to-one basis, subject to conditions on minimum allocation to the capital accounts of the holders of LTIP Units for federal income tax purposes.

Amendment to Omega Credit Facilities

On April 1, 2015, Omega entered into a First Amendment to Credit Agreement (the "First Amendment to Omega Credit Agreement") among Omega, as borrower, certain of Omega's subsidiaries identified in the Omega Credit Agreement (as defined below), as guarantors, a syndicate of financial institutions, as lenders (together with other lenders from time to time becoming signatory to the Omega Credit Agreement, as lenders, the "Omega Lenders"), and Bank of America, N.A., as administrative agent, which amended and restated its existing Credit Agreement, dated as of June 27, 2014 (as amended and restated pursuant to the First Amendment to Omega Credit Agreement, the "Omega Credit Agreement"). Among other things, the First Amendment to Omega Credit Agreement (i) increases the aggregate revolving commitment amount under the Revolving Credit Facility (as defined below) from \$1 billion to \$1.25 billion and (ii) provides for the Acquisition Term Loan Facility (as defined below).

As a result of the First Amendment to Omega Credit Agreement, the Omega Credit Agreement now provides for a \$1.25 billion senior unsecured revolving credit facility, a \$200 million senior unsecured term loan facility (the "Closing Date Term Loan Facility") and a \$200 million senior unsecured incremental term loan facility (the "Acquisition Term Loan Facility" and, together with the Revolving Credit Facility and the Closing Date Term Loan Facility, collectively, the "Omega Credit Facilities"). The Revolving Credit Facility matures on June 27, 2018, subject to a one-time option for Omega to extend such maturity date for one year. Exercise of such extension option is subject to compliance with a notice requirement and other customary conditions. The Closing Date Term Loan Facility matures on June 27, 2019. The Acquisition Term Loan Facility matures on June 27, 2017, subject to Omega's option to extend the maturity date of the Acquisition Term Loan Facility twice, the first extension until June 27, 2018 and the second extension until June 27, 2019 (such option, the "Omega Acquisition Facility Extension Option"). The Closing Date Term Loan Facility and the Acquisition Term Loan Facility may be referred to collectively herein as the "Omega Term Loan Facilities".

Omega OP Term Loan Facility

On April 1, 2015, Omega OP entered into a \$100 million senior unsecured term loan facility (the "Omega OP Term Loan Facility"). The Omega OP Term Loan Facility matures on June 27, 2017, subject to Omega OP's option to extend such maturity date twice, the first extension until June 27, 2018 and the second extension until June 27, 2019 (such option, the "Omega OP Extension Option"), corresponding to the maturity date for the Acquisition Term Loan Facility and the Omega Acquisition Facility Extension Option, respectively.

HUD Mortgage Loan Payoff

On April 30, 2015, we paid approximately \$8.6 million to retire one HUD-guaranteed mortgage loan of one of our unrestricted subsidiaries. The loan had an all-in annual interest rate of 4.85%. That unrestricted subsidiary, as well as other unrestricted subsidiary obligors on the HUD-guaranteed mortgage loans retired on March 31, 2015, are being redesignated as restricted subsidiaries and will become guarantors of the Omega Credit Facilities, the Omega OP Term Loan Facility and our outstanding senior notes. We will re-designate the subsidiary as a restricted subsidiary during the second quarter of 2015.

Acquisition of \$179 Million of Care Homes in United Kingdom

On May 1, 2015, we closed a \$179 million purchase/leaseback transaction for 23 Care Homes located in the United Kingdom and operated by Healthcare Homes Holding Limited ("Healthcare Homes"). As part of the transaction, we acquired title to the 23 Care Homes with 1,018 registered beds and leased them back to Healthcare Homes pursuant to a 12-year master lease agreement with an initial annual cash yield of 7%, and annual escalators of 2.5%. The Care Homes, comparable to US ALFs, are located throughout the East Anglia region (north of London) of the United Kingdom. Healthcare Homes is headquartered in Colchester (Essex County), England.

April 1, 2015 RSU, PRSU and LTIP Grant (for 2015- 2017 Performance Periods)

On April 1, 2015, we granted 39,914 RSUs to employees. The RSUs vest on December 31, 2017, subject to continued employment on the vesting date and subject to certain exceptions for certain qualifying terminations of employment or a change in control of the Company.

On April 1, 2015, we awarded two types of awards to employees: (i) 54,151 profit interest partnership units that vest based on TSR of Omega for the three year period starting January 1, 2015 and ending December 31, 2017, and (ii) 54,151 PRSUs that vest based on relative TSR for the three year period starting January 1, 2015 and ending December 31, 2017.

Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations

Forward-looking Statements, Reimbursement Issues and Other Factors Affecting Future Results

The following discussion should be read in conjunction with the financial statements and notes thereto appearing elsewhere in this document, including statements regarding potential future changes in reimbursement. This document contains forward-looking statements within the meaning of the federal securities laws. These statements relate to our expectations, beliefs, intentions, plans, objectives, goals, strategies, future events, performance and underlying assumptions and other statements other than statements of historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology including, but not limited to, terms such as “may,” “will,” “anticipates,” “expects,” “believes,” “intends,” “should” or comparable terms or the negative thereof. These statements are based on information available on the date of this filing and only speak as to the date hereof and no obligation to update such forward-looking statements should be assumed. Our actual results may differ materially from those reflected in the forward-looking statements contained herein as a result of a variety of factors, including, among other things:

- (i) those items discussed under “Risk Factors” in Item 1A to our annual report on Form 10-K for the year ended December 31, 2014, and in Part II, Item 1A of this report;
- (ii) uncertainties relating to the business operations of the operators of our assets, including those relating to reimbursement by third-party payors, regulatory matters and occupancy levels;
- (iii) the ability of any operators in bankruptcy to reject unexpired lease obligations, modify the terms of our mortgages and impede our ability to collect unpaid rent or interest during the process of a bankruptcy proceeding and retain security deposits for the debtors’ obligations;
- (iv) our ability to sell closed or foreclosed assets on a timely basis and on terms that allow us to realize the carrying value of these assets;
- (v) our ability to negotiate appropriate modifications to the terms of our credit facilities;
- (vi) our ability to manage, re-lease or sell any owned and operated facilities;
- (vii) the availability and cost of capital;
- (viii) changes in our credit ratings and the ratings of our debt securities;
- (ix) competition in the financing of healthcare facilities;
- (x) regulatory and other changes in the healthcare sector;
- (xi) the effect of economic and market conditions generally and, particularly, in the healthcare industry;
- (xii) changes in the financial position of our operators;
- (xiii) changes in interest rates;
- (xiv) the amount and yield of any additional investments;
- (xv) changes in tax laws and regulations affecting real estate investment trusts;
- (xvi) the possibility that we will not realize estimated synergies or growth as a result of our merger with Aviv, or that such benefits may take longer to realize than expected; and
- (xvii) our ability to maintain our status as a real estate investment trust.

Overview

We have one reportable segment consisting of investments in healthcare related real estate properties. Our core business is to provide financing and capital to the long-term healthcare industry with a particular focus on skilled nursing facilities (“SNFs”) located in the United States. Our core portfolio consists of long-term leases and mortgage agreements. All of our leases are “triple-net” leases, which require the tenants to pay all property-related expenses. Our mortgage revenue derives from fixed-rate mortgage loans, which are secured by first mortgage liens on the underlying real estate and personal property of the mortgagor.

Our portfolio of investments at March 31, 2015, consisted of 569 healthcare facilities (including six facilities that are closed/held for sale), located in 38 states and operated by 50 third-party operators. Our gross investment in these facilities totaled approximately \$4.4 billion at March 31, 2015, with 99% of our real estate investments related to long-term healthcare facilities. Our portfolio is made up of: (i) 474 SNFs, (ii) 23 assisted living facilities (“ALFs”), (iii) 11 specialty facilities, (iv) fixed rate mortgages on 53 SNFs and two ALFs and (v) six SNFs that are closed/held for sale. At March 31, 2015, we also held other investments of approximately \$48.3 million, consisting primarily of secured loans to third-party operators of our facilities.

Our consolidated financial statements include the accounts of (i) Omega Healthcare Investors, Inc. (“Omega” or the “Company”) and (ii) all direct and indirect wholly owned subsidiaries of Omega. All inter-company accounts and transactions have been eliminated in consolidation of the financial statements.

On April 1, 2015, Aviv REIT Inc., a Maryland corporation (“Aviv”), merged (the “Merger”) with and into a wholly owned subsidiary of Omega, pursuant to the terms of that certain Agreement and Plan of Merger, dated as of October 30, 2014 (the “Merger Agreement”), by and among the Company, Aviv, OHI Healthcare Properties Holdco, Inc., a Delaware corporation and a direct wholly-owned subsidiary of Omega (“Merger Sub”), OHI Healthcare Properties Limited Partnership, a Delaware limited partnership (“Omega OP” or the “ Operating Partnership”), and Aviv Healthcare Properties Limited Partnership, a Delaware limited partnership (the “Aviv OP”).

Prior to April 1, 2015 and in accordance with the Merger Agreement, Omega restructured the manner in which it holds its assets by converting to an umbrella partnership real estate investment trust structure (the “UPREIT Conversion”). As a result of the UPREIT Conversion, substantially all of the Company’s assets are held by an Operating Partnership which is subsidiary of the Company. See Note 15 – Subsequent Events above for more details.

Taxation

We have elected to be taxed as a Real Estate Investment Trust (“REIT”), under Sections 856 through 860 of the Internal Revenue Code (the “Code”), beginning with our taxable year ended December 31, 1992. We believe that we have been organized and operated in such a manner as to qualify for taxation as a REIT. We intend to continue to operate in a manner that will maintain our qualification as a REIT, but no assurance can be given that we have operated or will be able to continue to operate in a manner so as to qualify or remain qualified as a REIT. Under the Code, we generally are not subject to federal income tax on taxable income distributed to stockholders if certain distribution, income, asset and stockholder tests are met, including a requirement that we must generally distribute at least 90% of our annual taxable income, excluding any net capital gain, to stockholders. If we fail to qualify as a REIT in any taxable year, we may be subject to federal income taxes on our taxable income for that year and for the four years following the year during which qualification is lost, unless the Internal Revenue Service grants us relief under certain statutory provisions. Such an event could materially adversely affect our net income and net cash available for distribution to our stockholders. For further information, see “Taxation” in Item 1 of our annual report on Form 10-K for the year ended December 31, 2014.

Government Regulation and Reimbursement

The health care industry is heavily regulated. Our operators are subject to extensive and complex federal, state and local healthcare laws and regulations. These laws and regulations are subject to frequent and substantial changes resulting from the adoption of new legislation, rules and regulations, and administrative and judicial interpretations of existing law. The ultimate timing or effect of these changes, which may be applied retroactively, cannot be predicted. Changes in laws and regulations impacting our operators, in addition to regulatory non-compliance by our operators, can have a significant effect on the operations and financial condition of our operators, which in turn may adversely impact us. See “*Item 1A – Risk Factors.*” to our annual report on Form 10-K for the year ended December 31, 2014. The following is a discussion of certain laws and regulations generally applicable to our operators, and in certain cases, to us.

Healthcare Reform. A substantial amount of rules and regulations have been issued under the Patient Protection and Affordable Care Act, as amended by the Health Care and Education and Reconciliation Act of 2010 (collectively referred to as the “Healthcare Reform Law”). We expect additional rules, regulations and interpretations under the Healthcare Reform Law that may materially affect our operators’ financial condition and operations. For example, although the U.S. Supreme Court has upheld the Healthcare Reform Law (other than the requirement that states expand Medicaid beginning in 2014), the Healthcare Reform Law and the implementation thereof continue to receive challenge and scrutiny from Congress, state attorneys general and legislators, and private individuals and organizations. In addition, certain measures recently taken under the authority of, or in connection with, the Healthcare Reform Law may lead to additional modification and/or clarification in the future, including the following:

- On January 3, 2013, a new federal Commission on Long-Term Care was established and tasked with developing a plan for the establishment, implementation and financing of a high-quality system to provide long-term care services. In September 2013, the Commission released a report with 38 proposals for legislative and administrative actions to promote the establishment and financing of a long-term care services system that will ensure the availability of such services to those who need them. The Commission recommended creating a national advisory committee and convening a 2015 White House Conference on aging which is now holding regional forums and publishing policy briefs.
- The Healthcare Reform Law requires private health insurers that sell policies to individuals and small businesses to provide, starting in 2014, a set of “essential health benefits” in ten categories, including prescription drugs, rehabilitative and habilitative services, and chronic disease management. As required under the law, each state has defined the essential health benefits required in that state.
- The Healthcare Reform Law requires SNFs to implement a compliance and ethics program that is effective in preventing and detecting criminal, civil and administrative violations and in promoting quality of care. The Department of Health and Human Services (“HHS”) has not yet issued the proposed regulations to implement this law that were due in March 2012.

Given the complexity of the Healthcare Reform Law and the substantial requirements for regulation thereunder, the impact of the Healthcare Reform Law on our operators or their ability to meet their obligations to us cannot be predicted. The Healthcare Reform Law could result in decreases in payments to our operators or otherwise adversely affect the financial condition of our operators, thereby negatively impacting our financial condition. Our operators may not be successful in modifying their operations to lessen the impact of any increased costs or other adverse effects resulting from changes in governmental programs, private insurance and/or employee welfare benefit plans. The impact of the Healthcare Reform Law on each of our operators will vary depending on payor mix, resident conditions and a variety of other factors. In addition to the provisions relating to reimbursement, other provisions of the Healthcare Reform Law may impact our operators as employers (e.g., requirements related to providing health insurance for employees). We anticipate that many of the provisions in the Healthcare Reform Law may be subject to further clarification and modification during the rule making process.

Reimbursement Generally. A significant portion of our operators’ revenue is derived from governmentally-funded reimbursement programs, consisting primarily of Medicare and Medicaid. In recent years, the federal government and many state governments have focused on reducing expenditures under the Medicare and Medicaid programs, resulting in significant cost-cutting at both the federal and state levels. These cost-cutting measures, together with the implementation of changes in reimbursement rates such as those described below, could result in a significant reduction of reimbursement rates to our operators under both the Medicare and Medicaid programs.

On April 1, 2014, President Obama signed the “Protecting Access to Medicare Act of 2014” which calls for HHS to develop a value based purchasing program for SNFs aimed at lowering readmission rates. Beginning in 2018, 2% of SNFs’ Medicare payments could be withheld and about 70% of those dollars would be distributed to SNFs with reduced hospital readmissions.

We currently believe that our operator coverage ratios are adequate and that our operators can absorb moderate reimbursement rate reductions and still meet their obligations to us. However, significant limits on the scopes of services reimbursed and/or reductions of reimbursement rates could have a material adverse effect on our operators’ results of operations and financial condition, which could adversely affect our operators’ ability to meet their obligations to us.

Medicaid. State budgetary concerns, coupled with the implementation of rules under the Healthcare Reform Law, may result in significant changes in healthcare spending at the state level. Many states are currently focusing on the reduction of expenditures under their state Medicaid programs, which may result in a reduction in reimbursement rates for our operators. The need to control Medicaid expenditures may be exacerbated by the potential for increased enrollment in Medicaid due to unemployment and declines in family incomes. Since our operators' profit margins on Medicaid patients are generally relatively low, more than modest reductions in Medicaid reimbursement or an increase in the number of Medicaid patients could adversely affect our operators' results of operations and financial condition, which in turn could negatively impact us.

The Healthcare Reform Law provided for Medicaid coverage to be expanded to all individuals under age 65 with incomes up to 133% of the federal poverty level, beginning January 1, 2014. The federal government will pay the entire cost for Medicaid coverage for newly eligible beneficiaries for 3 years (2014 through 2016). In 2017, the federal share declines to 95%; in 2018, to 94%; in 2019, to 93%; and in 2020 and subsequent years, to 90%. Pursuant to the law, states may delay Medicaid expansion after 2014, but the federal payment rates will be less.

However, on June 28, 2012, the Supreme Court ruled that states could not be required to expand Medicaid or risk losing federal funding of their existing Medicaid programs. Over half of the states have expanded or are expanding Medicaid coverage as contemplated by the Healthcare Reform Law, with many of the remaining states involved in a variety of legislative proposals or discussions. HHS has stated that it will consider a limited number of premium assistance demonstration programs from states that want to privatize Medicaid expansion. States must provide a choice between at least two qualified health plans that offer very similar benefits as those required by the health insurance exchanges. Arkansas became the first state to obtain federal approval to use Medicaid funding to purchase private insurance for low-income residents. Indiana, Iowa, Michigan, New Hampshire, and Pennsylvania have also secured waivers.

Medicare. The Center for Medicaid and Medicare Services ("CMS") estimates that aggregate Medicare payments to SNFs will increase by \$750 million, or 2.0%, for the federal fiscal year that begins October 1, 2014 relative to payments in the prior federal fiscal year. This estimated increase is attributable to a 2.5% market based increase, reduced by a 0.5% multifactor productivity adjustment required by law.

Provisions contained in the American Taxpayer Relief Act ("ATRA") of 2012, known colloquially as the fiscal cliff deal, are designed to reduce Medicare payments to SNFs by an estimated \$600 million during 2012 to 2022. It also reduces payments for multiple procedures or therapies provided on the same day, which will result in approximately \$1.8 billion savings to Medicare over the next 10 years, which will impact SNFs as well. Under ATRA, sequestration cuts impacting domestic and defense spending became effective March 1, 2013. Although Medicaid is exempted from the sequestration cuts, they included a 2% cut in payments to Medicare providers and suppliers, which amounted to an estimated \$11.3 billion in cuts in federal fiscal year 2013. The Bipartisan Budget Act of 2013 provides for \$63 billion in sequestration relief in federal fiscal years 2014 and 2015 which will be split evenly between defense and nondefense programs. It is unknown how Medicare will be impacted.

The "Medicare Access and CHIP Reauthorization Act of 2015" extended the Medicare therapy cap exceptions process through December 31, 2017. The statutory Medicare Part B outpatient cap for occupational therapy is \$1,940 for 2015, and the combined cap for physical therapy and speech therapy is also \$1,940 for 2015. These caps do not apply to therapy services covered under Medicare Part A for SNFs, although the caps apply in most other instances involving patients in SNFs or long-term care facilities who receive therapy services covered under Medicare Part B. The exception process permits medically necessary therapy services beyond the cap limits. Expiration of the therapy cap exceptions process in the future could have a material adverse effect on our operators' financial condition and operations, which could adversely impact their ability to meet their obligations to us.

Quality of Care Initiatives. The CMS has implemented a number of initiatives focused on the quality of care provided by nursing homes that could affect our operators. For instance, in December 2008, the CMS released quality ratings for all of the nursing homes that participate in Medicare or Medicaid under its “Five Star Quality Rating System.” Facility rankings, ranging from five stars (“much above average”) to one star (“much below average”) are updated on a monthly basis. SNFs are required to provide information for the CMS Nursing Home Compare website regarding staffing and quality measures. Based on this data and the results of state health inspections, SNFs are then rated based on the five-star rating system. Beginning in 2015, CMS is making changes to the rating system including: (1) revising scoring methodology by which quality measure ratings are calculated for SNFs; (2) increasing the number and type of quality measures that are not solely based on self-reported data and (3) adding critical measures to staffing such as turnover and retention. It is possible that this or any other ranking system could lead to future reimbursement policies that reward or penalize facilities on the basis of the reported quality of care parameters.

CMS has incorporated hospital readmissions review into the Quality Indicators Survey. Under Medicare’s Inpatient Prospective Payment System, CMS began adjusting payments to hospitals for excessive readmissions of patients for heart attacks, heart failure and pneumonia during fiscal years beginning on and after October 1, 2012. Long term care facilities will be under increased scrutiny to prevent residents from being readmitted to hospitals for these conditions in particular, and have an opportunity to demonstrate their quality of care by reducing their hospital readmission rates. It is anticipated that hospital readmissions will be a consideration in the future in the CMS five-star rating system.

Office of the Inspector General Activities. The Office of Inspector General’s (the “OIG”) Work Plan for government fiscal year 2015, which describes projects that the OIG plans to address during the fiscal year, includes a number of projects related to nursing homes. Reviews of Medicare Part A and Part B payments and services for SNFs will focus on the following: (1) (new) monitor Part B billings for abuse during non-Part A stays; (2) billing patterns for Part B services; (3) state agency verification of deficiency corrections; (4) background checks for employees; and (5) hospitalization of residents for manageable and preventable conditions. The OIG will also continue its efforts in addressing fraud and abuse. While we cannot predict the results of the OIG’s activities, the projects could result in further scrutiny and/or oversight of nursing homes.

The OIG has identified one of its top management and performance challenges as using enforcement actions against SNFs that render substandard care. State Medicaid Fraud Units, which receive oversight and funding from the OIG are devoting substantial resources to investigating and prosecuting abuse and neglect in Medicaid-funded SNFs. To date, the OIG has placed almost 40 nursing home companies (greater than 750 SNFs) under corporate integrity agreements that include quality-monitoring provisions.

Fraud and Abuse. There are various federal and state civil and criminal laws and regulations governing a wide array of healthcare provider referrals, relationships and arrangements, including laws and regulations prohibiting fraud by healthcare providers. Many of these complex laws raise issues that have not been clearly interpreted by the relevant governmental authorities and courts. In addition, federal and state governments are devoting increasing attention and resources to anti-fraud initiatives against healthcare providers.

The federal anti-kickback statute is a criminal statute that prohibits the knowing and willful offer, payment, solicitation or receipt of any remuneration in return for, to induce or to arrange for the referral of individuals for any item or service payable by a federal or state healthcare program. There is also a civil analogue. States also have enacted similar statutes covering Medicaid payments, and some states have broader statutes. Some enforcement efforts have targeted relationships between SNFs and ancillary providers, relationships between SNFs and referral sources for SNFs and relationships between SNFs and facilities for which the SNFs serve as referral sources. The federal self-referral law, commonly known as the “Stark Law,” is a civil statute that prohibits a physician from making referrals to an entity for “designated health services” if the physician has a financial relationship with the entity. Some of the services provided in SNFs are classified as designated health services. There are also criminal provisions that prohibit filing false claims or making false statements to receive payment or certification under Medicare and Medicaid, as well as failing to refund overpayments or improper payments. Violation of the anti-kickback statute or Stark Law may form the basis for a federal False Claims Act (“FCA”) violation. With increased frequency, the federal government is relying on a “worthless services” theory of liability in FCA cases. The allegations are that the SNF charged the government for something of value that it knowingly didn’t provide.

In addition, the federal False Claims Act allows a private individual with knowledge of fraud to bring a claim on behalf of the federal government and earn a percentage of the federal government's recovery. Because of these incentives, these so-called "whistleblower" suits have become more frequent. The violation of any of these laws or regulations by an operator may result in the imposition of fines or other penalties, including exclusion from Medicare, Medicaid and all other federal and state healthcare programs.

Privacy. Our operators are subject to various federal, state and local laws and regulations designed to protect the confidentiality and security of patient health information, including the federal Health Insurance Portability and Accountability Act of 1996, as amended, the Health Information Technology for Economic and Clinical Health Act, and the corresponding regulations promulgated thereunder ("HIPAA"). On January 25, 2013, the Office for Civil Rights issued a final rule modifying HIPAA to increase the requirements on our operators. Some of the new requirements include, among other things: making business associates subject to the HIPAA Privacy and Security Rules which will require new business associate agreements; changes in determining whether a breach of unsecured protected health information occurred; new requirements for the Notice of Privacy Practices; and decreasing the time to disclose protected health information and requiring disclosures to be electronic under certain conditions. HHS has been conducting audits of covered entities to evaluate compliance with HIPAA, and it will continue its audit program in 2015 which will also include business associates and will focus on security risk assessments.

Various states have similar laws and regulations that govern the maintenance and safeguarding of patient records, charts and other information generated in connection with the provision of professional medical services. These laws and regulations require our operators to expend the requisite resources to secure protected health information, including the funding of costs associated with technology upgrades. Operators found in violation of HIPAA or any other privacy law or regulation may face large penalties. In addition, compliance with an operator's notification requirements in the event of a breach of unsecured protected health information could cause reputational harm to an operator's business.

Licensing and Certification. Our operators and facilities are subject to various federal, state and local licensing and certification laws and regulations, including laws and regulations under Medicare and Medicaid requiring operators of SNFs and ALFs to comply with extensive standards governing operations. Governmental agencies administering these laws and regulations regularly inspect our operators' facilities and investigate complaints. Our operators and their managers receive notices of observed violations and deficiencies from time to time, and sanctions have been imposed from time to time on facilities operated by them.

Other Laws and Regulations. Additional federal, state and local laws and regulations affect how our operators conduct their operations, including laws and regulations protecting consumers against deceptive practices and otherwise generally affecting our operators' management of their property and equipment and the conduct of their operations (including laws and regulations involving fire, health and safety; quality of services, including care and food service; residents' rights, including abuse and neglect laws; and the health standards set by the federal Occupational Safety and Health Administration).

General and Professional Liability. Although arbitration agreements have been effective in limiting general and professional liabilities for long term care providers, there have been national efforts to outlaw the use of pre-dispute arbitration agreements in long term care settings. At least one state is allowing residents to sue a SNF for failing to comply with staffing quality measures. All of these factors have a potential impact on liability costs of our operators, which could adversely affect our operators' ability to meet their obligations to us.

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"), and a summary of our significant accounting policies is included in Note 2 – Summary of Significant Accounting Policies to our Annual Report on Form 10-K for the year ended December 31, 2014. Our preparation of the financial statements requires us to make estimates and assumptions about future events that affect the amounts reported in our financial statements and accompanying footnotes. Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results inevitably will differ from those estimates, and such difference may be material to the consolidated financial statements. We have described our most critical accounting policies in our 2014 Annual Report on Form 10-K in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

Recent Accounting Pronouncements

Amendments to the Consolidation Analysis

In February 2015, the FASB issued updated guidance that makes targeted amendments to the current consolidation accounting guidance. The update is in response to accounting complexity concerns, particularly from the asset management industry. The guidance simplifies consolidation accounting by reducing the number of approaches to consolidation, provides a scope exception to registered money market funds and similar unregistered money market funds and ends the indefinite deferral granted to investment companies from applying the variable interest entity guidance.

The updated guidance is effective for annual and interim periods beginning after December 15, 2015. The adoption of this guidance is not expected to have a material effect on the Company's results of operations, financial position or liquidity.

Presentation of Debt Issuance Costs

In April 2015, the FASB issued ASU No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. This standard amends existing guidance to require the presentation of debt issuance costs in the balance sheet as a deduction from the carrying amount of the related debt liability instead of a deferred charge. It is effective for annual reporting periods beginning after December 15, 2015, but early adoption is permitted. The adoption of this guidance is not expected to have a material effect on the Company's results of operations, financial position or liquidity.

Revenue Recognition

In May 2014, the FASB issued a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance under GAAP. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The effective date is for periods beginning after December 15, 2016. We are currently evaluating the impact, if any, the adoption of this standard will have on our consolidated financial statements.

Results of Operations

The following is our discussion of the consolidated results of operations, financial position and liquidity and capital resources, which should be read in conjunction with our unaudited consolidated financial statements and accompanying notes. The Company's results of operations for the three-month period ended March 31, 2015 do not reflect the operations of Aviv, and accordingly are not indicative of the Company's results of future periods.

Three Months Ended March 31, 2015 and 2014

Operating Revenues

Our operating revenues for the three months ended March 31, 2015, totaled \$133.4 million, an increase of \$12.4 million over the same period in 2014. The \$12.4 million increase was primarily the result of: (i) additional \$5.0 million rental income associated with acquisitions and lease amendments/extensions made throughout 2014 and in the first quarter of 2015 and (ii) \$7.3 million increase in mortgage interest income primarily due to (a) the \$415 million new multiple facility mortgage we entered into with an existing operator in the second quarter of 2014 and (b) the \$112.5 million mortgage we entered into with an existing operator in the first quarter of 2014.

Operating Expenses

Operating expenses for the three months ended March 31, 2015, totaled \$47.5 million, an increase of approximately \$9.5 million over the same period in 2014. The increase was primarily due to: (i) a \$6.0 million increase in provision for impairments on real estate properties, (ii) a \$4.8 million increase in acquisition costs due to the Aviv merger and (iii) a \$0.2 million increase in general and administrative expense, offset by (i) \$0.7 million decrease in stock based compensation expense related to the timing of grants awarded and (ii) a decrease of \$0.8 million in depreciation expense as a result of shorter lived assets acquired over the past few years becoming fully depreciated. Going forward, we expect increased general and administrative expense and stock-based compensation expense, largely reflecting the Aviv Merger and other acquisitions.

Other Income (Expense)

For the three months ended March 31, 2015, total other expenses were \$42.9 million, an increase of approximately \$12.9 million over the same period in 2014. The increase was primarily the result of an increase of \$5.3 million in interest expense due to an increase in borrowings outstanding to fund new investments since January 2014 and an increase of approximately \$7.3 million in interest refinancing costs. In the first quarter of 2015, we recorded \$9.4 million of net interest refinancing related costs including: (i) \$11.7 million in costs related to the early redemption of the 2020 Notes which consisted of: (a) prepayment penalties of approximately \$7.5 million, (b) the write-off of deferred financing costs of \$2.5 million and (c) the write-off of discount of \$1.7 million, and a (ii) \$2.3 million gain on the extinguishment of the debt due to the write-off of the \$9.7 million fair market value adjustment recorded at the time of acquisition offset by a prepayment fee of approximately \$7.4 million. In the first quarter of 2014, we wrote off approximately \$2.0 million in deferred financing costs associated with the termination of the 2013 term loan facility.

Funds From Operations

Our funds from operations available to common stockholders ("FFO"), for the three months ended March 31, 2015, was \$79.6 million, compared to \$84.4 million, for the same period in 2014.

We calculate and report FFO in accordance with the definition and interpretive guidelines issued by the National Association of Real Estate Investment Trusts ("NAREIT"), and, consequently, FFO is defined as net income available to common stockholders, adjusted for the effects of asset dispositions and certain non-cash items, primarily depreciation and amortization and impairment on real estate assets. We believe that FFO is an important supplemental measure of our operating performance. Because the historical cost accounting convention used for real estate assets requires depreciation (except on land), such accounting presentation implies that the value of real estate assets diminishes predictably over time, while real estate values instead have historically risen or fallen with market conditions. The term FFO was designed by the real estate industry to address this issue. FFO herein is not necessarily comparable to FFO of other REITs that do not use the same definition or implementation guidelines or interpret the standards differently from us.

FFO is a non-GAAP financial measure. We use FFO as one of several criteria to measure operating performance of our business. We further believe that by excluding the effect of depreciation, amortization, impairment on real estate assets and gains or losses from sales of real estate, all of which are based on historical costs and which may be of limited relevance in evaluating current performance, FFO can facilitate comparisons of operating performance between periods and between other REITs. We offer this measure to assist the users of our financial statements in evaluating our financial performance under GAAP, and FFO should not be considered a measure of liquidity, an alternative to net income or an indicator of any other performance measure determined in accordance with GAAP. Investors and potential investors in our securities should not rely on this measure as a substitute for any GAAP measure, including net income.

The following table presents our FFO results for the three- months periods ended March 31, 2015 and 2014:

	Three Months Ended	
	March 31,	
	2014	2013
	(in thousands)	
Net income available to common stockholders	\$ 43,052	\$ 55,829
Deduct gain from real estate dispositions	—	(2,883)
Sub-total	43,052	52,946
Elimination of non-cash items included in net income:		
Depreciation and amortization	30,610	31,444
Add back impairments on real estate properties	5,982	—
Funds from operations available to common stockholders	<u>\$ 79,644</u>	<u>\$ 84,390</u>

Portfolio and Recent Developments

Acquisition of Aviv by Merger

On April 1, 2015, we completed the Merger. As a result, the Company acquired 348 properties in 30 states, operated by 37 third-party operators. Omega issued approximately 43.7 million shares of common stock in the Merger.

\$6.8 Million New Investment in Q1 2015

On January 28, 2015, we purchased one SNF from an unrelated third party for approximately \$6.3 million in cash and leased it to an existing operator. The purchase and sale agreement includes a provision that requires us to make an additional payment of \$0.5 million to the seller if certain financial metrics of the facility are achieved. As a result, we recorded the potential \$0.5 million payment as part of the purchase price. The 93 bed SNF, located in Texas, was added to the operator's existing master lease with an initial annual cash yield of 9.5%.

Acquisition of \$179 Million of Care Homes in United Kingdom

On May 1, 2015, we closed a \$179 million purchase/leaseback transaction for 23 Care Homes located in the United Kingdom and operated by Healthcare Homes Holding Limited ("Healthcare Homes"). As part of the transaction, we acquired title to the 23 Care Homes with 1,018 registered beds and leased them back to Healthcare Homes pursuant to a 12-year master lease agreement with an initial annual cash yield of 7%, and annual escalators of 2.5%. The Care Homes, comparable to US ALFs, are located throughout the East Anglia region (north of London) of the United Kingdom. Healthcare Homes is headquartered in Colchester (Essex County), England.

Assets Sales and Impairments

For the three-month period ended March 31, 2015, we initiated plans to construct a new single facility with an existing operator that would consolidate and replace three existing facilities. As a result, we recorded a total of \$6.0 million in impairment charges related to three Florida SNFs to reduce their net book values to their estimated sales price.

Assets Held for Sale

In the first quarter of March 31, 2015, we reclassified one SNF in Alabama with a carrying value of approximately \$4.1 million to assets held-for-sale. At March 31, 2015, we had four SNFs and one parcel of land classified as held-for-sale with an aggregate net book value of approximately \$16.9 million.

Liquidity and Capital Resources

At March 31, 2015, we had total assets of \$4.6 billion, stockholders' equity of \$1.8 billion and debt of \$2.6 billion, representing approximately 59.7% of total capitalization.

Financing Activities and Borrowing Arrangements

Certain of our other secured and unsecured borrowings are subject to customary affirmative and negative covenants, including financial covenants. As of March 31, 2015 and December 31, 2014, we were in compliance with all affirmative and negative covenants, including financial covenants, for our secured and unsecured borrowings.

Bank Credit Facilities

On June 27, 2014, we entered into a \$1.2 billion unsecured credit facility, comprised of a \$1 billion senior unsecured revolving credit facility (the "Revolving Credit Facility") and a \$200 million senior unsecured term loan facility (the "Term Loan Facility" and, collectively, the "2014 Credit Facilities").

The Revolving Credit Facility is priced at LIBOR plus an applicable percentage (beginning at 130 basis points, with a range of 92.5 to 170 basis points) based on our ratings from Standard & Poor's, Moody's and/or Fitch Ratings, plus a facility fee based on the same ratings (initially 25 basis points, with a range of 12.5 to 30 basis points). The Revolving Credit Facility is used for acquisitions and general corporate purposes. At March 31, 2015, we had no borrowings outstanding under the Revolving Credit Facility. The Revolving Credit Facility matures on June 27, 2018, subject to a one-time option by us to extend such maturity date by one year.

The Term Loan Facility is also priced at LIBOR plus an applicable percentage (beginning at 150 basis points, with a range of 100 to 195 basis points) based on our ratings from Standard & Poor's, Moody's and/or Fitch Ratings. At March 31, 2015, we had \$200 million in borrowings outstanding under the Term Loan Facility. The Term Loan Facility matures on June 27, 2019.

In January 2015, we entered into an engagement letter with respect to various proposed amendments to our existing 2014 Credit Facilities. The amendments to our senior unsecured credit facility were completed on April 1, 2015. See Note 15 – Subsequent Events for more details.

HUD Mortgage Loans Payoff

On March 31, 2015, we paid approximately \$154.3 million to retire 21 mortgage loans guaranteed by U.S. Department of Housing and Urban Development ("HUD"), totaling approximately \$146.9 million. 18 loans had an all-in blended interest rate of 5.35% per annum with maturities between January 2040 and January 2045 and three loans had an all-in blended interest rate of 5.23% per annum with maturities between February 2040 and February 2045. The payoff resulted in a \$2.3 million gain on the extinguishment of the debt due to the write-off of the \$9.7 million unamortized debt premium recorded at the time of acquisition offset by a prepayment fee of approximately \$7.4 million.

Issuance of \$700 Million of Senior Notes

On March 18, 2015, we sold \$700 million aggregate principal amount of our 4.50% Senior Notes due 2027 (the "2027 Notes"). The 2027 Notes were sold at an issue price of 98.546% of their face value before the initial purchasers' discount. The Company's total net proceeds from the offering, after deducting initial purchasers' discounts and other offerings expenses, were approximately \$683 million. We used the net proceeds of the offering for general corporate purposes, which included the repayment of Aviv indebtedness on April 1, 2015 in connection with Omega's acquisition of Aviv by merger, and repayment of future maturities on Omega's outstanding debt.

The 2027 Notes mature on April 1, 2027. The 2027 Notes bear an interest rate of 4.50% per annum, and are fully and unconditionally guaranteed, jointly and severally, by our existing and future subsidiaries that guarantee indebtedness for money borrowed by Omega in a principal amount at least equal to \$50 million (including as of the date hereof our existing senior notes and the facilities under our credit agreement). The 2027 Notes are Omega's unsecured senior obligations and rank equally in right of payment with all of Omega's existing and future senior debt and is senior in right of payment to all of Omega's existing and future subordinated debt. Omega may redeem some or all of the notes prior to January 1, 2027 at a price equal to 100% of the principal amount thereof plus a "make-whole" premium calculated by reference to U.S. treasuries with a maturity comparable to the remaining term of the 2027 Notes, and accrued and unpaid interest, if any, to, but not including, the applicable redemption date. The 2027 Notes will be redeemable at any time on or after January 1, 2027 at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date.

\$200 Million 7.5% Senior Notes due 2020 Redemption

On March 13, 2015, Omega redeemed all of its outstanding 7.5% Senior Notes, due 2020, or the 2020 Notes, pursuant to the terms of the indenture governing the 2020 Notes at a redemption price of approximately \$208.7 million, consisting of 103.750% of the principal amount, plus accrued and unpaid interest on such notes to, but not including, the date of redemption.

In connection with the redemption, during the first quarter of 2015, we recorded approximately \$11.7 million redemption related costs and write-offs, including \$7.5 million in prepayment fee for early redemption and \$4.2 million of write-offs associated with unamortized deferred financing costs and discount. The consideration for the redemption of the 2020 Notes was funded from the net proceeds of the 10.925 million share common stock offering (described below).

Increase of Authorized Omega Common Stock

At the Special Meeting held on March 27, 2015, Omega stockholders voted upon and approved a proposal to amend Omega's charter to increase the number of authorized shares of Omega capital stock from 220 million to 370 million and the number of authorized shares of Omega common stock from 200 million to 350 million.

10.925 Million Common Stock Offering

On February 9, 2015, we completed an underwritten public offering of 10.925 million shares of our common stock at \$42.00 per share before underwriting and other offering expenses. The Company's total net proceeds from the offering were approximately \$440 million, after deducting underwriting discounts and commissions and other estimated offering expenses.

Dividend Reinvestment and Common Stock Purchase Plan

For the three-month period ended March 31, 2015, approximately 0.1 million shares of our common stock at an average price of \$40.13 per share were issued through our Dividend Reinvestment and Common Stock Purchase Program for gross proceeds of approximately \$5.4 million.

Dividends

In order to qualify as a REIT, we are required to distribute dividends (other than capital gain dividends) to our stockholders in an amount at least equal to (A) the sum of (i) 90% of our "REIT taxable income" (computed without regard to the dividends paid deduction and our net capital gain), and (ii) 90% of the net income (after tax), if any, from foreclosure property, minus (B) the sum of certain items of non-cash income. In addition, if we dispose of any built-in gain asset during a recognition period, we will be required to distribute at least 90% of the built-in gain (after tax), if any, recognized on the disposition of such asset. Such distributions must be paid in the taxable year to which they relate, or in the following taxable year if declared before we timely file our tax return for such year and paid on or before the first regular dividend payment after such declaration. In addition, such distributions are required to be made pro rata, with no preference to any share of stock as compared with other shares of the same class, and with no preference to one class of stock as compared with another class except to the extent that such class is entitled to such a preference. To the extent that we do not distribute all of our net capital gain or do distribute at least 90%, but less than 100% of our "REIT taxable income" as adjusted, we will be subject to tax thereon at regular ordinary and capital gain corporate tax rates.

For the three-months ended March 31, 2015, we declared total dividends of \$118.6 million and paid \$68.3 million to our common stockholders.

On April 15, 2015, our Board of Directors declared a prorated dividend of \$0.18 per share of Omega's common stock in view of the completed acquisition of Aviv pursuant to the Merger. The per share dividend amount payable by Omega represents dividends for April 2015, at a quarterly dividend rate of \$0.54 per share of common stock, representing an increase of \$0.01 per share over the quarterly dividend rate for the immediately preceding quarterly period. The \$0.18 dividend will be payable in cash on May 15, 2015 to stockholders of record as of the close of business on April 30, 2015.

On March 5, 2015, our Board of Directors declared a prorated dividend of \$0.36 per share of Omega's common stock in view of the pending acquisition of Aviv pursuant to the Merger. The per share dividend amount represented dividends for February and March 2015, at the quarterly rate of \$0.54 per share of common stock, representing an increase of \$0.01 per share over the quarterly dividend rate for the immediately preceding quarterly period. The dividend was paid in cash on April 7, 2015 to stockholders of record as of the close of business on March 31, 2015.

Liquidity

We believe our liquidity and various sources of available capital, including cash from operations, our existing availability under our 2014 Credit Facilities and expected proceeds from mortgage payoffs are adequate to finance operations, meet recurring debt service requirements and fund future investments through the next twelve months.

We regularly review our liquidity needs, the adequacy of cash flow from operations, and other expected liquidity sources to meet these needs. We believe our principal short-term liquidity needs are to fund:

- normal recurring expenses;
- debt service payments;
- common stock dividends; and
- growth through acquisitions of additional properties.

The primary source of liquidity is our cash flows from operations. Operating cash flows have historically been determined by: (i) the number of facilities we lease or have mortgages on; (ii) rental and mortgage rates; (iii) our debt service obligations; and (iv) general and administrative expenses. The timing, source and amount of cash flows provided by financing activities and used in investing activities are sensitive to the capital markets environment, especially to changes in interest rates. Changes in the capital markets environment may impact the availability of cost-effective capital and affect our plans for acquisition and disposition activity.

Cash and cash equivalents totaled \$700.1 million as of March 31, 2015, an increase of \$695.7 million as compared to the balance at December 31, 2014. The following is a discussion of changes in cash and cash equivalents during the quarter ended March 31, 2015 due to operating, investing and financing activities, which are presented in our Consolidated Statements of Cash Flows.

See Note 15 – Subsequent Events above for information regarding changes to our credit facilities since March 31, 2015. As of May 1, 2015, the Company had \$428 million of outstanding borrowings under its revolving credit facility and \$500 million of outstanding term loan borrowings under its various term loan facilities on a consolidated basis, including the Operating Partnership Term Loan Facility.

Operating Activities – Operating activities generated \$103.3 million of net cash flow for the three months ended March 31, 2015, as compared to \$78.1 million for the same period in 2014, an increase of \$25.2 million. The increase was primarily due to additional cash flow generated from new investments, including the facilities acquired and leased throughout 2014 and during first quarter of 2015.

Investing Activities – Net cash flow from investing activities was an outflow of \$18.5 million for the three months ended March 31, 2015, as compared to an outflow of \$120.4 million for the same period in 2014. The \$101.9 million decrease in cash outflow from investing activities relates primarily to (i) \$2.0 million of mortgage investment made in the first quarter of 2015 compared to \$113.1 million during the same period in 2014 and (ii) net cash inflow of \$0.7 million from other investments – net compared to a net cash outflow of \$3.0 million for the same period of 2014, offset by (i) an increase of \$5.9 million investment in construction in progress in the first quarter of 2015 compared to the same period of 2014, (ii) an increase of \$2.3 million in our capital renovation program investment compared to the same period of 2014 and (iii) a decrease of \$3.4 million in proceeds from the sale of real estate in the first quarter of 2015 compared to the same period in 2014.

Financing Activities – Net cash flow from financing activities was an inflow of \$610.9 million for the three months ended March 31, 2015 as compared to an inflow of \$60.1 million for the same period in 2014. The \$550.8 million increase in cash inflow from financing activities was primarily a result of: (i) net proceeds of \$440 million from issuance of 10.925 million of common stock in the first quarter of 2015 as compared to \$27.8 million for the same period in 2014, (ii) an increase in proceeds of \$95.5 million in long term borrowings compared to the same period in 2014 and (iii) a decrease in net payments of \$241 million on the credit facility compared to the same period in 2014. Offsetting these increases were: (i) an increase of \$146.6 million in payments of long term borrowings primarily due to (a) early extinguishment of \$200 million Senior Notes due 2020 in the first quarter of 2015 and (b) \$147.9 million HUD mortgage loans payoff including routine HUD debt principal in the first quarter of 2015 as compared to (c) the \$200 million 2013 Term Loan Facility paid off in March 2014 and (d) \$1.2 million routine HUD debt principal for the same period in 2014, (ii) dividend payments increased by \$6.6 million due to an increase in number of shares outstanding and an increase of \$0.04 per share in the common dividends and (iii) a decrease in net proceeds of \$26.1 million from our dividend reinvestment plan compared to the same period in 2014.

Item 3 – Quantitative and Qualitative Disclosures about Market Risk

During the quarter ended March 31, 2015, there were no material changes in our primary market risk exposures or how those exposures are managed from the information disclosed under Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2014.

Item 4 – Controls and Procedures

Disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) are controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

In connection with the preparation of this Form 10-Q, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2015. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of March 31, 2015.

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the period covered by this report identified in connection with the evaluation of our disclosure controls and procedures described above that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1 – Legal Proceedings

See Note 12 – Litigation to the Consolidated Financial Statements in Part I, Item 1 hereto, which is hereby incorporated by reference in response to this item.

Item 1A – Risk Factors

We filed our Annual Report on Form 10-K for the year ended December 31, 2014, with the Securities and Exchange Commission on February 27, 2015, which sets forth certain risk factors in Item 1A therein. In addition to the risk factors described therein, investors should consider the following risk factors arising from the change in the organizational structure of our business.

Our primary assets are the units of partnership interest in the Partnership and, as a result, we will depend on distributions from the Partnership to pay dividends and expenses.

The Company is a holding company and has no material assets other than units of partnership interest in the Partnership. We intend to cause the Partnership to make distributions to partners, including the Company, in an amount sufficient to allow us to qualify as a REIT for U.S. federal income tax purposes and to pay all of our expenses. To the extent we need funds and the Partnership is restricted from making distributions under applicable law or otherwise, or if the Partnership is otherwise unable to provide such funds, the failure to make such distributions could materially adversely affect our liquidity and financial condition.

Members of our management and Board of Directors are holders of units of partnership interest in the Partnership, and their interests may differ from those of our public stockholders.

Effective April 1, 2015, some members of our management and Board of Directors are holders of units of partnership interest in the Partnership. Those unitholders may have conflicting interests with holders of the Company's common stock. For example, such unitholders of OP units may have different tax positions from the Company or holders of the Company's common stock, which could influence their decisions in their capacities as members of management regarding whether and when to dispose of assets, whether and when to incur new or refinance existing indebtedness and how to structure future transactions.

Ownership of property outside the U.S. may subject us to different or greater risks than those associated with our U.S. investments.

As a result of the closing of the closing of our \$179 million sale/leaseback transaction for 23 Care Homes on May 1, 2015, we now have investments in the United Kingdom. From time to time may seek to acquire other properties in the United Kingdom or otherwise outside the U.S. Although we currently have investments in the United Kingdom, we have limited experience investing in healthcare properties or other real estate-related assets located outside the United States. International development, investment, ownership and operating activities involve risks that are different from those we face with respect to our U.S. properties and operations. These risks include, but are not limited to, any international currency gain recognized with respect to changes in exchange rates may not qualify under the 75.0% gross income test or the 95.0% gross income test that we must satisfy annually in order to qualify and maintain our status as a REIT; challenges with respect to the repatriation of foreign earnings and cash; changes in foreign political, regulatory, and economic conditions, including regionally, nationally, and locally; challenges in managing international operations; challenges of complying with a wide variety of foreign laws and regulations, including those relating to real estate, corporate governance, operations, taxes, employment and legal proceedings; foreign ownership restrictions with respect to operations in countries; diminished ability to legally enforce our contractual rights in foreign countries; differences in lending practices and the willingness of domestic or foreign lenders to provide financing; regional or country-specific business cycles and economic instability; and changes in applicable laws and regulations in the U.S. that affect foreign operations. In addition, we have limited investing experience in international markets. If we are unable to successfully manage the risks associated with international expansion and operations, our results of operations and financial condition may be adversely affected.

We may be adversely affected by fluctuations in currency exchange rates.

Our ownership of properties in the United Kingdom currently subjects us to fluctuations in the exchange rates between U.S. dollars and the British pound, which may, from time to time, impact our financial condition and results of operations. If we continue to expand our international presence through investments in, or acquisitions or development of SNF, ALF or other healthcare assets outside the United States or the United Kingdom, we may transact business in other foreign currencies. Although we may pursue hedging alternatives, including borrowing in local currencies, to protect against foreign currency fluctuations, we cannot assure you that such fluctuations will not have a material adverse effect on our results of operations or financial condition.

Item 5—Other Information

On May 5, 2015, we announced that our 2015 Annual Meeting of Stockholders will be held on Friday, July 17, 2015, at 10:00 a.m. local time, at our primary corporate office located at 200 International Circle, Suite 3500, Hunt Valley, Maryland 21030. Stockholders of record as of the close of business on May 15, 2015 will be entitled to receive notice of and to participate at the 2015 Annual Meeting of Stockholders. Pursuant to the our Amended and Restated Bylaws, the deadline for a stockholder to give written notice of an intent to present a proposal at the 2015 Annual Meeting of Stockholders or to nominate one or more directors for election at the 2015 Annual Meeting was March 14, 2015.

Item 6—Exhibits

Exhibit No.		
3.1		Articles of Amendment of Omega Healthcare Investors, Inc., dated March 27, 2015 (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on April 3, 2015).
4.1A		Twelfth Supplemental Indenture, dated as of January 23, 2015, among Omega Healthcare Investors, Inc., each of the subsidiary guarantors listed therein and U.S. Bank National Association, as trustee, related to the 6.75% Senior Notes due 2022, including the Form of 6.75% Senior Notes and Form of Subsidiary Guarantee related thereto (Incorporated by reference to Exhibit 4.3F to the Company's Annual Report on Form 10-K, filed on February 27, 2015).
4.1B		Thirteenth Supplemental Indenture, dated effective as of March 2, 2015, among Omega Healthcare Investors, Inc., each of the subsidiary guarantors listed therein and U.S. Bank National Association, as trustee, related to the 6.75% Senior Notes due 2022, including the Form of 6.75% Senior Notes and Form of Subsidiary Guarantee related thereto.*
4.1C		Fourteenth Supplemental Indenture, dated as of April 1, 2015, among Omega Healthcare Investors, Inc., each of the subsidiary guarantors listed therein and U.S. Bank National Association, as trustee, related to the 6.75% Senior Notes due 2022, including the Form of 6.75% Senior Notes and Form of Subsidiary Guarantee related thereto.*
4.2A		Tenth Supplemental Indenture, dated as of January 23, 2015, among Omega Healthcare Investors, Inc., each of the subsidiary guarantors listed therein and U.S. Bank National Association, as trustee, related to the 5.875% Senior Notes due 2024, including the Form of 5.875% Senior Notes and Form of Subsidiary Guarantee related thereto (Incorporated by reference to Exhibit 4.1F to the Company's Annual Report on Form 10-K, filed on February 27, 2015).
4.2B		Eleventh Supplemental Indenture, dated effective as of March 2, 2015, among Omega Healthcare Investors, Inc., each of the subsidiary guarantors listed therein and U.S. Bank National Association, as trustee, related to the 5.875% Senior Notes due 2024, including the Form of 5.875% Senior Notes and Form of Subsidiary Guarantee related thereto.*
4.2C		Twelfth Supplemental Indenture, dated as of April 1, 2015, among Omega Healthcare Investors, Inc., each of the subsidiary guarantors listed therein and U.S. Bank National Association, as trustee, related to the 5.875% Senior Notes due 2024, including the Form of 5.875% Senior Notes and Form of Subsidiary Guarantee related thereto.*
4.3A		Third Supplemental Indenture, dated as of January 23, 2015, among Omega Healthcare Investors, Inc., each of the subsidiary guarantors listed therein and U.S. Bank National Association, as trustee, related to the 4.950% Senior Notes due 2024, including the Form of 4.950% Senior Notes and Form of Subsidiary Guarantee related thereto (Incorporated by reference to Exhibit 4.4B to the Company's Annual Report on Form 10-K, filed on February 27, 2015).
4.3B		Fourth Supplemental Indenture, dated effective as of March 2, 2015, among Omega Healthcare Investors, Inc., each of the subsidiary guarantors listed therein and U.S. Bank National Association, as trustee, related to the 4.950% Senior Notes due 2024, including the Form of 4.950% Senior Notes and Form of Subsidiary Guarantee related thereto.*

4.3C		Fifth Supplemental Indenture, dated as of April 1, 2015, among Omega Healthcare Investors, Inc., each of the subsidiary guarantors listed therein and U.S. Bank National Association, as trustee, related to the 4.950% Senior Notes due 2024, including the Form of 4.950% Senior Notes and Form of Subsidiary Guarantee related thereto.*
4.4A		Second Supplemental Indenture, dated as of January 23, 2015, among Omega Healthcare Investors, Inc., each of the subsidiary guarantors listed therein and U.S. Bank National Association, as trustee, related to the 4.50% Senior Notes due 2025, including the Form of 4.50% Senior Notes and Form of Subsidiary Guarantee related thereto (Incorporated by reference to Exhibit 4.5A to the Company's Annual Report on Form 10-K, filed on February 27, 2015).
4.4B		Third Supplemental Indenture, dated effective as of March 2, 2015, among Omega Healthcare Investors, Inc., each of the subsidiary guarantors listed therein and U.S. Bank National Association, as trustee, related to the 4.50% Senior Notes due 2025, including the Form of 4.50% Senior Notes and Form of Subsidiary Guarantee related thereto (Incorporated by reference to Exhibit 4.2B to the Company's Registration Statement on Form S-4, filed on April 16, 2015).
4.4C		Fourth Supplemental Indenture, dated as of April 1, 2015, among Omega Healthcare Investors, Inc., each of the subsidiary guarantors listed therein and U.S. Bank National Association, as trustee, related to the 4.50% Senior Notes due 2025, including the Form of 4.50% Senior Notes and Form of Subsidiary Guarantee related thereto (Incorporated by reference to Exhibit 4.2B to the Company's Registration Statement on Form S-4, filed on April 16, 2015).
4.5		Indenture, dated as of March 18, 2015, by and among Omega Healthcare Investors, Inc., the subsidiary guarantors named therein and U.S. Bank National Association, as trustee, related to the 4.500% Senior Notes due 2027, including the Form of 4.500% Senior Notes and Form of Subsidiary Guarantee related thereto. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed on March 24, 2015).
4.5A		First Supplemental Indenture, dated as of April 1, 2015, among Omega Healthcare Investors, Inc., each of the subsidiary guarantors listed therein and U.S. Bank National Association, as trustee, related to the 4.500% Senior Notes due 2027, including the Form of 4.500% Senior Notes and Form of Subsidiary Guarantee related thereto.*
4.6		Registration Rights Agreement, dated as of March 18, 2015 by and among Omega Healthcare Investors, Inc., the subsidiary guarantors named therein, and J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Agricole Securities (USA) Inc. and RBC Capital Markets, LLC, for themselves and on behalf of the several Initial Purchasers. (Incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K, filed on March 24, 2015).
10.1		Form of Time-Based Restricted Stock Unit Agreement for 2015 Grants (Incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K, filed on April 3, 2015). +
10.2		Form of Performance-Based Restricted Stock Unit Agreement for 2015 Grants (Incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K, filed on April 3, 2015). +
10.3		Form of Performance-Based LTIP Unit Agreement for 2015 Grants (Incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K, filed on April 3, 2015). +

10.4		Amendment to 2013 Stock Incentive Plan (Incorporated by reference to Exhibit 10.10 to the Company's Current Report on Form 8-K, filed on April 3, 2015). +
10.5		Second Amended and Restated Agreement of Limited Partnership by and among Omega Healthcare Investors, Inc., OHI Healthcare Properties Holdco, Inc., and Aviv Healthcare Properties Limited Partnership (Incorporated by reference to Exhibit 10.11 to the Company's Current Report on Form 8-K, filed on April 3, 2015).
10.6		First Amendment dated April 1, 2015 to the Credit Agreement dated June 27, 2014 by and between Omega Healthcare Investors Inc., the subsidiary guarantors listed therein, a syndicate of financial institutions, as Lenders, and Bank of America, N.A., as Administrative Agent (Incorporated by reference to Exhibit 10.12 to the Company's Current Report on Form 8-K, filed on April 3, 2015).
10.7		Credit Agreement dated as of April 1, 2015, by and between OHI Healthcare Properties Limited Partnership, each of the subsidiary guarantors listed therein, a syndicate of financial institutions as listed therein as Lenders, and Bank of America, N.A., as Administrative Agent (Incorporated by reference to Exhibit 10.13 to the Company's Current Report on Form 8-K, filed on April 3, 2015).
10.8		Aviv REIT, Inc. 2010 Management Incentive Plan (Incorporated by reference to Exhibit 10.3 to the Aviv REIT, Inc.'s Registration Statement on Form S-4, filed on May 2, 2011). +
10.9		First Amendment to the Aviv REIT, Inc. 2010 Management Incentive Plan (Incorporated by reference to Exhibit 4.5 to Aviv REIT, Inc.'s Registration Statement on Form S-8, filed on March 25, 2013). +
10.10		Second Amendment to the Aviv REIT, Inc. 2010 Management Incentive Plan (Incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-8, filed on April 2, 2015). +
10.11		Form of Time-Based Nonqualified Stock Option Award Agreement under the Aviv REIT, Inc. 2010 Management Incentive Plan (Incorporated by reference to Exhibit 10.4 to Aviv REIT, Inc.'s Registration Statement on Form S-4, filed on May 2, 2011). +
10.12		Form of Nonlimited Performance-Based Nonqualified Stock Option Award Agreement under the Aviv REIT, Inc. 2010 Management Incentive Plan (Incorporated by reference to Exhibit 10.5 to Aviv REIT, Inc.'s Registration Statement on Form S-4 filed on May 2, 2011). +
10.13		Aviv REIT, Inc. 2013 Long-Term Incentive Plan (Incorporated by reference to Exhibit 4.3 to Aviv REIT, Inc.'s Registration Statement on Form S-8 filed on March 25, 2013). +
10.14		Amendment to the Aviv REIT, Inc. 2013 Long-Term Incentive Plan (Incorporated by reference to Exhibit 4.5 to the Company's Registration Statement on Form S-8, filed on April 2, 2015). +
10.15		Form of Restricted Stock Unit Award Agreement for time-based restricted stock units under the Aviv REIT, Inc. 2013 Long-Term Incentive Plan, (Incorporated by reference to Exhibit 10.2 to Aviv REIT, Inc.'s Current Report on Form 8-K, filed on July 15, 2013). +
10.16		Amended and Restated Phantom Partnership Unit Award Agreement, dated as of September 17, 2010, among Aviv Asset Management, L.L.C., Steven J. Insoft and Aviv Healthcare Properties Limited Partnership, (Incorporated by reference to Exhibit 10.8 to Aviv REIT, Inc.'s Registration Statement on Form S-4, filed on May 2, 2011). +

31.1		Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer.*
31.2		Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer.*
32.1		Section 1350 Certification of the Chief Executive Officer.*
32.2		Section 1350 Certification of the Chief Financial Officer.*
101.INS		XBRL Instance Document.
101.SCH		XBRL Taxonomy Extension Schema Document.
101.CAL		XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF		XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB		XBRL Taxonomy Extension Label Linkbase Document.
101.PRE		XBRL Taxonomy Extension Presentation Linkbase Document.

* Exhibits that are filed herewith.

+ Management contract or compensatory plan, contract or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OMEGA HEALTHCARE INVESTORS, INC.
Registrant

Date: May 8, 2015

By: /S/ C. TAYLOR PICKETT

C. Taylor Pickett

Chief Executive Officer

Date: May 8, 2015

By: /S/ ROBERT O. STEPHENSON

Robert O. Stephenson

Chief Financial Officer

THIRTEENTH SUPPLEMENTAL INDENTURE
(Senior Notes due 2022)

THIS THIRTEENTH SUPPLEMENTAL INDENTURE (this "Thirteenth Supplemental Indenture") is dated effective as March 2, 2015, among OMEGA HEALTHCARE INVESTORS, INC., a Maryland corporation (the "Issuer"), each of the SUBSIDIARY GUARANTORS listed on Schedule I hereto (collectively, the "Subsidiary Guarantors"), each of the companies listed on Schedule II hereto (collectively, the "New Subsidiaries"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee").

WITNESSETH :

WHEREAS, the Issuer and the Subsidiary Guarantors have heretofore executed and delivered to the Trustee an Indenture, dated as of October 4, 2010 (as supplemented by that First Supplemental Indenture, dated as of January 13, 2011, that Second Supplemental Indenture, dated as of June 10, 2011, that Third Supplemental Indenture, dated as of July 2, 2012, that Fourth Supplemental Indenture, dated as of August 9, 2012, that Fifth Supplemental Indenture, dated as of September 24, 2012, that Sixth Supplemental Indenture, effective as of December 31, 2012, that Seventh Supplemental Indenture, dated as of August 1, 2013, that Eighth Supplemental Indenture dated as of October 23, 2013, that Ninth Supplemental Indenture dated as of February 14, 2014, that Tenth Supplemental Indenture dated as of June 27, 2014, that Eleventh Supplemental Indenture dated as of November 25, 2014 and that Twelfth Supplemental Indenture dated as of January 31, 2015, the "Indenture") providing for the issuance of the Issuer's 6-3/4% Senior Notes due 2022 (the "Notes");

WHEREAS, Section 9.01 of the Indenture authorizes the Issuer, the Subsidiary Guarantors and the Trustee, together, to amend or supplement the Indenture, without notice to or consent of any Holder of the Notes, for the purpose of making any change that would not materially adversely affect the rights of any Holder of the Notes;

WHEREAS, the Issuer has created the New Subsidiaries, which are required to become Subsidiary Guarantors pursuant to Section 4.14 and/or 5.01(b) of the Indenture;

WHEREAS, in Section 1.01 of the Indenture, the term "Subsidiary Guarantors" is defined to include all Persons that become a Subsidiary Guarantor by the terms of the Indenture after the Closing Date; and

WHEREAS, Section 10.01 of the Indenture provides that each Subsidiary Guarantor shall be a guarantor of the Issuer's obligations under the Notes, subject to the terms and conditions described in the Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer, the Subsidiary Guarantors, the New Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. **CAPITALIZED TERMS.** Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. **AMENDMENT TO GUARANTEE.** The New Subsidiaries hereby agree, jointly and severally with all other Subsidiary Guarantors, to guarantee the Issuer's obligations under the Notes on the terms and subject to the conditions set forth in the Indenture, and to be bound by, and to receive the benefit of, all other applicable provisions of the Indenture as Subsidiary Guarantors. Such guarantee shall be evidenced by the New Subsidiaries' execution of Subsidiary Guarantees, the form of which is attached as Exhibit E to the Indenture, and shall be effective as of the effective date hereof.
3. **NO RECOURSE AGAINST OTHERS.** No past, present or future director, officer, employee, incorporator, stockholder, member or manager of the New Subsidiaries, as such, shall have any liability for any obligations of the Issuer or any Subsidiary Guarantor under the Notes, any Guarantees, the Indenture or this Fourteenth Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes, by accepting and holding a Note, waives and releases all such liability. Such waiver and release are part of the consideration for the issuance of the Notes.
4. **NEW YORK LAW TO GOVERN.** The laws of the State of New York shall govern and be used to construe this Thirteenth Supplemental Indenture.
5. **COUNTERPARTS.** The parties may sign any number of copies of this Thirteenth Supplemental Indenture. Each signed copy shall be an original, but all of them together shall represent the same agreement.
6. **EFFECT OF HEADINGS.** The Section headings herein are for convenience only and shall not affect the construction hereof.
7. **THE TRUSTEE.** The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Thirteenth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Issuer, the Subsidiary Guarantors and the New Subsidiaries.

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IN WITNESS WHEREOF, the parties hereto have caused this Thirteenth Supplemental Indenture to be duly executed, all as of the effective date first above written.

OMEGA HEALTHCARE INVESTORS, INC.

By: /s/ Robert O. Stephenson

Name: Robert O. Stephenson

Title: Chief Financial Officer and Treasurer

Each of the following Subsidiary Guarantors:

**BALA CYNWYD REAL ESTATE, LP
OHI ASSET (PA) WEST MIFFLIN, LP**

By: OHI Asset (PA) West Mifflin, LP, as general partner

By: /s/ Robert O. Stephenson

Name: Robert O. Stephenson

Title: Chief Financial Officer and Treasurer

OHI HEALTHCARE PROPERTIES LIMITED PARTNERSHIP

By: Omega Healthcare Investors, Inc., as general partner

By: /s/ Robert O. Stephenson

Name: Robert O. Stephenson

Title: Chief Financial Officer and Treasurer

[Signatures continued on the following page]

**On behalf of each the other Subsidiary Guarantors, its sole member,
managing member, general partner or trustee, named on the attached
Schedule I**

By: /s/ Robert O. Stephenson

Name: Robert O. Stephenson

Title: Chief Financial Officer and Treasurer

**On behalf of each of the New Subsidiaries, its sole member, named on
the attached Schedule II**

By: /s/ Robert O. Stephenson

Name: Robert O. Stephenson

Title: Chief Financial Officer and Treasurer

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

By: /s/ David Ferrell

Name: David Ferrell

Title: Vice President

Dated: March 2, 2015

Schedule I

SUBSIDIARY GUARANTORS

Encanto Senior Care, LLC
13922 Cerise Avenue, LLC
245 East Wilshire Avenue, LLC
3806 Clayton Road, LLC
523 Hayes Lane, LLC
637 East Romie Lane, LLC
2425 Teller Avenue, LLC
Bayside Colorado Healthcare Associates, LLC
OHI (Connecticut), Inc.
Bayside Street II, Inc.
Carnegie Gardens LLC
CFG 2115 Woodstock Place LLC
CSE Albany LLC
CSE Amarillo LLC
CSE Arden L.P.
CSE Augusta LLC
CSE Bedford LLC
CSE Blountville LLC
CSE Bolivar LLC
CSE Cambridge LLC
CSE Cambridge Realty LLC
CSE Camden LLC
CSE Canton LLC
CSE Casablanca Holdings II LLC
CSE Casablanca Holdings LLC
CSE Cedar Rapids LLC
CSE Centennial Village
CSE Chelmsford LLC
CSE Chesterton LLC
CSE Claremont LLC
CSE Corpus North LLC
CSE Denver Iliff LLC
CSE Denver LLC
CSE Douglas LLC
CSE Elkton LLC
CSE Elkton Realty LLC
CSE Fairhaven LLC
CSE Fort Wayne LLC
CSE Frankston LLC
CSE Georgetown LLC
CSE Green Bay LLC
CSE Hilliard LLC

CSE Huntingdon LLC
CSE Huntsville LLC
CSE Indianapolis-Continental LLC
CSE Indianapolis-Greenbriar LLC
CSE Jacinto City LLC
CSE Jefferson City LLC
CSE Jeffersonville-Hillcrest Center LLC
CSE Jeffersonville-Jennings House LLC
CSE Kerrville LLC
CSE King L.P.
CSE Kingsport LLC
CSE Knightdale L.P.
CSE Lake City LLC
CSE Lake Worth LLC
CSE Lakewood LLC
CSE Las Vegas LLC
CSE Lawrenceburg LLC
CSE Lenoir L.P.
CSE Lexington Park LLC
CSE Lexington Park Realty LLC
CSE Ligonier LLC
CSE Live Oak LLC
CSE Lowell LLC
CSE Marianna Holdings LLC
CSE Memphis LLC
CSE Mobile LLC
CSE Moore LLC
CSE North Carolina Holdings I LLC
CSE North Carolina Holdings II LLC
CSE Omro LLC
CSE Orange Park LLC
CSE Orlando-Pinar Terrace Manor LLC
CSE Orlando-Terra Vista Rehab LLC
CSE Pennsylvania Holdings
CSE Piggott LLC
CSE Pilot Point LLC
CSE Pine View LLC
CSE Ponca City LLC
CSE Port St. Lucie LLC
CSE Richmond LLC
CSE Ripley LLC
CSE Ripon LLC
CSE Safford LLC
CSE Salina LLC
CSE Seminole LLC
CSE Shawnee LLC

CSE Spring Branch LLC
CSE Stillwater LLC
CSE Taylorsville LLC
CSE Texarkana LLC
CSE Texas City LLC
CSE The Village LLC
CSE Upland LLC
CSE Walnut Cove L.P.
CSE West Point LLC
CSE Whitehouse LLC
CSE Williamsport LLC
CSE Winter Haven LLC
CSE Woodfin L.P.
CSE Yorktown LLC
Desert Lane LLC
Greenbough, LLC
LAD I Real Estate Company, LLC
North Las Vegas LLC
NRS Ventures, L.L.C.
OHI Asset (AR) Ash Flat, LLC
OHI Asset (AR) Camden, LLC
OHI Asset (AR) Conway, LLC
OHI Asset (AR) Des Arc, LLC
OHI Asset (AR) Hot Springs, LLC
OHI Asset (AR) Malvern, LLC
OHI Asset (AR) Mena, LLC
OHI Asset (AR) Pocahontas, LLC
OHI Asset (AR) Sheridan, LLC
OHI Asset (AR) Walnut Ridge, LLC
OHI Asset (AZ) Austin House, LLC
OHI Asset (CA), LLC
OHI Asset (CO), LLC
OHI Asset (CT) Lender, LLC
OHI Asset (FL) Lake Placid, LLC
OHI Asset (FL) Lender, LLC
OHI Asset (FL), LLC
OHI Asset (GA) Moultrie, LLC
OHI Asset (GA) Snellville, LLC
OHI Asset (ID) Holly, LLC
OHI Asset (ID) Midland, LLC
OHI Asset (ID), LLC
OHI Asset (IL), LLC
OHI Asset (IN) American Village, LLC
OHI Asset (IN) Anderson, LLC
OHI Asset (IN) Beech Grove, LLC
OHI Asset (IN) Clarksville, LLC

OHI Asset (IN) Clinton, LLC
OHI Asset (IN) Connersville, LLC
OHI Asset (IN) Crown Point, LLC
OHI Asset (IN) Eagle Valley, LLC
OHI Asset (IN) Elkhart, LLC
OHI Asset (IN) Forest Creek, LLC
OHI Asset (IN) Fort Wayne, LLC
OHI Asset (IN) Franklin, LLC
OHI Asset (IN) Greensburg, LLC
OHI Asset (IN) Indianapolis, LLC
OHI Asset (IN) Jasper, LLC
OHI Asset (IN) Kokomo, LLC
OHI Asset (IN) Lafayette, LLC
OHI Asset (IN) Madison, LLC
OHI Asset (IN) Monticello, LLC
OHI Asset (IN) Noblesville, LLC
OHI Asset (IN) Rosewalk, LLC
OHI Asset (IN) Salem, LLC
OHI Asset (IN) Seymour, LLC
OHI Asset (IN) Spring Mill, LLC
OHI Asset (IN) Terre Haute, LLC
OHI Asset (IN) Wabash, LLC
OHI Asset (IN) Westfield, LLC
OHI Asset (IN) Zionsville, LLC
OHI Asset (LA), LLC
OHI Asset (MD), LLC
OHI Asset (MI) Heather Hills, LLC
OHI Asset (MI), LLC
OHI Asset (MO), LLC
OHI Asset (MS) Byhalia, LLC
OHI Asset (MS) Cleveland, LLC
OHI Asset (MS) Clinton, LLC
OHI Asset (MS) Columbia, LLC
OHI Asset (MS) Corinth, LLC
OHI Asset (MS) Greenwood, LLC
OHI Asset (MS) Grenada, LLC
OHI Asset (MS) Holly Springs, LLC
OHI Asset (MS) Indianola, LLC
OHI Asset (MS) Natchez, LLC
OHI Asset (MS) Picayune, LLC
OHI Asset (MS) Vicksburg, LLC
OHI Asset (MS) Yazoo City, LLC
OHI Asset (NC) Wadesboro, LLC
OHI Asset (OH) Lender, LLC
OHI Asset (OH), LLC
OHI Asset (OR) Portland, LLC

OHI Asset (PA), LLC
OHI Asset (SC) Aiken, LLC
OHI Asset (SC) Anderson, LLC
OHI Asset (SC) Easley Anne, LLC
OHI Asset (SC) Easley Crestview, LLC
OHI Asset (SC) Edgefield, LLC
OHI Asset (SC) Greenville Griffith, LLC
OHI Asset (SC) Greenville Laurens, LLC
OHI Asset (SC) Greenville North, LLC
OHI Asset (SC) Greer, LLC
OHI Asset (SC) Marietta, LLC
OHI Asset (SC) McCormick, LLC
OHI Asset (SC) Pickens East Cedar, LLC
OHI Asset (SC) Pickens Rosemond, LLC
OHI Asset (SC) Piedmont, LLC
OHI Asset (SC) Simpsonville SE Main, LLC
OHI Asset (SC) Simpsonville West Broad, LLC
OHI Asset (SC) Simpsonville West Curtis, LLC
OHI Asset (TN) Bartlett, LLC
OHI Asset (TN) Collierville, LLC
OHI Asset (TN) Memphis, LLC
OHI Asset (TX) Anderson, LLC
OHI Asset (TX) Bryan, LLC
OHI Asset (TX) Burleson, LLC
OHI Asset (TX) College Station, LLC
OHI Asset (TX) Comfort, LLC
OHI Asset (TX) Diboll, LLC
OHI Asset (TX) Granbury, LLC
OHI Asset (TX) Hondo, LLC
OHI Asset (TX) Italy, LLC
OHI Asset (TX) Winnsboro, LLC
OHI Asset (TX), LLC
OHI Asset (UT) Ogden, LLC
OHI Asset (UT) Provo, LLC
OHI Asset (UT) Roy, LLC
OHI Asset (VA) Charlottesville, LLC
OHI Asset (VA) Farmville, LLC
OHI Asset (VA) Hillsville, LLC
OHI Asset (VA) Rocky Mount, LLC
OHI Asset (WA) Battle Ground, LLC
OHI Asset CSB LLC
OHI Asset CSE – E, LLC
OHI Asset CSE – U, LLC
OHI Asset HUD CFG, LLC
OHI Asset HUD Delta, LLC
OHI Asset HUD SF CA, LLC

OHI Asset HUD SF, LLC
OHI Asset HUD WO, LLC
OHI Asset II (CA), LLC
OHI Asset II (FL), LLC
OHI Asset RO PMM Services, LLC
OHI Asset RO, LLC
OHI Asset, LLC
Panama City Nursing Center LLC
Skyler Maitland LLC
Suwanee, LLC
Florida Real Estate Company, LLC
Pensacola Real Estate Holdings I, Inc.
Pensacola Real Estate Holdings II, Inc.
Pensacola Real Estate Holdings III, Inc.
Pensacola Real Estate Holdings IV, Inc.
Pensacola Real Estate Holdings V, Inc.
Skyler Pensacola, Inc.
OHI (Illinois), Inc.
OHI (Indiana), LLC
OHI (Iowa), Inc.
Sterling Acquisition, LLC
48 High Point Road, LLC
Arizona Lessor - Infinia, LLC
Bayside Street, Inc.
Colorado Lessor - Conifer, LLC
Delta Investors I, LLC
Delta Investors II, LLC
Florida Lessor – Meadowview, LLC
Georgia Lessor - Bonterra/Parkview, LLC
Indiana Lessor – Wellington Manor, LLC
OHI Asset (PA) Trust
OHI Asset II (PA) Trust
OHI Asset III (PA) Trust
OHI Asset IV (PA) Silver Lake Trust
OHI Tennessee, Inc.
Omega TRS I, Inc.
Texas Lessor – Stonegate GP, LLC
Texas Lessor – Stonegate, Limited, LLC
Texas Lessor – Stonegate, LP
Washington Lessor – Silverdale, LLC
OHIMA, Inc.
1200 Ely Street Holdings Co. LLC
42235 County Road Holdings Co. LLC
Dixie White House Nursing Home, Inc.
Ocean Springs Nursing Home, Inc.
Skyler Boyington, Inc.

Skyler Florida, Inc.
Canton Health Care Land, Inc.
Colonial Gardens, LLC
Dixon Health Care Center, Inc.
Hutton I Land, Inc.
Hutton II Land, Inc.
Hutton III Land, Inc.
Leatherman 90-1, Inc.
Leatherman Partnership 89-1, Inc.
Leatherman Partnership 89-2, Inc.
Meridian Arms Land, Inc.
Orange Village Care Center, Inc.
St. Mary's Properties, Inc.
The Suburban Pavilion, Inc.
Wilcare, LLC
Pavillion North, LLP
OHI Asset (GA) Macon, LLC
OHI Asset (SC) Greenville, LLC
OHI Asset (SC) Orangeburg, LLC
OHI Asset (WV) Danville, LLC
OHI Asset (WV) Ivydale, LLC
OHI Mezz Lender, LLC
11900 East Artesia Boulevard, LLC
2400 Parkside Drive, LLC
Golden Hill Real Estate Company, LLC
1628 B Street, LLC
PV Realty-Willow Tree, LLC
Bala Cynwyd Real Estate, LP
Hot Springs Atrium Owner, LLC
Hot Springs Cottages Owner, LLC
Hot Springs Marina Owner, LLC
OHI Asset (OR) Troutdale, LLC
OHI Asset (PA) GP, LLC
OHI Asset (PA) West Mifflin, LP
OHI Asset (TN) Jefferson City, LLC
OHI Asset CHG ALF, LLC
OHI Asset Management, LLC
OHI Healthcare Properties Holdco, Inc.
OHI Healthcare Properties Limited Partnership

Schedule II

NEW SUBSIDIARIES

OHI (Illinois) Holding, LLC
OHI Asset (TN) Rogersville, LLC
OHI Asset CSE-E Subsidiary, LLC
OHI Asset CSE-U Subsidiary, LLC
Pavillion North Partners, LLC
Pavillion Nursing Center North, LLC

FOURTEENTH SUPPLEMENTAL INDENTURE
(Senior Notes due 2022)

THIS FOURTEENTH SUPPLEMENTAL INDENTURE (this "Fourteenth Supplemental Indenture") is dated as of April 1, 2015, among OMEGA HEALTHCARE INVESTORS, INC., a Maryland corporation (the "Issuer"), each of the SUBSIDIARY GUARANTORS listed on Schedule I hereto (collectively, the "Subsidiary Guarantors"), each of the entities listed on Schedule II hereto (collectively, the "New Subsidiaries"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Issuer and the Subsidiary Guarantors have heretofore executed and delivered to the Trustee an Indenture, dated as of October 4, 2010 (as supplemented by that First Supplemental Indenture, dated as of January 13, 2011, that Second Supplemental Indenture, dated as of June 10, 2011, that Third Supplemental Indenture, dated as of July 2, 2012, that Fourth Supplemental Indenture, dated as of August 9, 2012, that Fifth Supplemental Indenture, dated as of September 24, 2012, that Sixth Supplemental Indenture, effective as of December 31, 2012, that Seventh Supplemental Indenture, dated as of August 1, 2013, that Eighth Supplemental Indenture dated as of October 23, 2013, that Ninth Supplemental Indenture dated as of February 14, 2014, that Tenth Supplemental Indenture dated as of June 27, 2014, that Eleventh Supplemental Indenture dated as of November 25, 2014, that Twelfth Supplemental Indenture dated as of January 23, 2015, and that Thirteenth Supplemental Indenture effective as of March 2, 2015; the "Indenture") providing for the issuance of the Issuer's 6-3/4% Senior Notes due 2022 (the "Notes");

WHEREAS, Section 9.01 of the Indenture authorizes the Issuer, the Subsidiary Guarantors and the Trustee, together, to amend or supplement the Indenture, without notice to or consent of any Holder of the Notes, for the purpose of making any change that would not materially adversely affect the rights of any Holder of the Notes;

WHEREAS, the Issuer has created or acquired the New Subsidiaries, which are required to become Subsidiary Guarantors pursuant to Section 4.14 of the Indenture;

WHEREAS, in Section 1.01 of the Indenture, the term "Subsidiary Guarantors" is defined to include all Persons that become a Subsidiary Guarantor by the terms of the Indenture after the Closing Date; and

WHEREAS, Section 10.01 of the Indenture provides that each Subsidiary Guarantor shall be a guarantor of the Issuer's obligations under the Notes, subject to the terms and conditions described in the Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer, the Subsidiary Guarantors, the New Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. **CAPITALIZED TERMS.** Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. **AMENDMENT TO GUARANTEE.** The New Subsidiaries hereby agree, jointly and severally with all other Subsidiary Guarantors, to guarantee the Issuer's obligations under the Notes on the terms and subject to the conditions set forth in the Indenture, and to be bound by, and to receive the benefit of, all other applicable provisions of the Indenture as Subsidiary Guarantors. Such guarantee shall be evidenced by the New Subsidiaries' execution of Subsidiary Guarantees, the form of which is attached as Exhibit E to the Indenture, and shall be effective as of the date hereof.
3. **NO RECOURSE AGAINST OTHERS.** No past, present or future director, officer, employee, incorporator, stockholder, member or manager of the New Subsidiaries, as such, shall have any liability for any obligations of the Issuer or any Subsidiary Guarantor under the Notes, any Guarantees, the Indenture or this Fourteenth Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes, by accepting and holding a Note, waives and releases all such liability. Such waiver and release are part of the consideration for the issuance of the Notes.
4. **NEW YORK LAW TO GOVERN.** The laws of the State of New York shall govern and be used to construe this Fourteenth Supplemental Indenture.
5. **COUNTERPARTS.** The parties may sign any number of copies of this Fourteenth Supplemental Indenture. Each signed copy shall be an original, but all of them together shall represent the same agreement.
6. **EFFECT OF HEADINGS.** The Section headings herein are for convenience only and shall not affect the construction hereof.
7. **THE TRUSTEE.** The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Fourteenth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Issuer, the Subsidiary Guarantors and the New Subsidiaries.

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[14th Supplemental Indenture – 2022 Notes]

IN WITNESS WHEREOF, the parties hereto have caused this Fourteenth Supplemental Indenture to be duly executed, all as of the date first above written.

ISSUER:

OMEGA HEALTHCARE INVESTORS, INC.,
a Maryland corporation

By: /s/ Robert O. Stephenson

Robert O. Stephenson
Chief Financial Officer and Treasurer

SUBSIDIARY GUARANTORS:

OHI HEALTHCARE PROPERTIES LIMITED PARTNERSHIP

By: Omega Healthcare Investors, Inc. as General Partner

By: /s/ Robert O. Stephenson

Robert O. Stephenson
Chief Financial Officer and Treasurer

**ON BEHALF OF EACH OF THE OTHER SUBSIDIARY GUARANTORS
LISTED ON SCHEDULE I**

By: /s/ Robert O. Stephenson

Robert O. Stephenson
Chief Financial Officer and Treasurer

[Signature Page – 14th Supplemental Indenture – 2022 Notes]

NEW SUBSIDIARIES:

**ON BEHALF OF EACH OF THE NEW SUBSIDIARIES LISTED ON
SCHEDULE II**

By: /s/ Robert O. Stephenson

Robert O. Stephenson

Chief Financial Officer and Treasurer

[Signatures continued on the following page]

[Signature Page – 14th Supplemental Indenture – 2022 Notes]

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: /s/ David Ferrell

Name: David Ferrell

Title: Vice President

[Signature Page – 14th Supplemental Indenture – 2022 Notes]

Schedule I

SUBSIDIARY GUARANTORS

1. 11900 East Artesia Boulevard, LLC
2. 1200 Ely Street Holdings Co. LLC
3. 13922 Cerise Avenue, LLC
4. 1628 B Street, LLC
5. 2400 Parkside Drive, LLC
6. 2425 Teller Avenue, LLC
7. 245 East Wilshire Avenue, LLC
8. 3806 Clayton Road, LLC
9. 42235 County Road Holdings Co. LLC
10. 48 High Point Road, LLC
11. 523 Hayes Lane, LLC
12. 637 East Romie Lane, LLC
13. Arizona Lessor - Infinia, LLC
14. Bala Cynwyd Real Estate, LP
15. Bayside Colorado Healthcare Associates, LLC
16. Bayside Street II, LLC
17. Bayside Street, LLC (f/k/a Bayside Street, Inc.)
18. Canton Health Care Land, LLC (f/k/a Canton Health Care Land, Inc.)
19. Carnegie Gardens LLC
20. CFG 2115 Woodstock Place LLC
21. Colonial Gardens, LLC
22. Colorado Lessor - Conifer, LLC
23. CSE Albany LLC
24. CSE Amarillo LLC
25. CSE Arden L.P.
26. CSE Augusta LLC
27. CSE Bedford LLC
28. CSE Blountville LLC
29. CSE Bolivar LLC
30. CSE Cambridge LLC
31. CSE Cambridge Realty LLC
32. CSE Camden LLC
33. CSE Canton LLC
34. CSE Casablanca Holdings II LLC
35. CSE Casablanca Holdings LLC
36. CSE Cedar Rapids LLC
37. CSE Centennial Village, LP
38. CSE Chelmsford LLC
39. CSE Chesterton LLC
40. CSE Claremont LLC
41. CSE Corpus North LLC
42. CSE Denver Iliff LLC

[Schedule 1 – 14th Supplemental Indenture – 2022 Notes]

43. CSE Denver LLC
44. CSE Douglas LLC
45. CSE Elkton LLC
46. CSE Elkton Realty LLC
47. CSE Fairhaven LLC
48. CSE Fort Wayne LLC
49. CSE Frankston LLC
50. CSE Georgetown LLC
51. CSE Green Bay LLC
52. CSE Hilliard LLC
53. CSE Huntingdon LLC
54. CSE Huntsville LLC
55. CSE Indianapolis-Continental LLC
56. CSE Indianapolis-Greenbriar LLC
57. CSE Jacinto City LLC
58. CSE Jefferson City LLC
59. CSE Jeffersonville-Hillcrest Center LLC
60. CSE Jeffersonville-Jennings House LLC
61. CSE Kerrville LLC
62. CSE King L.P.
63. CSE Kingsport LLC
64. CSE Knightdale L.P.
65. CSE Lake City LLC
66. CSE Lake Worth LLC
67. CSE Lakewood LLC
68. CSE Las Vegas LLC
69. CSE Lawrenceburg LLC
70. CSE Lenoir L.P.
71. CSE Lexington Park LLC
72. CSE Lexington Park Realty LLC
73. CSE Ligonier LLC
74. CSE Live Oak LLC
75. CSE Lowell LLC
76. CSE Marianna Holdings LLC
77. CSE Memphis LLC
78. CSE Mobile LLC
79. CSE Moore LLC
80. CSE North Carolina Holdings I LLC
81. CSE North Carolina Holdings II LLC
82. CSE Omro LLC
83. CSE Orange Park LLC
84. CSE Orlando-Pinar Terrace Manor LLC
85. CSE Orlando-Terra Vista Rehab LLC
86. CSE Pennsylvania Holdings, LP
87. CSE Piggott LLC
88. CSE Pilot Point LLC

[Schedule 1 – 14th Supplemental Indenture – 2022 Notes]

89. CSE Pine View LLC
90. CSE Ponca City LLC
91. CSE Port St. Lucie LLC
92. CSE Richmond LLC
93. CSE Ripley LLC
94. CSE Ripon LLC
95. CSE Safford LLC
96. CSE Salina LLC
97. CSE Seminole LLC
98. CSE Shawnee LLC
99. CSE Spring Branch LLC
100. CSE Stillwater LLC
101. CSE Taylorsville LLC
102. CSE Texarkana LLC
103. CSE Texas City LLC
104. CSE The Village LLC
105. CSE Upland LLC
106. CSE Walnut Cove L.P.
107. CSE West Point LLC
108. CSE Whitehouse LLC
109. CSE Williamsport LLC
110. CSE Winter Haven LLC
111. CSE Woodfin L.P.
112. CSE Yorktown LLC
113. Delta Investors I, LLC
114. Delta Investors II, LLC
115. Desert Lane LLC
116. Dixie White House Nursing Home, LLC (f/k/a Dixie White House Nursing Home, Inc.)
117. Dixon Health Care Center, LLC (f/k/a Dixon Health Care Center, Inc.)
118. Encanto Senior Care, LLC
119. Florida Lessor – Meadowview, LLC
120. Florida Real Estate Company, LLC
121. Georgia Lessor - Bonterra/Parkview, LLC
122. Golden Hill Real Estate Company, LLC
123. Greenbough, LLC
124. Hot Springs Atrium Owner, LLC
125. Hot Springs Cottages Owner, LLC
126. Hot Springs Marina Owner, LLC
127. Hutton I Land, LLC (f/k/a Hutton I Land, Inc.)
128. Hutton II Land, LLC (f/k/a Hutton II Land, Inc.)
129. Hutton III Land, LLC (f/k/a Hutton III Land, Inc.)
130. Indiana Lessor – Wellington Manor, LLC
131. LAD I Real Estate Company, LLC
132. Leatherman 90-1, LLC (f/k/a Leatherman 90-1, Inc.)

[Schedule 1 – 14th Supplemental Indenture – 2022 Notes]

133. Leatherman Partnership 89-1, LLC (f/k/a Leatherman Partnership 89-1, Inc.)
134. Leatherman Partnership 89-2, LLC (f/k/a Leatherman Partnership 89-2, Inc.)
135. Meridian Arms Land, LLC (f/k/a Meridian Arms Land, Inc.)
136. North Las Vegas LLC
137. NRS Ventures, L.L.C.
138. Ocean Springs Nursing Home, LLC (f/k/a Ocean Springs Nursing Home, Inc.)
139. OHI (Connecticut), LLC
140. OHI (Illinois), LLC(f/k/a OHI (Illinois), Inc.)
141. OHI (Indiana), LLC
142. OHI (Iowa), LLC(f/k/a OHI (Iowa), Inc.)
143. OHI Asset (AR) Ash Flat, LLC
144. OHI Asset (AR) Camden, LLC
145. OHI Asset (AR) Conway, LLC
146. OHI Asset (AR) Des Arc, LLC
147. OHI Asset (AR) Hot Springs, LLC
148. OHI Asset (AR) Malvern, LLC
149. OHI Asset (AR) Mena, LLC
150. OHI Asset (AR) Pocahontas, LLC
151. OHI Asset (AR) Sheridan, LLC
152. OHI Asset (AR) Walnut Ridge, LLC
153. OHI Asset (AZ) Austin House, LLC
154. OHI Asset (CA), LLC
155. OHI Asset (CO), LLC
156. OHI Asset (CT) Lender, LLC
157. OHI Asset (FL) Lake Placid, LLC
158. OHI Asset (FL) Lender, LLC
159. OHI Asset (FL), LLC
160. OHI Asset (GA) Macon, LLC
161. OHI Asset (GA) Moultrie, LLC
162. OHI Asset (GA) Snellville, LLC
163. OHI Asset (ID) Holly, LLC
164. OHI Asset (ID) Midland, LLC
165. OHI Asset (ID), LLC
166. OHI Asset (IL), LLC
167. OHI Asset (IN) American Village, LLC
168. OHI Asset (IN) Anderson, LLC
169. OHI Asset (IN) Beech Grove, LLC
170. OHI Asset (IN) Clarksville, LLC
171. OHI Asset (IN) Clinton, LLC
172. OHI Asset (IN) Connersville, LLC
173. OHI Asset (IN) Crown Point, LLC
174. OHI Asset (IN) Eagle Valley, LLC
175. OHI Asset (IN) Elkhart, LLC

[Schedule 1 – 14th Supplemental Indenture – 2022 Notes]

- 176. OHI Asset (IN) Forest Creek , LLC
- 177. OHI Asset (IN) Fort Wayne, LLC
- 178. OHI Asset (IN) Franklin, LLC
- 179. OHI Asset (IN) Greensburg, LLC
- 180. OHI Asset (IN) Indianapolis, LLC
- 181. OHI Asset (IN) Jasper, LLC
- 182. OHI Asset (IN) Kokomo, LLC
- 183. OHI Asset (IN) Lafayette, LLC
- 184. OHI Asset (IN) Madison, LLC
- 185. OHI Asset (IN) Monticello, LLC
- 186. OHI Asset (IN) Noblesville, LLC
- 187. OHI Asset (IN) Rosewalk, LLC
- 188. OHI Asset (IN) Salem, LLC
- 189. OHI Asset (IN) Seymour, LLC
- 190. OHI Asset (IN) Spring Mill, LLC
- 191. OHI Asset (IN) Terre Haute, LLC
- 192. OHI Asset (IN) Wabash, LLC
- 193. OHI Asset (IN) Westfield, LLC
- 194. OHI Asset (IN) Zionsville, LLC
- 195. OHI Asset (LA), LLC
- 196. OHI Asset (MD), LLC
- 197. OHI Asset (MI) Heather Hills, LLC
- 198. OHI Asset (MI), LLC
- 199. OHI Asset (MO), LLC
- 200. OHI Asset (MS) Byhalia, LLC
- 201. OHI Asset (MS) Cleveland, LLC
- 202. OHI Asset (MS) Clinton, LLC
- 203. OHI Asset (MS) Columbia, LLC
- 204. OHI Asset (MS) Corinth, LLC
- 205. OHI Asset (MS) Greenwood, LLC
- 206. OHI Asset (MS) Grenada, LLC
- 207. OHI Asset (MS) Holly Springs, LLC
- 208. OHI Asset (MS) Indianola, LLC
- 209. OHI Asset (MS) Natchez, LLC
- 210. OHI Asset (MS) Picayune, LLC
- 211. OHI Asset (MS) Vicksburg, LLC
- 212. OHI Asset (MS) Yazoo City, LLC
- 213. OHI Asset (NC) Wadesboro, LLC
- 214. OHI Asset (OH) Lender, LLC
- 215. OHI Asset (OH), LLC
- 216. OHI Asset (OR) Portland, LLC
- 217. OHI Asset (OR) Troutdale, LLC
- 218. OHI Asset (PA) GP, LLC
- 219. OHI Asset (PA), LP
- 220. OHI Asset (PA) West Mifflin, LP
- 221. OHI Asset (PA), LLC

[Schedule 1 – 14th Supplemental Indenture – 2022 Notes]

- 222. OHI Asset (SC) Aiken, LLC
- 223. OHI Asset (SC) Anderson, LLC
- 224. OHI Asset (SC) Easley Anne, LLC
- 225. OHI Asset (SC) Easley Crestview, LLC
- 226. OHI Asset (SC) Edgefield, LLC
- 227. OHI Asset (SC) Greenville Griffith, LLC
- 228. OHI Asset (SC) Greenville Laurens, LLC
- 229. OHI Asset (SC) Greenville North, LLC
- 230. OHI Asset (SC) Greenville, LLC
- 231. OHI Asset (SC) Greer, LLC
- 232. OHI Asset (SC) Marietta, LLC
- 233. OHI Asset (SC) McCormick, LLC
- 234. OHI Asset (SC) Orangeburg, LLC
- 235. OHI Asset (SC) Pickens East Cedar, LLC
- 236. OHI Asset (SC) Pickens Rosemond, LLC
- 237. OHI Asset (SC) Piedmont, LLC
- 238. OHI Asset (SC) Simpsonville SE Main, LLC
- 239. OHI Asset (SC) Simpsonville West Broad, LLC
- 240. OHI Asset (SC) Simpsonville West Curtis, LLC
- 241. OHI Asset (TN) Bartlett, LLC
- 242. OHI Asset (TN) Collierville, LLC
- 243. OHI Asset (TN) Jefferson City, LLC
- 244. OHI Asset (TN) Memphis, LLC
- 245. OHI Asset (TN) Rogersville, LLC
- 246. OHI Asset (TX) Anderson, LLC
- 247. OHI Asset (TX) Bryan, LLC
- 248. OHI Asset (TX) Burleson, LLC
- 249. OHI Asset (TX) College Station, LLC
- 250. OHI Asset (TX) Comfort, LLC
- 251. OHI Asset (TX) Diboll, LLC
- 252. OHI Asset (TX) Granbury, LLC
- 253. OHI Asset (TX) Hondo, LLC
- 254. OHI Asset (TX) Italy, LLC
- 255. OHI Asset (TX) Winnsboro, LLC
- 256. OHI Asset (TX), LLC
- 257. OHI Asset (UT) Ogden, LLC
- 258. OHI Asset (UT) Provo, LLC
- 259. OHI Asset (UT) Roy, LLC
- 260. OHI Asset (VA) Charlottesville, LLC
- 261. OHI Asset (VA) Farmville, LLC
- 262. OHI Asset (VA) Hillsville, LLC
- 263. OHI Asset (VA) Rocky Mount, LLC
- 264. OHI Asset (WA) Battle Ground, LLC
- 265. OHI Asset (WV) Danville, LLC
- 266. OHI Asset (WV) Ivydale, LLC
- 267. OHI Asset CHG ALF, LLC

[Schedule 1 – 14th Supplemental Indenture – 2022 Notes]

- 268. OHI Asset CSB LLC
- 269. OHI Asset CSE – E, LLC
- 270. OHI Asset CSE – U, LLC
- 271. OHI Asset CSE–E Subsidiary, LLC
- 272. OHI Asset CSE–U Subsidiary, LLC
- 273. OHI Asset HUD CFG, LLC
- 274. OHI Asset HUD Delta, LLC
- 275. OHI Asset HUD SF CA, LLC
- 276. OHI Asset HUD SF, LLC
- 277. OHI Asset HUD WO, LLC
- 278. OHI Asset II (CA), LLC
- 279. OHI Asset II (FL), LLC
- 280. OHI Asset II (PA), LP
- 281. OHI Asset III (PA), LP
- 282. OHI Asset IV (PA) Silver Lake Trust
- 283. OHI Asset Management, LLC
- 284. OHI Asset RO PMM Services, LLC
- 285. OHI Asset RO, LLC
- 286. OHI Asset, LLC
- 287. OHI Healthcare Properties Holdco, Inc.
- 288. OHI Healthcare Properties Limited Partnership
- 289. OHI Mezz Lender, LLC
- 290. OHI Tennessee, LLC (f/k/a OHI Tennessee, Inc.)
- 291. OHIMA, LLC (f/k/a OHIMA, Inc.)
- 292. Omega TRS I, Inc.
- 293. Orange Village Care Center, LLC (f/k/a Orange Village Care Center, Inc.)
- 294. Panama City Nursing Center LLC
- 295. Pavillion North Partners, LLC
- 296. Pavillion North, LLP
- 297. Pavillion Nursing Center North, LLC
- 298. Pensacola Real Estate Holdings I, LLC (f/k/a Pensacola Real Estate Holdings I, Inc.)
- 299. Pensacola Real Estate Holdings II, LLC (f/k/a Pensacola Real Estate Holdings II, Inc.)
- 300. Pensacola Real Estate Holdings III, LLC (f/k/a Pensacola Real Estate Holdings III, Inc.)
- 301. Pensacola Real Estate Holdings IV, LLC (f/k/a Pensacola Real Estate Holdings IV, Inc.)
- 302. Pensacola Real Estate Holdings V, LLC (f/k/a Pensacola Real Estate Holdings V, Inc.)
- 303. PV Realty–Willow Tree, LLC
- 304. Skyler Boyington, LLC (f/k/a Skyler Boyington, Inc.)
- 305. Skyler Florida, LLC (f/k/a Skyler Florida, Inc.)
- 306. Skyler Maitland LLC
- 307. Skyler Pensacola, LLC (f/k/a Skyler Pensacola, Inc.)

[Schedule 1 – 14th Supplemental Indenture – 2022 Notes]

- 308. St. Mary's Properties, LLC (f/k/a St. Mary's Properties, Inc.)
- 309. Sterling Acquisition, LLC
- 310. Suwanee, LLC
- 311. Texas Lessor – Stonegate GP, LLC
- 312. Texas Lessor – Stonegate, Limited, LLC
- 313. Texas Lessor – Stonegate, LP
- 314. The Suburban Pavilion, LLC (f/k/a The Suburban Pavilion, Inc.)
- 315. Washington Lessor – Silverdale, LLC
- 316. Wilcare, LLC

[Schedule 1 – 14th Supplemental Indenture – 2022 Notes]

Schedule II

NEW SUBSIDIARIES

1. 446 Sycamore Road, L.L.C.
2. Alamogordo Aviv, L.L.C.
3. Albany Street Property, L.L.C.
4. Arkansas Aviv, L.L.C.
5. Arma Yates, L.L.C.
6. Avery Street Property, L.L.C.
7. Aviv Asset Management, L.L.C.
8. Aviv Financing I, L.L.C.
9. Aviv Financing II, L.L.C.
10. Aviv Financing III, L.L.C.
11. Aviv Financing IV, L.L.C.
12. Aviv Financing V, L.L.C.
13. Aviv Foothills, L.L.C.
14. Aviv Healthcare Capital Corporation
15. Aviv Healthcare Properties Operating Partnership I, L.P.
16. Aviv Liberty, L.L.C.
17. Avon Ohio, L.L.C.
18. Belleville Illinois, L.L.C.
19. Bellingham II Associates, L.L.C.
20. Bethel ALF Property, L.L.C.
21. BHG Aviv, L.L.C.
22. Biglerville Road, L.L.C.
23. Bonham Texas, L.L.C.
24. Bradenton ALF Property, L.L.C.
25. Burton NH Property, L.L.C.
26. California Aviv Two, L.L.C.
27. California Aviv, L.L.C.
28. Camas Associates, L.L.C.
29. Casa/Sierra California Associates, L.L.C.
30. Champaign Williamson Franklin, L.L.C.
31. Chardon Ohio Property Holdings, L.L.C.
32. Chardon Ohio Property, L.L.C.
33. Chatham Aviv, L.L.C.
34. Chippewa Valley, L.L.C.
35. Clarkston Care, L.L.C.
36. Clayton Associates, L.L.C.
37. Colonial Madison Associates, L.L.C.
38. Columbus Texas Aviv, L.L.C.
39. Columbus Western Avenue, L.L.C.
40. Colville Washington Property, L.L.C.
41. Commerce Nursing Homes, L.L.C.
42. Commerce Sterling Hart Drive, L.L.C.
43. Conroe Rigby Owen Road, L.L.C.

[Schedule II – 14th Supplemental Indenture – 2022 Notes]

44. CR Aviv, L.L.C.
45. Crete Plus Five Property, L.L.C.
46. Crooked River Road, L.L.C.
47. Cuyahoga Falls Property, L.L.C.
48. Dallas Two Property, L.L.C.
49. Danbury ALF Property, L.L.C.
50. Darien ALF Property, L.L.C.
51. Denison Texas, L.L.C.
52. East Rollins Street, L.L.C.
53. Edgewood Drive Property, L.L.C.
54. Effingham Associates, L.L.C.
55. Elite Mattoon, L.L.C.
56. Elite Yorkville, L.L.C.
57. Falcon Four Property Holding, L.L.C.
58. Falcon Four Property, L.L.C.
59. Falfurrias Texas, L.L.C.
60. Florida ALF Properties, L.L.C.
61. Florida Four Properties, L.L.C.
62. Fort Stockton Property, L.L.C.
63. Four Fountains Aviv, L.L.C.
64. Fredericksburg South Adams Street, L.L.C.
65. Freewater Oregon, L.L.C.
66. Fullerton California, L.L.C.
67. Gardnerville Property, L.L.C.
68. Germantown Property, L.L.C.
69. Giltex Care, L.L.C.
70. Glendale NH Property, L.L.C.
71. Gonzales Texas Property, L.L.C.
72. Great Bend Property, L.L.C.
73. Greenville Kentucky Property, L.L.C.
74. Heritage Monterey Associates, L.L.C.
75. HHM Aviv, L.L.C.
76. Hidden Acres Property, L.L.C.
77. Highland Leasehold, L.L.C.
78. Hobbs Associates, L.L.C.
79. Hot Springs Aviv, L.L.C.
80. Houston Texas Aviv, L.L.C.
81. Hutchinson Kansas, L.L.C.
82. Idaho Associates, L.L.C.
83. Illinois Missouri Properties, L.L.C.
84. Iowa Lincoln County Property, L.L.C.
85. Jasper Springhill Street, L.L.C.
86. Kansas Five Property, L.L.C.
87. Karan Associates Two, L.L.C.
88. Karan Associates, L.L.C.
89. Karissa Court Property, L.L.C.

[Schedule II – 14th Supplemental Indenture – 2022 Notes]

90. KB Northwest Associates, L.L.C.
91. Kentucky NH Properties, L.L.C.
92. Kingsville Texas, L.L.C.
93. Louisville Dutchmans Property, L.L.C.
94. Magnolia Drive Property, L.L.C.
95. Manor Associates, L.L.C.
96. Mansfield Aviv, L.L.C.
97. Massachusetts Nursing Homes, L.L.C.
98. McCarthy Street Property, L.L.C.
99. Minnesota Associates, L.L.C.
100. Mishawaka Property, L.L.C.
101. Missouri Associates, L.L.C.
102. Missouri Regency Associates, L.L.C.
103. Montana Associates, L.L.C.
104. Monterey Park Leasehold Mortgage, L.L.C.
105. Mount Washington Property, L.L.C.
106. Mt. Vernon Texas, L.L.C.
107. Murray County, L.L.C.
108. Muscatine Toledo Properties, L.L.C.
109. N.M. Bloomfield Three Plus One Limited Company
110. N.M. Espanola Three Plus One Limited Company
111. N.M. Lordsburg Three Plus One Limited Company
112. N.M. Silver City Three Plus One Limited Company
113. New Hope Property, L.L.C.
114. Newtown ALF Property, L.L.C.
115. Nicholasville Kentucky Property, L.L.C.
116. North Royalton Ohio Property, L.L.C.
117. Norwalk ALF Property, L.L.C.
118. Oakland Nursing Homes, L.L.C.
119. October Associates, L.L.C.
120. Ogden Associates, L.L.C.
121. OHI Asset (FL) Lutz, LLC
122. Ohio Aviv Three, L.L.C.
123. Ohio Aviv Two, L.L.C.
124. Ohio Aviv, L.L.C.
125. Ohio Indiana Property, L.L.C.
126. Ohio Pennsylvania Property, L.L.C.
127. Oklahoma Two Property, L.L.C.
128. Oklahoma Warr Wind, L.L.C.
129. Omaha Associates, L.L.C.
130. Orange ALF Property, L.L.C.
131. Orange, L.L.C.
132. Oregon Associates, L.L.C.
133. Oso Avenue Property, L.L.C.
134. Ostrom Avenue Property, L.L.C.
135. Peabody Associates Two, L.L.C.

[Schedule II – 14th Supplemental Indenture – 2022 Notes]

136. Peabody Associates, L.L.C.
137. Pennington Road Property, L.L.C.
138. Pocatello Idaho Property, L.L.C.
139. Pomona Vista L.L.C.
140. Prescott Arkansas, L.L.C.
141. Raton Property Limited Company
142. Ravenna Ohio Property, L.L.C.
143. Red Rocks, L.L.C.
144. Richland Washington, L.L.C.
145. Riverside Nursing Home Associates Two, L.L.C.
146. Riverside Nursing Home Associates, L.L.C.
147. Rockingham Drive Property, L.L.C.
148. Rose Baldwin Park Property L.L.C.
149. S.C. Portfolio Property, L.L.C.
150. Salem Associates, L.L.C.
151. San Juan NH Property, LLC
152. Sandalwood Arkansas Property, L.L.C.
153. Santa Ana-Bartlett, L.L.C.
154. Santa Fe Missouri Associates, L.L.C.
155. Savoy/Bonham Venture, L.L.C.
156. Searcy Aviv, L.L.C.
157. Sedgwick Properties, L.L.C.
158. Seguin Texas Property, L.L.C.
159. Sierra Ponds Property, L.L.C.
160. Skyview Associates, L.L.C.
161. Southeast Missouri Property, L.L.C.
162. Southern California Nevada, L.L.C.
163. St. Joseph Missouri Property, L.L.C.
164. Star City Arkansas, L.L.C.
165. Stephenville Texas Property, L.L.C.
166. Stevens Avenue Property, L.L.C.
167. Sun-Mesa Properties, L.L.C.
168. Texas Fifteen Property, L.L.C.
169. Texas Four Property, L.L.C.
170. Texhoma Avenue Property, L.L.C.
171. Tujung, L.L.C.
172. Tulare County Property, L.L.C.
173. VRB Aviv, L.L.C.
174. Washington Idaho Property, L.L.C.
175. Washington-Oregon Associates, L.L.C.
176. Watauga Associates, L.L.C.
177. Wellington Leasehold, L.L.C.
178. West Pearl Street, L.L.C.
179. West Yarmouth Property I, L.L.C.
180. Wheeler Healthcare Associates, L.L.C.
181. Whitlock Street Property, L.L.C.

[Schedule II – 14th Supplemental Indenture – 2022 Notes]

- 182. Willis Texas Aviv, L.L.C.
- 183. Yuba Aviv, L.L.C.

[Schedule II – 14th Supplemental Indenture – 2022 Notes]

ELEVENTH SUPPLEMENTAL INDENTURE
(Senior Notes due 2024)

THIS ELEVENTH SUPPLEMENTAL INDENTURE (this "Eleventh Supplemental Indenture") is dated effective as of March 2, 2015, among OMEGA HEALTHCARE INVESTORS, INC., a Maryland corporation (the "Issuer"), each of the SUBSIDIARY GUARANTORS listed on Schedule I hereto (collectively, the "Subsidiary Guarantors"), each of the companies listed on Schedule II hereto (collectively, the "New Subsidiaries"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Issuer and the Subsidiary Guarantors have heretofore executed and delivered to the Trustee an Indenture, dated as of March 19, 2012 (as supplemented by that First Supplemental Indenture, dated as of July 2, 2012, that Second Supplemental Indenture, dated as of August 9, 2012, that Third Supplemental Indenture, dated as of September 24, 2012, that Fourth Supplemental Indenture effective as of December 31, 2012, that Fifth Supplemental Indenture dated as of August 1, 2013, that Sixth Supplemental Indenture dated as of October 23, 2013, that Seventh Supplemental Indenture dated as of February 14, 2014, that Eighth Supplemental Indenture dated as of June 27, 2014, that Ninth Supplemental Indenture dated as of November 25, 2014 and that Tenth Supplemental Indenture dated as of January 23, 2015 the "Indenture"), providing for the issuance of the Issuer's 5-7/8% Senior Notes due 2024 (the "Notes");

WHEREAS, Section 9.01 of the Indenture authorizes the Issuer, the Subsidiary Guarantors and the Trustee, together, to amend or supplement the Indenture, without notice to or consent of any Holder of the Notes, for the purpose of making any change that would not materially adversely affect the rights of any Holder of the Notes;

WHEREAS, the Issuer has created the New Subsidiaries, which are required to become Subsidiary Guarantors pursuant to Section 4.14 and/or 5.01(b) of the Indenture;

WHEREAS, in Section 1.01 of the Indenture, the term "Subsidiary Guarantors" is defined to include all Persons that become a Subsidiary Guarantor by the terms of the Indenture after the Closing Date; and

WHEREAS, Section 10.01 of the Indenture provides that each Subsidiary Guarantor shall be a guarantor of the Issuer's obligations under the Notes, subject to the terms and conditions described in the Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer, the Subsidiary Guarantors, the New Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. **CAPITALIZED TERMS.** Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. **AMENDMENT TO GUARANTEE.** The New Subsidiaries hereby agree, jointly and severally with all other Subsidiary Guarantors, to guarantee the Issuer's obligations under the Notes on the terms and subject to the conditions set forth in the Indenture, and to be bound by, and to receive the benefit of, all other applicable provisions of the Indenture as Subsidiary Guarantors. Such guarantee shall be evidenced by the New Subsidiaries' execution of Subsidiary Guarantees, the form of which is attached as Exhibit E to the Indenture, and shall be effective as of the effective date hereof.
3. **NO RECOURSE AGAINST OTHERS.** No past, present or future director, officer, employee, incorporator, stockholder, member or manager of the New Subsidiaries, as such, shall have any liability for any obligations of the Issuer or any Subsidiary Guarantor under the Notes, any Guarantees, the Indenture or this Fourteenth Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes, by accepting and holding a Note, waives and releases all such liability. Such waiver and release are part of the consideration for the issuance of the Notes.
4. **NEW YORK LAW TO GOVERN.** The laws of the State of New York shall govern and be used to construe this Eleventh Supplemental Indenture.
5. **COUNTERPARTS.** The parties may sign any number of copies of this Eleventh Supplemental Indenture. Each signed copy shall be an original, but all of them together shall represent the same agreement.
6. **EFFECT OF HEADINGS.** The Section headings herein are for convenience only and shall not affect the construction hereof.
7. **THE TRUSTEE.** The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Eleventh Supplemental Indenture or for or in **respect of the recitals contained herein, all of which recitals are made solely by the Issuer, the Subsidiary Guarantors and the New Subsidiaries.**

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IN WITNESS WHEREOF, the parties hereto have caused this Eleventh Supplemental Indenture to be duly executed, all as of the effective date first above written.

OMEGA HEALTHCARE INVESTORS, INC.

By: /s/ Robert O. Stephenson

Name: Robert O. Stephenson

Title: Chief Financial Officer and Treasurer

Each of the following Subsidiary Guarantors:

BALA CYNWYD REAL ESTATE, LP

OHI ASSET (PA) WEST MIFFLIN, LP

By: OHI Asset (PA) West Mifflin, LP, as general partner

By: /s/ Robert O. Stephenson

Name: Robert O. Stephenson

Title: Chief Financial Officer and Treasurer

OHI HEALTHCARE PROPERTIES LIMITED PARTNERSHIP

By: Omega Healthcare Investors, Inc., as general partner

By: /s/ Robert O. Stephenson

Name: Robert O. Stephenson

Title: Chief Financial Officer and Treasurer

[Signatures continued on the following page]

**On behalf of each the other Subsidiary
Guarantors, its sole member, managing member,
general partner or trustee, named on the
attached Schedule I**

By: /s/ Robert O. Stephenson

Name: Robert O. Stephenson

Title: Chief Financial Officer and Treasurer

**On behalf of each of the New Subsidiaries, its
sole member, named on the attached Schedule II**

By: /s/ Robert O. Stephenson

Name: Robert O. Stephenson

Title: Chief Financial Officer and Treasurer

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

By: /s/ David Ferrell

Name: David Ferrell

Title: Vice President

Dated: March 2, 2015

Schedule I

SUBSIDIARY GUARANTORS

Encanto Senior Care, LLC
13922 Cerise Avenue, LLC
245 East Wilshire Avenue, LLC
3806 Clayton Road, LLC
523 Hayes Lane, LLC
637 East Romie Lane, LLC
2425 Teller Avenue, LLC
Bayside Colorado Healthcare Associates, LLC
OHI (Connecticut), Inc.
Bayside Street II, Inc.
Carnegie Gardens LLC
CFG 2115 Woodstock Place LLC
CSE Albany LLC
CSE Amarillo LLC
CSE Arden L.P.
CSE Augusta LLC
CSE Bedford LLC
CSE Blountville LLC
CSE Bolivar LLC
CSE Cambridge LLC
CSE Cambridge Realty LLC
CSE Camden LLC
CSE Canton LLC
CSE Casablanca Holdings II LLC
CSE Casablanca Holdings LLC
CSE Cedar Rapids LLC
CSE Centennial Village
CSE Chelmsford LLC
CSE Chesterton LLC
CSE Claremont LLC
CSE Corpus North LLC
CSE Denver Iliff LLC
CSE Denver LLC
CSE Douglas LLC
CSE Elkton LLC
CSE Elkton Realty LLC
CSE Fairhaven LLC
CSE Fort Wayne LLC
CSE Frankston LLC
CSE Georgetown LLC
CSE Green Bay LLC
CSE Hilliard LLC

CSE Huntingdon LLC
CSE Huntsville LLC
CSE Indianapolis-Continental LLC
CSE Indianapolis-Greenbriar LLC
CSE Jacinto City LLC
CSE Jefferson City LLC
CSE Jeffersonville-Hillcrest Center LLC
CSE Jeffersonville-Jennings House LLC
CSE Kerrville LLC
CSE King L.P.
CSE Kingsport LLC
CSE Knightdale L.P.
CSE Lake City LLC
CSE Lake Worth LLC
CSE Lakewood LLC
CSE Las Vegas LLC
CSE Lawrenceburg LLC
CSE Lenoir L.P.
CSE Lexington Park LLC
CSE Lexington Park Realty LLC
CSE Ligonier LLC
CSE Live Oak LLC
CSE Lowell LLC
CSE Marianna Holdings LLC
CSE Memphis LLC
CSE Mobile LLC
CSE Moore LLC
CSE North Carolina Holdings I LLC
CSE North Carolina Holdings II LLC
CSE Omro LLC
CSE Orange Park LLC
CSE Orlando-Pinar Terrace Manor LLC
CSE Orlando-Terra Vista Rehab LLC
CSE Pennsylvania Holdings
CSE Piggott LLC
CSE Pilot Point LLC
CSE Pine View LLC
CSE Ponca City LLC
CSE Port St. Lucie LLC
CSE Richmond LLC
CSE Ripley LLC
CSE Ripon LLC
CSE Safford LLC
CSE Salina LLC
CSE Seminole LLC
CSE Shawnee LLC

CSE Spring Branch LLC
CSE Stillwater LLC
CSE Taylorsville LLC
CSE Texarkana LLC
CSE Texas City LLC
CSE The Village LLC
CSE Upland LLC
CSE Walnut Cove L.P.
CSE West Point LLC
CSE Whitehouse LLC
CSE Williamsport LLC
CSE Winter Haven LLC
CSE Woodfin L.P.
CSE Yorktown LLC
Desert Lane LLC
Greenbough, LLC
LAD I Real Estate Company, LLC
North Las Vegas LLC
NRS Ventures, L.L.C.
OHI Asset (AR) Ash Flat, LLC
OHI Asset (AR) Camden, LLC
OHI Asset (AR) Conway, LLC
OHI Asset (AR) Des Arc, LLC
OHI Asset (AR) Hot Springs, LLC
OHI Asset (AR) Malvern, LLC
OHI Asset (AR) Mena, LLC
OHI Asset (AR) Pocahontas, LLC
OHI Asset (AR) Sheridan, LLC
OHI Asset (AR) Walnut Ridge, LLC
OHI Asset (AZ) Austin House, LLC
OHI Asset (CA), LLC
OHI Asset (CO), LLC
OHI Asset (CT) Lender, LLC
OHI Asset (FL) Lake Placid, LLC
OHI Asset (FL) Lender, LLC
OHI Asset (FL), LLC
OHI Asset (GA) Moultrie, LLC
OHI Asset (GA) Snellville, LLC
OHI Asset (ID) Holly, LLC
OHI Asset (ID) Midland, LLC
OHI Asset (ID), LLC
OHI Asset (IL), LLC
OHI Asset (IN) American Village, LLC
OHI Asset (IN) Anderson, LLC
OHI Asset (IN) Beech Grove, LLC
OHI Asset (IN) Clarksville, LLC

OHI Asset (IN) Clinton, LLC
OHI Asset (IN) Connersville, LLC
OHI Asset (IN) Crown Point, LLC
OHI Asset (IN) Eagle Valley, LLC
OHI Asset (IN) Elkhart, LLC
OHI Asset (IN) Forest Creek, LLC
OHI Asset (IN) Fort Wayne, LLC
OHI Asset (IN) Franklin, LLC
OHI Asset (IN) Greensburg, LLC
OHI Asset (IN) Indianapolis, LLC
OHI Asset (IN) Jasper, LLC
OHI Asset (IN) Kokomo, LLC
OHI Asset (IN) Lafayette, LLC
OHI Asset (IN) Madison, LLC
OHI Asset (IN) Monticello, LLC
OHI Asset (IN) Noblesville, LLC
OHI Asset (IN) Rosewalk, LLC
OHI Asset (IN) Salem, LLC
OHI Asset (IN) Seymour, LLC
OHI Asset (IN) Spring Mill, LLC
OHI Asset (IN) Terre Haute, LLC
OHI Asset (IN) Wabash, LLC
OHI Asset (IN) Westfield, LLC
OHI Asset (IN) Zionsville, LLC
OHI Asset (LA), LLC
OHI Asset (MD), LLC
OHI Asset (MI) Heather Hills, LLC
OHI Asset (MI), LLC
OHI Asset (MO), LLC
OHI Asset (MS) Byhalia, LLC
OHI Asset (MS) Cleveland, LLC
OHI Asset (MS) Clinton, LLC
OHI Asset (MS) Columbia, LLC
OHI Asset (MS) Corinth, LLC
OHI Asset (MS) Greenwood, LLC
OHI Asset (MS) Grenada, LLC
OHI Asset (MS) Holly Springs, LLC
OHI Asset (MS) Indianola, LLC
OHI Asset (MS) Natchez, LLC
OHI Asset (MS) Picayune, LLC
OHI Asset (MS) Vicksburg, LLC
OHI Asset (MS) Yazoo City, LLC
OHI Asset (NC) Wadesboro, LLC
OHI Asset (OH) Lender, LLC
OHI Asset (OH), LLC
OHI Asset (OR) Portland, LLC

OHI Asset (PA), LLC
OHI Asset (SC) Aiken, LLC
OHI Asset (SC) Anderson, LLC
OHI Asset (SC) Easley Anne, LLC
OHI Asset (SC) Easley Crestview, LLC
OHI Asset (SC) Edgefield, LLC
OHI Asset (SC) Greenville Griffith, LLC
OHI Asset (SC) Greenville Laurens, LLC
OHI Asset (SC) Greenville North, LLC
OHI Asset (SC) Greer, LLC
OHI Asset (SC) Marietta, LLC
OHI Asset (SC) McCormick, LLC
OHI Asset (SC) Pickens East Cedar, LLC
OHI Asset (SC) Pickens Rosemond, LLC
OHI Asset (SC) Piedmont, LLC
OHI Asset (SC) Simpsonville SE Main, LLC
OHI Asset (SC) Simpsonville West Broad, LLC
OHI Asset (SC) Simpsonville West Curtis, LLC
OHI Asset (TN) Bartlett, LLC
OHI Asset (TN) Collierville, LLC
OHI Asset (TN) Memphis, LLC
OHI Asset (TX) Anderson, LLC
OHI Asset (TX) Bryan, LLC
OHI Asset (TX) Burleson, LLC
OHI Asset (TX) College Station, LLC
OHI Asset (TX) Comfort, LLC
OHI Asset (TX) Diboll, LLC
OHI Asset (TX) Granbury, LLC
OHI Asset (TX) Hondo, LLC
OHI Asset (TX) Italy, LLC
OHI Asset (TX) Winnsboro, LLC
OHI Asset (TX), LLC
OHI Asset (UT) Ogden, LLC
OHI Asset (UT) Provo, LLC
OHI Asset (UT) Roy, LLC
OHI Asset (VA) Charlottesville, LLC
OHI Asset (VA) Farmville, LLC
OHI Asset (VA) Hillsville, LLC
OHI Asset (VA) Rocky Mount, LLC
OHI Asset (WA) Battle Ground, LLC
OHI Asset CSB LLC
OHI Asset CSE – E, LLC
OHI Asset CSE – U, LLC
OHI Asset HUD CFG, LLC
OHI Asset HUD Delta, LLC
OHI Asset HUD SF CA, LLC

OHI Asset HUD SF, LLC
OHI Asset HUD WO, LLC
OHI Asset II (CA), LLC
OHI Asset II (FL), LLC
OHI Asset RO PMM Services, LLC
OHI Asset RO, LLC
OHI Asset, LLC
Panama City Nursing Center LLC
Skyler Maitland LLC
Suwanee, LLC
Florida Real Estate Company, LLC
Pensacola Real Estate Holdings I, Inc.
Pensacola Real Estate Holdings II, Inc.
Pensacola Real Estate Holdings III, Inc.
Pensacola Real Estate Holdings IV, Inc.
Pensacola Real Estate Holdings V, Inc.
Skyler Pensacola, Inc.
OHI (Illinois), Inc.
OHI (Indiana), LLC
OHI (Iowa), Inc.
Sterling Acquisition, LLC
48 High Point Road, LLC
Arizona Lessor - Infinia, LLC
Bayside Street, Inc.
Colorado Lessor - Conifer, LLC
Delta Investors I, LLC
Delta Investors II, LLC
Florida Lessor – Meadowview, LLC
Georgia Lessor - Bonterra/Parkview, LLC
Indiana Lessor – Wellington Manor, LLC
OHI Asset (PA) Trust
OHI Asset II (PA) Trust
OHI Asset III (PA) Trust
OHI Asset IV (PA) Silver Lake Trust
OHI Tennessee, Inc.
Omega TRS I, Inc.
Texas Lessor – Stonegate GP, LLC
Texas Lessor – Stonegate, Limited, LLC
Texas Lessor – Stonegate, LP
Washington Lessor – Silverdale, LLC
OHIMA, Inc.
1200 Ely Street Holdings Co. LLC
42235 County Road Holdings Co. LLC
Dixie White House Nursing Home, Inc.
Ocean Springs Nursing Home, Inc.
Skyler Boyington, Inc.

Skyler Florida, Inc.
Canton Health Care Land, Inc.
Colonial Gardens, LLC
Dixon Health Care Center, Inc.
Hutton I Land, Inc.
Hutton II Land, Inc.
Hutton III Land, Inc.
Leatherman 90-1, Inc.
Leatherman Partnership 89-1, Inc.
Leatherman Partnership 89-2, Inc.
Meridian Arms Land, Inc.
Orange Village Care Center, Inc.
St. Mary's Properties, Inc.
The Suburban Pavilion, Inc.
Wilcare, LLC
Pavillion North, LLP
OHI Asset (GA) Macon, LLC
OHI Asset (SC) Greenville, LLC
OHI Asset (SC) Orangeburg, LLC
OHI Asset (WV) Danville, LLC
OHI Asset (WV) Ivydale, LLC
OHI Mezz Lender, LLC
11900 East Artesia Boulevard, LLC
2400 Parkside Drive, LLC
Golden Hill Real Estate Company, LLC
1628 B Street, LLC
PV Realty-Willow Tree, LLC
Bala Cynwyd Real Estate, LP
Hot Springs Atrium Owner, LLC
Hot Springs Cottages Owner, LLC
Hot Springs Marina Owner, LLC
OHI Asset (OR) Troutdale, LLC
OHI Asset (PA) GP, LLC
OHI Asset (PA) West Mifflin, LP
OHI Asset (TN) Jefferson City, LLC
OHI Asset CHG ALF, LLC
OHI Asset Management, LLC
OHI Healthcare Properties Holdco, Inc.
OHI Healthcare Properties Limited Partnership

Schedule II

NEW SUBSIDIARIES

OHI (Illinois) Holding, LLC
OHI Asset (TN) Rogersville, LLC
OHI Asset CSE-E Subsidiary, LLC
OHI Asset CSE-U Subsidiary, LLC
Pavillion North Partners, LLC
Pavillion Nursing Center North, LLC

TWELFTH SUPPLEMENTAL INDENTURE
(Senior Notes due 2024)

THIS TWELFTH SUPPLEMENTAL INDENTURE (this “Twelfth Supplemental Indenture”) is dated as of April 1, 2015, among OMEGA HEALTHCARE INVESTORS, INC., a Maryland corporation (the “Issuer”), each of the SUBSIDIARY GUARANTORS listed on Schedule I hereto (collectively, the “Subsidiary Guarantors”), each of the entities listed on Schedule II hereto (the “New Subsidiaries”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the “Trustee”).

WITNESSETH :

WHEREAS, the Issuer and the Subsidiary Guarantors have heretofore executed and delivered to the Trustee an Indenture, dated as of March 19, 2012 (as supplemented by that First Supplemental Indenture, dated as of July 2, 2012, that Second Supplemental Indenture, dated as of August 9, 2012, that Third Supplemental Indenture, dated as of September 24, 2012, that Fourth Supplemental Indenture effective as of December 31, 2012, that Fifth Supplemental Indenture dated as of August 1, 2013, that Sixth Supplemental Indenture dated as of October 23, 2013, that Seventh Supplemental Indenture dated as of February 14, 2014, that Eighth Supplemental Indenture dated as of June 27, 2014, that Ninth Supplemental Indenture dated as of November 25, 2014, that Tenth Supplemental Indenture dated as of January 23, 2015, and that Eleventh Supplemental Indenture effective as of March 2, 2015; the “Indenture”), providing for the issuance of the Issuer’s 5-7/8% Senior Notes due 2024 (the “Notes”);

WHEREAS, Section 9.01 of the Indenture authorizes the Issuer, the Subsidiary Guarantors and the Trustee, together, to amend or supplement the Indenture, without notice to or consent of any Holder of the Notes, for the purpose of making any change that would not materially adversely affect the rights of any Holder of the Notes;

WHEREAS, the Issuer has created or acquired the New Subsidiaries, which are required to become Subsidiary Guarantors pursuant to Section 4.14 and/or 5.01(b) of the Indenture;

WHEREAS, in Section 1.01 of the Indenture, the term “Subsidiary Guarantors” is defined to include all Persons that become a Subsidiary Guarantor by the terms of the Indenture after the Closing Date; and

WHEREAS, Section 10.01 of the Indenture provides that each Subsidiary Guarantor shall be a guarantor of the Issuer’s obligations under the Notes, subject to the terms and conditions described in the Indenture.

[12th Supplemental Indenture – 2024 Notes]

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer, the Subsidiary Guarantors, the New Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. **CAPITALIZED TERMS.** Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. **AMENDMENT TO GUARANTEE.** The New Subsidiaries hereby agree, jointly and severally with all other Subsidiary Guarantors, to guarantee the Issuer's obligations under the Notes on the terms and subject to the conditions set forth in the Indenture, and to be bound by, and to receive the benefit of, all other applicable provisions of the Indenture as Subsidiary Guarantors. Such guarantee shall be evidenced by the New Subsidiaries' execution of Subsidiary Guarantees, the form of which is attached as Exhibit E to the Indenture, and shall be effective as of the effective date hereof.
3. **NO RECOURSE AGAINST OTHERS.** No past, present or future director, officer, employee, incorporator, stockholder, member or manager of the New Subsidiaries, as such, shall have any liability for any obligations of the Issuer or any Subsidiary Guarantor under the Notes, any Guarantees, the Indenture or this Fourteenth Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes, by accepting and holding a Note, waives and releases all such liability. Such waiver and release are part of the consideration for the issuance of the Notes.
4. **NEW YORK LAW TO GOVERN.** The laws of the State of New York shall govern and be used to construe this Twelfth Supplemental Indenture.
5. **COUNTERPARTS.** The parties may sign any number of copies of this Twelfth Supplemental Indenture. Each signed copy shall be an original, but all of them together shall represent the same agreement.
6. **EFFECT OF HEADINGS.** The Section headings herein are for convenience only and shall not affect the construction hereof.
7. **THE TRUSTEE.** The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Twelfth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Issuer, the Subsidiary Guarantors and the New Subsidiaries.

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[12th Supplemental Indenture – 2024 Notes]

IN WITNESS WHEREOF, the parties hereto have caused this Twelfth Supplemental Indenture to be duly executed, all as of the date first above written.

ISSUER:

OMEGA HEALTHCARE INVESTORS, INC.,
a Maryland corporation

By: /s/ Robert O. Stephenson

Robert O. Stephenson

Chief Financial Officer and Treasurer

SUBSIDIARY GUARANTORS:

OHI HEALTHCARE PROPERTIES LIMITED PARTNERSHIP

By: Omega Healthcare Investors, Inc. as General Partner

By: /s/ Robert O. Stephenson

Robert O. Stephenson

Chief Financial Officer and Treasurer

**ON BEHALF OF EACH OF THE OTHER
SUBSIDIARY GUARANTORS LISTED ON
SCHEDULE I**

By: /s/ Robert O. Stephenson

Robert O. Stephenson

Chief Financial Officer and Treasurer

NEW SUBSIDIARIES:

**ON BEHALF OF EACH OF THE NEW
SUBSIDIARIES LISTED ON SCHEDULE II**

By: /s/ Robert O. Stephenson

Robert O. Stephenson

Chief Financial Officer and Treasurer

[Signatures continued on the following page]

[Schedule I – 12th Supplemental Indenture – 2024 Notes]

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: /s/ David Ferrell

Name: David Ferrell

Title: Vice President

[Schedule I – 12th Supplemental Indenture – 2024 Notes]

Schedule I

SUBSIDIARY GUARANTORS

1. 11900 East Artesia Boulevard, LLC
2. 1200 Ely Street Holdings Co. LLC
3. 13922 Cerise Avenue, LLC
4. 1628 B Street, LLC
5. 2400 Parkside Drive, LLC
6. 2425 Teller Avenue, LLC
7. 245 East Wilshire Avenue, LLC
8. 3806 Clayton Road, LLC
9. 42235 County Road Holdings Co. LLC
10. 48 High Point Road, LLC
11. 523 Hayes Lane, LLC
12. 637 East Romie Lane, LLC
13. Arizona Lessor - Infinia, LLC
14. Bala Cynwyd Real Estate, LP
15. Bayside Colorado Healthcare Associates, LLC
16. Bayside Street II, LLC
17. Bayside Street, LLC (f/k/a Bayside Street, Inc.)
18. Canton Health Care Land, LLC (f/k/a Canton Health Care Land, Inc.)
19. Carnegie Gardens LLC
20. CFG 2115 Woodstock Place LLC
21. Colonial Gardens, LLC
22. Colorado Lessor - Conifer, LLC
23. CSE Albany LLC
24. CSE Amarillo LLC
25. CSE Arden L.P.
26. CSE Augusta LLC
27. CSE Bedford LLC
28. CSE Blountville LLC
29. CSE Bolivar LLC
30. CSE Cambridge LLC
31. CSE Cambridge Realty LLC
32. CSE Camden LLC
33. CSE Canton LLC
34. CSE Casablanca Holdings II LLC
35. CSE Casablanca Holdings LLC
36. CSE Cedar Rapids LLC
37. CSE Centennial Village, LP
38. CSE Chelmsford LLC
39. CSE Chesterton LLC
40. CSE Claremont LLC
41. CSE Corpus North LLC
42. CSE Denver Iliff LLC

[Schedule I – 12th Supplemental Indenture – 2024 Notes]

43. CSE Denver LLC
44. CSE Douglas LLC
45. CSE Elkton LLC
46. CSE Elkton Realty LLC
47. CSE Fairhaven LLC
48. CSE Fort Wayne LLC
49. CSE Frankston LLC
50. CSE Georgetown LLC
51. CSE Green Bay LLC
52. CSE Hilliard LLC
53. CSE Huntingdon LLC
54. CSE Huntsville LLC
55. CSE Indianapolis-Continental LLC
56. CSE Indianapolis-Greenbriar LLC
57. CSE Jacinto City LLC
58. CSE Jefferson City LLC
59. CSE Jeffersonville-Hillcrest Center LLC
60. CSE Jeffersonville-Jennings House LLC
61. CSE Kerrville LLC
62. CSE King L.P.
63. CSE Kingsport LLC
64. CSE Knightdale L.P.
65. CSE Lake City LLC
66. CSE Lake Worth LLC
67. CSE Lakewood LLC
68. CSE Las Vegas LLC
69. CSE Lawrenceburg LLC
70. CSE Lenoir L.P.
71. CSE Lexington Park LLC
72. CSE Lexington Park Realty LLC
73. CSE Ligonier LLC
74. CSE Live Oak LLC
75. CSE Lowell LLC
76. CSE Marianna Holdings LLC
77. CSE Memphis LLC
78. CSE Mobile LLC
79. CSE Moore LLC
80. CSE North Carolina Holdings I LLC
81. CSE North Carolina Holdings II LLC
82. CSE Omro LLC
83. CSE Orange Park LLC
84. CSE Orlando-Pinar Terrace Manor LLC
85. CSE Orlando-Terra Vista Rehab LLC
86. CSE Pennsylvania Holdings, LP
87. CSE Piggott LLC
88. CSE Pilot Point LLC

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89. CSE Pine View LLC
90. CSE Ponca City LLC
91. CSE Port St. Lucie LLC
92. CSE Richmond LLC
93. CSE Ripley LLC
94. CSE Ripon LLC
95. CSE Safford LLC
96. CSE Salina LLC
97. CSE Seminole LLC
98. CSE Shawnee LLC
99. CSE Spring Branch LLC
100. CSE Stillwater LLC
101. CSE Taylorsville LLC
102. CSE Texarkana LLC
103. CSE Texas City LLC
104. CSE The Village LLC
105. CSE Upland LLC
106. CSE Walnut Cove L.P.
107. CSE West Point LLC
108. CSE Whitehouse LLC
109. CSE Williamsport LLC
110. CSE Winter Haven LLC
111. CSE Woodfin L.P.
112. CSE Yorktown LLC
113. Delta Investors I, LLC
114. Delta Investors II, LLC
115. Desert Lane LLC
116. Dixie White House Nursing Home, LLC (f/k/a Dixie White House Nursing Home, Inc.)
117. Dixon Health Care Center, LLC (f/k/a Dixon Health Care Center, Inc.)
118. Encanto Senior Care, LLC
119. Florida Lessor – Meadowview, LLC
120. Florida Real Estate Company, LLC
121. Georgia Lessor - Bonterra/Parkview, LLC
122. Golden Hill Real Estate Company, LLC
123. Greenbough, LLC
124. Hot Springs Atrium Owner, LLC
125. Hot Springs Cottages Owner, LLC
126. Hot Springs Marina Owner, LLC
127. Hutton I Land, LLC (f/k/a Hutton I Land, Inc.)
128. Hutton II Land, LLC (f/k/a Hutton II Land, Inc.)
129. Hutton III Land, LLC (f/k/a Hutton III Land, Inc.)
130. Indiana Lessor – Wellington Manor, LLC
131. LAD I Real Estate Company, LLC
132. Leatherman 90-1, LLC (f/k/a Leatherman 90-1, Inc.)

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133. Leatherman Partnership 89-1, LLC (f/k/a Leatherman Partnership 89-1, Inc.)
134. Leatherman Partnership 89-2, LLC (f/k/a Leatherman Partnership 89-2, Inc.)
135. Meridian Arms Land, LLC (f/k/a Meridian Arms Land, Inc.)
136. North Las Vegas LLC
137. NRS Ventures, L.L.C.
138. Ocean Springs Nursing Home, LLC (f/k/a Ocean Springs Nursing Home, Inc.)
139. OHI (Connecticut), LLC
140. OHI (Illinois), LLC(f/k/a OHI (Illinois), Inc.)
141. OHI (Indiana), LLC
142. OHI (Iowa), LLC(f/k/a OHI (Iowa), Inc.)
143. OHI Asset (AR) Ash Flat, LLC
144. OHI Asset (AR) Camden, LLC
145. OHI Asset (AR) Conway, LLC
146. OHI Asset (AR) Des Arc, LLC
147. OHI Asset (AR) Hot Springs, LLC
148. OHI Asset (AR) Malvern, LLC
149. OHI Asset (AR) Mena, LLC
150. OHI Asset (AR) Pocahontas, LLC
151. OHI Asset (AR) Sheridan, LLC
152. OHI Asset (AR) Walnut Ridge, LLC
153. OHI Asset (AZ) Austin House, LLC
154. OHI Asset (CA), LLC
155. OHI Asset (CO), LLC
156. OHI Asset (CT) Lender, LLC
157. OHI Asset (FL) Lake Placid, LLC
158. OHI Asset (FL) Lender, LLC
159. OHI Asset (FL), LLC
160. OHI Asset (GA) Macon, LLC
161. OHI Asset (GA) Moultrie, LLC
162. OHI Asset (GA) Snellville, LLC
163. OHI Asset (ID) Holly, LLC
164. OHI Asset (ID) Midland, LLC
165. OHI Asset (ID), LLC
166. OHI Asset (IL), LLC
167. OHI Asset (IN) American Village, LLC
168. OHI Asset (IN) Anderson, LLC
169. OHI Asset (IN) Beech Grove, LLC
170. OHI Asset (IN) Clarksville, LLC
171. OHI Asset (IN) Clinton, LLC
172. OHI Asset (IN) Connersville, LLC
173. OHI Asset (IN) Crown Point, LLC
174. OHI Asset (IN) Eagle Valley, LLC
175. OHI Asset (IN) Elkhart, LLC

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- 176. OHI Asset (IN) Forest Creek, LLC
- 177. OHI Asset (IN) Fort Wayne, LLC
- 178. OHI Asset (IN) Franklin, LLC
- 179. OHI Asset (IN) Greensburg, LLC
- 180. OHI Asset (IN) Indianapolis, LLC
- 181. OHI Asset (IN) Jasper, LLC
- 182. OHI Asset (IN) Kokomo, LLC
- 183. OHI Asset (IN) Lafayette, LLC
- 184. OHI Asset (IN) Madison, LLC
- 185. OHI Asset (IN) Monticello, LLC
- 186. OHI Asset (IN) Noblesville, LLC
- 187. OHI Asset (IN) Rosewalk, LLC
- 188. OHI Asset (IN) Salem, LLC
- 189. OHI Asset (IN) Seymour, LLC
- 190. OHI Asset (IN) Spring Mill, LLC
- 191. OHI Asset (IN) Terre Haute, LLC
- 192. OHI Asset (IN) Wabash, LLC
- 193. OHI Asset (IN) Westfield, LLC
- 194. OHI Asset (IN) Zionsville, LLC
- 195. OHI Asset (LA), LLC
- 196. OHI Asset (MD), LLC
- 197. OHI Asset (MI) Heather Hills, LLC
- 198. OHI Asset (MI), LLC
- 199. OHI Asset (MO), LLC
- 200. OHI Asset (MS) Byhalia, LLC
- 201. OHI Asset (MS) Cleveland, LLC
- 202. OHI Asset (MS) Clinton, LLC
- 203. OHI Asset (MS) Columbia, LLC
- 204. OHI Asset (MS) Corinth, LLC
- 205. OHI Asset (MS) Greenwood, LLC
- 206. OHI Asset (MS) Grenada, LLC
- 207. OHI Asset (MS) Holly Springs, LLC
- 208. OHI Asset (MS) Indianola, LLC
- 209. OHI Asset (MS) Natchez, LLC
- 210. OHI Asset (MS) Picayune, LLC
- 211. OHI Asset (MS) Vicksburg, LLC
- 212. OHI Asset (MS) Yazoo City, LLC
- 213. OHI Asset (NC) Wadesboro, LLC
- 214. OHI Asset (OH) Lender, LLC
- 215. OHI Asset (OH), LLC
- 216. OHI Asset (OR) Portland, LLC
- 217. OHI Asset (OR) Troutdale, LLC
- 218. OHI Asset (PA) GP, LLC
- 219. OHI Asset (PA), LP
- 220. OHI Asset (PA) West Mifflin, LP
- 221. OHI Asset (PA), LLC

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- 222. OHI Asset (SC) Aiken, LLC
- 223. OHI Asset (SC) Anderson, LLC
- 224. OHI Asset (SC) Easley Anne, LLC
- 225. OHI Asset (SC) Easley Crestview, LLC
- 226. OHI Asset (SC) Edgefield, LLC
- 227. OHI Asset (SC) Greenville Griffith, LLC
- 228. OHI Asset (SC) Greenville Laurens, LLC
- 229. OHI Asset (SC) Greenville North, LLC
- 230. OHI Asset (SC) Greenville, LLC
- 231. OHI Asset (SC) Greer, LLC
- 232. OHI Asset (SC) Marietta, LLC
- 233. OHI Asset (SC) McCormick, LLC
- 234. OHI Asset (SC) Orangeburg, LLC
- 235. OHI Asset (SC) Pickens East Cedar, LLC
- 236. OHI Asset (SC) Pickens Rosemond, LLC
- 237. OHI Asset (SC) Piedmont, LLC
- 238. OHI Asset (SC) Simpsonville SE Main, LLC
- 239. OHI Asset (SC) Simpsonville West Broad, LLC
- 240. OHI Asset (SC) Simpsonville West Curtis, LLC
- 241. OHI Asset (TN) Bartlett, LLC
- 242. OHI Asset (TN) Collierville, LLC
- 243. OHI Asset (TN) Jefferson City, LLC
- 244. OHI Asset (TN) Memphis, LLC
- 245. OHI Asset (TN) Rogersville, LLC
- 246. OHI Asset (TX) Anderson, LLC
- 247. OHI Asset (TX) Bryan, LLC
- 248. OHI Asset (TX) Burleson, LLC
- 249. OHI Asset (TX) College Station, LLC
- 250. OHI Asset (TX) Comfort, LLC
- 251. OHI Asset (TX) Diboll, LLC
- 252. OHI Asset (TX) Granbury, LLC
- 253. OHI Asset (TX) Hondo, LLC
- 254. OHI Asset (TX) Italy, LLC
- 255. OHI Asset (TX) Winnsboro, LLC
- 256. OHI Asset (TX), LLC
- 257. OHI Asset (UT) Ogden, LLC
- 258. OHI Asset (UT) Provo, LLC
- 259. OHI Asset (UT) Roy, LLC
- 260. OHI Asset (VA) Charlottesville, LLC
- 261. OHI Asset (VA) Farmville, LLC
- 262. OHI Asset (VA) Hillsville, LLC
- 263. OHI Asset (VA) Rocky Mount, LLC
- 264. OHI Asset (WA) Battle Ground, LLC
- 265. OHI Asset (WV) Danville, LLC
- 266. OHI Asset (WV) Ivydale, LLC
- 267. OHI Asset CHG ALF, LLC

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- 268. OHI Asset CSB LLC
- 269. OHI Asset CSE – E, LLC
- 270. OHI Asset CSE – U, LLC
- 271. OHI Asset CSE–E Subsidiary, LLC
- 272. OHI Asset CSE–U Subsidiary, LLC
- 273. OHI Asset HUD CFG, LLC
- 274. OHI Asset HUD Delta, LLC
- 275. OHI Asset HUD SF CA, LLC
- 276. OHI Asset HUD SF, LLC
- 277. OHI Asset HUD WO, LLC
- 278. OHI Asset II (CA), LLC
- 279. OHI Asset II (FL), LLC
- 280. OHI Asset II (PA), LP
- 281. OHI Asset III (PA), LP
- 282. OHI Asset IV (PA) Silver Lake Trust
- 283. OHI Asset Management, LLC
- 284. OHI Asset RO PMM Services, LLC
- 285. OHI Asset RO, LLC
- 286. OHI Asset, LLC
- 287. OHI Healthcare Properties Holdco, Inc.
- 288. OHI Healthcare Properties Limited Partnership
- 289. OHI Mezz Lender, LLC
- 290. OHI Tennessee, LLC (f/k/a OHI Tennessee, Inc.)
- 291. OHIMA, LLC (f/k/a OHIMA, Inc.)
- 292. Omega TRS I, Inc.
- 293. Orange Village Care Center, LLC (f/k/a Orange Village Care Center, Inc.)
- 294. Panama City Nursing Center LLC
- 295. Pavillion North Partners, LLC
- 296. Pavillion North, LLP
- 297. Pavillion Nursing Center North, LLC
- 298. Pensacola Real Estate Holdings I, LLC (f/k/a Pensacola Real Estate Holdings I, Inc.)
- 299. Pensacola Real Estate Holdings II, LLC (f/k/a Pensacola Real Estate Holdings II, Inc.)
- 300. Pensacola Real Estate Holdings III, LLC (f/k/a Pensacola Real Estate Holdings III, Inc.)
- 301. Pensacola Real Estate Holdings IV, LLC (f/k/a Pensacola Real Estate Holdings IV, Inc.)
- 302. Pensacola Real Estate Holdings V, LLC (f/k/a Pensacola Real Estate Holdings V, Inc.)
- 303. PV Realty–Willow Tree, LLC
- 304. Skyler Boyington, LLC (f/k/a Skyler Boyington, Inc.)
- 305. Skyler Florida, LLC (f/k/a Skyler Florida, Inc.)
- 306. Skyler Maitland LLC
- 307. Skyler Pensacola, LLC (f/k/a Skyler Pensacola, Inc.)

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- 308. St. Mary's Properties, LLC (f/k/a St. Mary's Properties, Inc.)
- 309. Sterling Acquisition, LLC
- 310. Suwanee, LLC
- 311. Texas Lessor – Stonegate GP, LLC
- 312. Texas Lessor – Stonegate, Limited, LLC
- 313. Texas Lessor – Stonegate, LP
- 314. The Suburban Pavilion, LLC (f/k/a The Suburban Pavilion, Inc.)
- 315. Washington Lessor – Silverdale, LLC
- 316. Wilcare, LLC

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Schedule II

NEW SUBSIDIARIES

1. 446 Sycamore Road, L.L.C.
2. Alamogordo Aviv, L.L.C.
3. Albany Street Property, L.L.C.
4. Arkansas Aviv, L.L.C.
5. Arma Yates, L.L.C.
6. Avery Street Property, L.L.C.
7. Aviv Asset Management, L.L.C.
8. Aviv Financing I, L.L.C.
9. Aviv Financing II, L.L.C.
10. Aviv Financing III, L.L.C.
11. Aviv Financing IV, L.L.C.
12. Aviv Financing V, L.L.C.
13. Aviv Foothills, L.L.C.
14. Aviv Healthcare Capital Corporation
15. Aviv Healthcare Properties Operating Partnership I, L.P.
16. Aviv Liberty, L.L.C.
17. Avon Ohio, L.L.C.
18. Belleville Illinois, L.L.C.
19. Bellingham II Associates, L.L.C.
20. Bethel ALF Property, L.L.C.
21. BHG Aviv, L.L.C.
22. Biglerville Road, L.L.C.
23. Bonham Texas, L.L.C.
24. Bradenton ALF Property, L.L.C.
25. Burton NH Property, L.L.C.
26. California Aviv Two, L.L.C.
27. California Aviv, L.L.C.
28. Camas Associates, L.L.C.
29. Casa/Sierra California Associates, L.L.C.
30. Champaign Williamson Franklin, L.L.C.
31. Chardon Ohio Property Holdings, L.L.C.
32. Chardon Ohio Property, L.L.C.
33. Chatham Aviv, L.L.C.
34. Chippewa Valley, L.L.C.
35. Clarkston Care, L.L.C.
36. Clayton Associates, L.L.C.
37. Colonial Madison Associates, L.L.C.
38. Columbus Texas Aviv, L.L.C.
39. Columbus Western Avenue, L.L.C.
40. Colville Washington Property, L.L.C.
41. Commerce Nursing Homes, L.L.C.
42. Commerce Sterling Hart Drive, L.L.C.

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43. Conroe Rigby Owen Road, L.L.C.
44. CR Aviv, L.L.C.
45. Crete Plus Five Property, L.L.C.
46. Crooked River Road, L.L.C.
47. Cuyahoga Falls Property, L.L.C.
48. Dallas Two Property, L.L.C.
49. Danbury ALF Property, L.L.C.
50. Darien ALF Property, L.L.C.
51. Denison Texas, L.L.C.
52. East Rollins Street, L.L.C.
53. Edgewood Drive Property, L.L.C.
54. Effingham Associates, L.L.C.
55. Elite Mattoon, L.L.C.
56. Elite Yorkville, L.L.C.
57. Falcon Four Property Holding, L.L.C.
58. Falcon Four Property, L.L.C.
59. Falfurrias Texas, L.L.C.
60. Florida ALF Properties, L.L.C.
61. Florida Four Properties, L.L.C.
62. Fort Stockton Property, L.L.C.
63. Four Fountains Aviv, L.L.C.
64. Fredericksburg South Adams Street, L.L.C.
65. Freewater Oregon, L.L.C.
66. Fullerton California, L.L.C.
67. Gardnerville Property, L.L.C.
68. Germantown Property, L.L.C.
69. Giltex Care, L.L.C.
70. Glendale NH Property, L.L.C.
71. Gonzales Texas Property, L.L.C.
72. Great Bend Property, L.L.C.
73. Greenville Kentucky Property, L.L.C.
74. Heritage Monterey Associates, L.L.C.
75. HHM Aviv, L.L.C.
76. Hidden Acres Property, L.L.C.
77. Highland Leasehold, L.L.C.
78. Hobbs Associates, L.L.C.
79. Hot Springs Aviv, L.L.C.
80. Houston Texas Aviv, L.L.C.
81. Hutchinson Kansas, L.L.C.
82. Idaho Associates, L.L.C.
83. Illinois Missouri Properties, L.L.C.
84. Iowa Lincoln County Property, L.L.C.
85. Jasper Springhill Street, L.L.C.
86. Kansas Five Property, L.L.C.
87. Karan Associates Two, L.L.C.
88. Karan Associates, L.L.C.

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89. Karissa Court Property, L.L.C.
90. KB Northwest Associates, L.L.C.
91. Kentucky NH Properties, L.L.C.
92. Kingsville Texas, L.L.C.
93. Louisville Dutchmans Property, L.L.C.
94. Magnolia Drive Property, L.L.C.
95. Manor Associates, L.L.C.
96. Mansfield Aviv, L.L.C.
97. Massachusetts Nursing Homes, L.L.C.
98. McCarthy Street Property, L.L.C.
99. Minnesota Associates, L.L.C.
100. Mishawaka Property, L.L.C.
101. Missouri Associates, L.L.C.
102. Missouri Regency Associates, L.L.C.
103. Montana Associates, L.L.C.
104. Monterey Park Leasehold Mortgage, L.L.C.
105. Mount Washington Property, L.L.C.
106. Mt. Vernon Texas, L.L.C.
107. Murray County, L.L.C.
108. Muscatine Toledo Properties, L.L.C.
109. N.M. Bloomfield Three Plus One Limited Company
110. N.M. Espanola Three Plus One Limited Company
111. N.M. Lordsburg Three Plus One Limited Company
112. N.M. Silver City Three Plus One Limited Company
113. New Hope Property, L.L.C.
114. Newtown ALF Property, L.L.C.
115. Nicholasville Kentucky Property, L.L.C.
116. North Royalton Ohio Property, L.L.C.
117. Norwalk ALF Property, L.L.C.
118. Oakland Nursing Homes, L.L.C.
119. October Associates, L.L.C.
120. Ogden Associates, L.L.C.
121. OHI Asset (FL) Lutz, LLC
122. Ohio Aviv Three, L.L.C.
123. Ohio Aviv Two, L.L.C.
124. Ohio Aviv, L.L.C.
125. Ohio Indiana Property, L.L.C.
126. Ohio Pennsylvania Property, L.L.C.
127. Oklahoma Two Property, L.L.C.
128. Oklahoma Warr Wind, L.L.C.
129. Omaha Associates, L.L.C.
130. Orange ALF Property, L.L.C.
131. Orange, L.L.C.
132. Oregon Associates, L.L.C.
133. Oso Avenue Property, L.L.C.
134. Ostrom Avenue Property, L.L.C.

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135. Peabody Associates Two, L.L.C.
136. Peabody Associates, L.L.C.
137. Pennington Road Property, L.L.C.
138. Pocatello Idaho Property, L.L.C.
139. Pomona Vista L.L.C.
140. Prescott Arkansas, L.L.C.
141. Raton Property Limited Company
142. Ravenna Ohio Property, L.L.C.
143. Red Rocks, L.L.C.
144. Richland Washington, L.L.C.
145. Riverside Nursing Home Associates Two, L.L.C.
146. Riverside Nursing Home Associates, L.L.C.
147. Rockingham Drive Property, L.L.C.
148. Rose Baldwin Park Property L.L.C.
149. S.C. Portfolio Property, L.L.C.
150. Salem Associates, L.L.C.
151. San Juan NH Property, LLC
152. Sandalwood Arkansas Property, L.L.C.
153. Santa Ana-Bartlett, L.L.C.
154. Santa Fe Missouri Associates, L.L.C.
155. Savoy/Bonham Venture, L.L.C.
156. Searcy Aviv, L.L.C.
157. Sedgwick Properties, L.L.C.
158. Seguin Texas Property, L.L.C.
159. Sierra Ponds Property, L.L.C.
160. Skyview Associates, L.L.C.
161. Southeast Missouri Property, L.L.C.
162. Southern California Nevada, L.L.C.
163. St. Joseph Missouri Property, L.L.C.
164. Star City Arkansas, L.L.C.
165. Stephenville Texas Property, L.L.C.
166. Stevens Avenue Property, L.L.C.
167. Sun-Mesa Properties, L.L.C.
168. Texas Fifteen Property, L.L.C.
169. Texas Four Property, L.L.C.
170. Texhoma Avenue Property, L.L.C.
171. Tujunga, L.L.C.
172. Tulare County Property, L.L.C.
173. VRB Aviv, L.L.C.
174. Washington Idaho Property, L.L.C.
175. Washington-Oregon Associates, L.L.C.
176. Watauga Associates, L.L.C.
177. Wellington Leasehold, L.L.C.
178. West Pearl Street, L.L.C.
179. West Yarmouth Property I, L.L.C.
180. Wheeler Healthcare Associates, L.L.C.

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- 181. Whitlock Street Property, L.L.C.
- 182. Willis Texas Aviv, L.L.C.
- 183. Yuba Aviv, L.L.C.

[Schedule II – 12th Supplemental Indenture – 2024 Notes]

FOURTH SUPPLEMENTAL INDENTURE
(Senior Notes due 2024)

THIS FOURTH SUPPLEMENTAL INDENTURE (this "Fourth Supplemental Indenture") is dated effective as of March 2, 2015, among OMEGA HEALTHCARE INVESTORS, INC., a Maryland corporation (the "Issuer"), each of the SUBSIDIARY GUARANTORS listed on Schedule I hereto (collectively, the "Subsidiary Guarantors"), each of the companies listed on Schedule II hereto (collectively, the "New Subsidiaries"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Issuer and the Subsidiary Guarantors have heretofore executed and delivered to the Trustee an Indenture, dated as of March 11, 2014 (as supplemented by that First Supplemental Indenture, dated as of June 27, 2014, that Second Supplemental Indenture, dated as of November 25, 2014 and that Third Supplemental Indenture dated January 23, 2015 the "Indenture"), providing for the issuance of the Issuer's 4.950% Senior Notes due 2024 (the "Notes");

WHEREAS, Section 9.01 of the Indenture authorizes the Issuer, the Subsidiary Guarantors and the Trustee, together, to amend or supplement the Indenture, without notice to or consent of any Holder of the Notes, for the purpose of making any change that would not materially adversely affect the rights of any Holder of the Notes;

WHEREAS, pursuant to Section 4.14 and/or 5.01(b) of the Indenture, the New Subsidiaries are required to become Subsidiary Guarantors;

WHEREAS, in Section 1.01 of the Indenture, the term "Subsidiary Guarantors" is defined to include all Persons that become a Subsidiary Guarantor by the terms of the Indenture after the Closing Date; and

WHEREAS, Section 10.01 of the Indenture provides that each Subsidiary Guarantor shall be a guarantor of the Issuer's obligations under the Notes, subject to the terms and conditions described in the Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer, the Subsidiary Guarantors, the New Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. **AMENDMENT TO GUARANTEE.** The New Subsidiaries hereby agree, jointly and severally with all other Subsidiary Guarantors, to guarantee the Issuer's obligations under the Notes on the terms and subject to the conditions set forth in the Indenture, and to be bound by, and to receive the benefit of, all other applicable provisions of the Indenture as Subsidiary Guarantors. Such guarantee shall be evidenced by the New Subsidiaries' execution of Subsidiary Guarantees, the form of which is attached as Exhibit E to the Indenture, and shall be effective as of the effective date hereof.
3. **NO RECOURSE AGAINST OTHERS.** No past, present or future director, officer, employee, incorporator, stockholder, member or manager of the New Subsidiaries, as such, shall have any liability for any obligations of the Issuer or any Subsidiary Guarantor under the Notes, any Guarantees, the Indenture or this Fourteenth Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes, by accepting and holding a Note, waives and releases all such liability. Such waiver and release are part of the consideration for the issuance of the Notes.
4. **NEW YORK LAW TO GOVERN.** The laws of the State of New York shall govern and be used to construe this Fourth Supplemental Indenture.
5. **COUNTERPARTS.** The parties may sign any number of copies of this Fourth Supplemental Indenture. Each signed copy shall be an original, but all of them together shall represent the same agreement.
6. **EFFECT OF HEADINGS.** The Section headings herein are for convenience only and shall not affect the construction hereof.
7. **THE TRUSTEE.** The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Fourth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Issuer, the Subsidiary Guarantors and the New Subsidiaries.

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IN WITNESS WHEREOF, the parties hereto have caused this Fourth Supplemental Indenture to be duly executed, all as of the effective date first above written.

OMEGA HEALTHCARE INVESTORS, INC.

By: /s/ Robert O. Stephenson

Name: Robert O. Stephenson

Title: Chief Financial Officer and Treasurer

Each of the following Subsidiary Guarantors:

**BALA CYNWYD REAL ESTATE, LP
OHI ASSET (PA) WEST MIFFLIN, LP**

By: OHI Asset (PA) West Mifflin, LP, as general partner

By: /s/ Robert O. Stephenson

Name: Robert O. Stephenson

Title: Chief Financial Officer and Treasurer

OHI HEALTHCARE PROPERTIES LIMITED PARTNERSHIP

By: Omega Healthcare Investors, Inc., as general partner

By: /s/ Robert O. Stephenson

Name: Robert O. Stephenson

Title: Chief Financial Officer and Treasurer

[Signatures continued on the following page]

**On behalf of each the other Subsidiary
Guarantors, its sole member, managing member, general partner or
trustee, named on the attached Schedule I**

By: /s/ Robert O. Stephenson

Name: Robert O. Stephenson

Title: Chief Financial Officer and Treasurer

**On behalf of each of the New Subsidiaries, its sole member, named on
the attached Schedule II**

By: /s/ Robert O. Stephenson

Name: Robert O. Stephenson

Title: Chief Financial Officer and Treasurer

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

By: /s/ David Ferrell

Name: David Ferrell

Title: Vice President

Dated: March 2, 2015

Schedule I

SUBSIDIARY GUARANTORS

Encanto Senior Care, LLC
13922 Cerise Avenue, LLC
245 East Wilshire Avenue, LLC
3806 Clayton Road, LLC
523 Hayes Lane, LLC
637 East Romie Lane, LLC
2425 Teller Avenue, LLC
Bayside Colorado Healthcare Associates, LLC
OHI (Connecticut), Inc.
Bayside Street II, Inc.
Carnegie Gardens LLC
CFG 2115 Woodstock Place LLC
CSE Albany LLC
CSE Amarillo LLC
CSE Arden L.P.
CSE Augusta LLC
CSE Bedford LLC
CSE Blountville LLC
CSE Bolivar LLC
CSE Cambridge LLC
CSE Cambridge Realty LLC
CSE Camden LLC
CSE Canton LLC
CSE Casablanca Holdings II LLC
CSE Casablanca Holdings LLC
CSE Cedar Rapids LLC
CSE Centennial Village
CSE Chelmsford LLC
CSE Chesterton LLC
CSE Claremont LLC
CSE Corpus North LLC
CSE Denver Iliff LLC
CSE Denver LLC
CSE Douglas LLC
CSE Elkton LLC
CSE Elkton Realty LLC
CSE Fairhaven LLC
CSE Fort Wayne LLC
CSE Frankston LLC
CSE Georgetown LLC
CSE Green Bay LLC
CSE Hilliard LLC

CSE Huntingdon LLC
CSE Huntsville LLC
CSE Indianapolis-Continental LLC
CSE Indianapolis-Greenbriar LLC
CSE Jacinto City LLC
CSE Jefferson City LLC
CSE Jeffersonville-Hillcrest Center LLC
CSE Jeffersonville-Jennings House LLC
CSE Kerrville LLC
CSE King L.P.
CSE Kingsport LLC
CSE Knightdale L.P.
CSE Lake City LLC
CSE Lake Worth LLC
CSE Lakewood LLC
CSE Las Vegas LLC
CSE Lawrenceburg LLC
CSE Lenoir L.P.
CSE Lexington Park LLC
CSE Lexington Park Realty LLC
CSE Ligonier LLC
CSE Live Oak LLC
CSE Lowell LLC
CSE Marianna Holdings LLC
CSE Memphis LLC
CSE Mobile LLC
CSE Moore LLC
CSE North Carolina Holdings I LLC
CSE North Carolina Holdings II LLC
CSE Omro LLC
CSE Orange Park LLC
CSE Orlando-Pinar Terrace Manor LLC
CSE Orlando-Terra Vista Rehab LLC
CSE Pennsylvania Holdings
CSE Piggott LLC
CSE Pilot Point LLC
CSE Pine View LLC
CSE Ponca City LLC
CSE Port St. Lucie LLC
CSE Richmond LLC
CSE Ripley LLC
CSE Ripon LLC
CSE Safford LLC
CSE Salina LLC
CSE Seminole LLC
CSE Shawnee LLC

CSE Spring Branch LLC
CSE Stillwater LLC
CSE Taylorsville LLC
CSE Texarkana LLC
CSE Texas City LLC
CSE The Village LLC
CSE Upland LLC
CSE Walnut Cove L.P.
CSE West Point LLC
CSE Whitehouse LLC
CSE Williamsport LLC
CSE Winter Haven LLC
CSE Woodfin L.P.
CSE Yorktown LLC
Desert Lane LLC
Greenbough, LLC
LAD I Real Estate Company, LLC
North Las Vegas LLC
NRS Ventures, L.L.C.
OHI Asset (AR) Ash Flat, LLC
OHI Asset (AR) Camden, LLC
OHI Asset (AR) Conway, LLC
OHI Asset (AR) Des Arc, LLC
OHI Asset (AR) Hot Springs, LLC
OHI Asset (AR) Malvern, LLC
OHI Asset (AR) Mena, LLC
OHI Asset (AR) Pocahontas, LLC
OHI Asset (AR) Sheridan, LLC
OHI Asset (AR) Walnut Ridge, LLC
OHI Asset (AZ) Austin House, LLC
OHI Asset (CA), LLC
OHI Asset (CO), LLC
OHI Asset (CT) Lender, LLC
OHI Asset (FL) Lake Placid, LLC
OHI Asset (FL) Lender, LLC
OHI Asset (FL), LLC
OHI Asset (GA) Moultrie, LLC
OHI Asset (GA) Snellville, LLC
OHI Asset (ID) Holly, LLC
OHI Asset (ID) Midland, LLC
OHI Asset (ID), LLC
OHI Asset (IL), LLC
OHI Asset (IN) American Village, LLC
OHI Asset (IN) Anderson, LLC
OHI Asset (IN) Beech Grove, LLC
OHI Asset (IN) Clarksville, LLC

OHI Asset (IN) Clinton, LLC
OHI Asset (IN) Connersville, LLC
OHI Asset (IN) Crown Point, LLC
OHI Asset (IN) Eagle Valley, LLC
OHI Asset (IN) Elkhart, LLC
OHI Asset (IN) Forest Creek, LLC
OHI Asset (IN) Fort Wayne, LLC
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OHI Asset (IN) Kokomo, LLC
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OHI Asset (IN) Noblesville, LLC
OHI Asset (IN) Rosewalk, LLC
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OHI Asset (IN) Westfield, LLC
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OHI Asset (MI) Heather Hills, LLC
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OHI Asset (MO), LLC
OHI Asset (MS) Byhalia, LLC
OHI Asset (MS) Cleveland, LLC
OHI Asset (MS) Clinton, LLC
OHI Asset (MS) Columbia, LLC
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OHI Asset (MS) Greenwood, LLC
OHI Asset (MS) Grenada, LLC
OHI Asset (MS) Holly Springs, LLC
OHI Asset (MS) Indianola, LLC
OHI Asset (MS) Natchez, LLC
OHI Asset (MS) Picayune, LLC
OHI Asset (MS) Vicksburg, LLC
OHI Asset (MS) Yazoo City, LLC
OHI Asset (NC) Wadesboro, LLC
OHI Asset (OH) Lender, LLC
OHI Asset (OH), LLC
OHI Asset (OR) Portland, LLC

OHI Asset (PA), LLC
OHI Asset (SC) Aiken, LLC
OHI Asset (SC) Anderson, LLC
OHI Asset (SC) Easley Anne, LLC
OHI Asset (SC) Easley Crestview, LLC
OHI Asset (SC) Edgefield, LLC
OHI Asset (SC) Greenville Griffith, LLC
OHI Asset (SC) Greenville Laurens, LLC
OHI Asset (SC) Greenville North, LLC
OHI Asset (SC) Greer, LLC
OHI Asset (SC) Marietta, LLC
OHI Asset (SC) McCormick, LLC
OHI Asset (SC) Pickens East Cedar, LLC
OHI Asset (SC) Pickens Rosemond, LLC
OHI Asset (SC) Piedmont, LLC
OHI Asset (SC) Simpsonville SE Main, LLC
OHI Asset (SC) Simpsonville West Broad, LLC
OHI Asset (SC) Simpsonville West Curtis, LLC
OHI Asset (TN) Bartlett, LLC
OHI Asset (TN) Collierville, LLC
OHI Asset (TN) Memphis, LLC
OHI Asset (TX) Anderson, LLC
OHI Asset (TX) Bryan, LLC
OHI Asset (TX) Burleson, LLC
OHI Asset (TX) College Station, LLC
OHI Asset (TX) Comfort, LLC
OHI Asset (TX) Diboll, LLC
OHI Asset (TX) Granbury, LLC
OHI Asset (TX) Hondo, LLC
OHI Asset (TX) Italy, LLC
OHI Asset (TX) Winnsboro, LLC
OHI Asset (TX), LLC
OHI Asset (UT) Ogden, LLC
OHI Asset (UT) Provo, LLC
OHI Asset (UT) Roy, LLC
OHI Asset (VA) Charlottesville, LLC
OHI Asset (VA) Farmville, LLC
OHI Asset (VA) Hillsville, LLC
OHI Asset (VA) Rocky Mount, LLC
OHI Asset (WA) Battle Ground, LLC
OHI Asset CSB LLC
OHI Asset CSE – E, LLC
OHI Asset CSE – U, LLC
OHI Asset HUD CFG, LLC
OHI Asset HUD Delta, LLC
OHI Asset HUD SF CA, LLC

OHI Asset HUD SF, LLC
OHI Asset HUD WO, LLC
OHI Asset II (CA), LLC
OHI Asset II (FL), LLC
OHI Asset RO PMM Services, LLC
OHI Asset RO, LLC
OHI Asset, LLC
Panama City Nursing Center LLC
Skyler Maitland LLC
Suwanee, LLC
Florida Real Estate Company, LLC
Pensacola Real Estate Holdings I, Inc.
Pensacola Real Estate Holdings II, Inc.
Pensacola Real Estate Holdings III, Inc.
Pensacola Real Estate Holdings IV, Inc.
Pensacola Real Estate Holdings V, Inc.
Skyler Pensacola, Inc.
OHI (Illinois), Inc.
OHI (Indiana), LLC
OHI (Iowa), Inc.
Sterling Acquisition, LLC
48 High Point Road, LLC
Arizona Lessor - Infinia, LLC
Bayside Street, Inc.
Colorado Lessor - Conifer, LLC
Delta Investors I, LLC
Delta Investors II, LLC
Florida Lessor – Meadowview, LLC
Georgia Lessor - Bonterra/Parkview, LLC
Indiana Lessor – Wellington Manor, LLC
OHI Asset (PA) Trust
OHI Asset II (PA) Trust
OHI Asset III (PA) Trust
OHI Asset IV (PA) Silver Lake Trust
OHI Tennessee, Inc.
Omega TRS I, Inc.
Texas Lessor – Stonegate GP, LLC
Texas Lessor – Stonegate, Limited, LLC
Texas Lessor – Stonegate, LP
Washington Lessor – Silverdale, LLC
OHIMA, Inc.
1200 Ely Street Holdings Co. LLC
42235 County Road Holdings Co. LLC
Dixie White House Nursing Home, Inc.
Ocean Springs Nursing Home, Inc.
Skyler Boyington, Inc.

Skyler Florida, Inc.
Canton Health Care Land, Inc.
Colonial Gardens, LLC
Dixon Health Care Center, Inc.
Hutton I Land, Inc.
Hutton II Land, Inc.
Hutton III Land, Inc.
Leatherman 90-1, Inc.
Leatherman Partnership 89-1, Inc.
Leatherman Partnership 89-2, Inc.
Meridian Arms Land, Inc.
Orange Village Care Center, Inc.
St. Mary's Properties, Inc.
The Suburban Pavilion, Inc.
Wilcare, LLC
Pavillion North, LLP
OHI Asset (GA) Macon, LLC
OHI Asset (SC) Greenville, LLC
OHI Asset (SC) Orangeburg, LLC
OHI Asset (WV) Danville, LLC
OHI Asset (WV) Ivydale, LLC
OHI Mezz Lender, LLC
11900 East Artesia Boulevard, LLC
2400 Parkside Drive, LLC
Golden Hill Real Estate Company, LLC
1628 B Street, LLC
PV Realty-Willow Tree, LLC
Bala Cynwyd Real Estate, LP
Hot Springs Atrium Owner, LLC
Hot Springs Cottages Owner, LLC
Hot Springs Marina Owner, LLC
OHI Asset (OR) Troutdale, LLC
OHI Asset (PA) GP, LLC
OHI Asset (PA) West Mifflin, LP
OHI Asset (TN) Jefferson City, LLC
OHI Asset CHG ALF, LLC
OHI Asset Management, LLC
OHI Healthcare Properties Holdco, Inc.
OHI Healthcare Properties Limited Partnership

Schedule II

NEW SUBSIDIARIES

OHI (Illinois) Holding, LLC
OHI Asset (TN) Rogersville, LLC
OHI Asset CSE-E Subsidiary, LLC
OHI Asset CSE-U Subsidiary, LLC
Pavillion North Partners, LLC
Pavillion Nursing Center North, LLC

FIFTH SUPPLEMENTAL INDENTURE
(Senior Notes due 2024)

THIS FIFTH SUPPLEMENTAL INDENTURE (this "Fifth Supplemental Indenture") is dated as of April 1, 2015, among OMEGA HEALTHCARE INVESTORS, INC., a Maryland corporation (the "Issuer"), each of the SUBSIDIARY GUARANTORS listed on Schedule I hereto (collectively, the "Subsidiary Guarantors"), each of the entities listed on Schedule II hereto (collectively, the "New Subsidiaries"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Issuer and the Subsidiary Guarantors have heretofore executed and delivered to the Trustee an Indenture, dated as of March 11, 2014 (as supplemented by that First Supplemental Indenture, dated as of June 27, 2014, that Second Supplemental Indenture, dated as of November 25, 2014, that Third Supplemental Indenture, dated as of January 23, 2015, and that Fourth Supplemental Indenture, effective as of March 2, 2015; the "Indenture"), providing for the issuance of the Issuer's 4.950% Senior Notes due 2024 (the "Notes");

WHEREAS, Section 9.01 of the Indenture authorizes the Issuer, the Subsidiary Guarantors and the Trustee, together, to amend or supplement the Indenture, without notice to or consent of any Holder of the Notes, for the purpose of making any change that would not materially adversely affect the rights of any Holder of the Notes;

WHEREAS, the Issuer has created or acquired acquired the New Subsidiaries, which are required to become Subsidiary Guarantors pursuant to Section 4.14 of the Indenture;

WHEREAS, in Section 1.01 of the Indenture, the term "Subsidiary Guarantors" is defined to include all Persons that become a Subsidiary Guarantor by the terms of the Indenture after the Closing Date; and

WHEREAS, Section 10.01 of the Indenture provides that each Subsidiary Guarantor shall be a guarantor of the Issuer's obligations under the Notes, subject to the terms and conditions described in the Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer, the Subsidiary Guarantors, the New Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

[5th Supplemental Indenture – 2024 Notes]

2. **AMENDMENT TO GUARANTEE.** The New Subsidiaries hereby agree, jointly and severally with all other Subsidiary Guarantors, to guarantee the Issuer's obligations under the Notes on the terms and subject to the conditions set forth in the Indenture, and to be bound by, and to receive the benefit of, all other applicable provisions of the Indenture as Subsidiary Guarantors. Such guarantee shall be evidenced by the New Subsidiaries' execution of Subsidiary Guarantees, the form of which is attached as Exhibit E to the Indenture, and shall be effective as of the date hereof.
3. **NO RECOURSE AGAINST OTHERS.** No past, present or future director, officer, employee, incorporator, stockholder, member or manager of the New Subsidiaries, as such, shall have any liability for any obligations of the Issuer or any Subsidiary Guarantor under the Notes, any Guarantees, the Indenture or this Fourteenth Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes, by accepting and holding a Note, waives and releases all such liability. Such waiver and release are part of the consideration for the issuance of the Notes.
4. **NEW YORK LAW TO GOVERN.** The laws of the State of New York shall govern and be used to construe this Fifth Supplemental Indenture.
5. **COUNTERPARTS.** The parties may sign any number of copies of this Fifth Supplemental Indenture. Each signed copy shall be an original, but all of them together shall represent the same agreement.
6. **EFFECT OF HEADINGS.** The Section headings herein are for convenience only and shall not affect the construction hereof.
7. **THE TRUSTEE.** The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Fifth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Issuer, the Subsidiary Guarantors and the New Subsidiaries.

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[5th Supplemental Indenture – 2024 Notes]

IN WITNESS WHEREOF, the parties hereto have caused this Twelfth Supplemental Indenture to be duly executed, all as of the date first above written.

ISSUER:

OMEGA HEALTHCARE INVESTORS, INC.,
a Maryland corporation

By: /s/ Robert O. Stephenson

Robert O. Stephenson
Chief Financial Officer and Treasurer

SUBSIDIARY GUARANTORS:

OHI HEALTHCARE PROPERTIES LIMITED PARTNERSHIP

By: Omega Healthcare Investors, Inc. as General Partner

By: /s/ Robert O. Stephenson

Robert O. Stephenson
Chief Financial Officer and Treasurer

**ON BEHALF OF EACH OF THE OTHER SUBSIDIARY GUARANTORS
LISTED ON SCHEDULE I**

By: /s/ Robert O. Stephenson

Robert O. Stephenson
Chief Financial Officer and Treasurer

[Signature Page – 5th Supplemental Indenture – 2024 Notes]

NEW SUBSIDIARIES:

**ON BEHALF OF EACH OF THE NEW SUBSIDIARIES LISTED ON
SCHEDULE II**

By: /s/ Robert O. Stephenson

Robert O. Stephenson
Chief Financial Officer and Treasurer

[Signatures continued on the following page]

[Signature Page – 5th Supplemental Indenture – 2024 Notes]

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: /s/ David Ferrell

Name: David Ferrell

Title: Vice President

[Signature Page – 5th Supplemental Indenture – 2024 Notes]

Schedule I

SUBSIDIARY GUARANTORS

1. 11900 East Artesia Boulevard, LLC
2. 1200 Ely Street Holdings Co. LLC
3. 13922 Cerise Avenue, LLC
4. 1628 B Street, LLC
5. 2400 Parkside Drive, LLC
6. 2425 Teller Avenue, LLC
7. 245 East Wilshire Avenue, LLC
8. 3806 Clayton Road, LLC
9. 42235 County Road Holdings Co. LLC
10. 48 High Point Road, LLC
11. 523 Hayes Lane, LLC
12. 637 East Romie Lane, LLC
13. Arizona Lessor - Infinia, LLC
14. Bala Cynwyd Real Estate, LP
15. Bayside Colorado Healthcare Associates, LLC
16. Bayside Street II, LLC
17. Bayside Street, LLC (f/k/a Bayside Street, Inc.)
18. Canton Health Care Land, LLC (f/k/a Canton Health Care Land, Inc.)
19. Carnegie Gardens LLC
20. CFG 2115 Woodstock Place LLC
21. Colonial Gardens, LLC
22. Colorado Lessor - Conifer, LLC
23. CSE Albany LLC
24. CSE Amarillo LLC
25. CSE Arden L.P.
26. CSE Augusta LLC
27. CSE Bedford LLC
28. CSE Blountville LLC
29. CSE Bolivar LLC
30. CSE Cambridge LLC
31. CSE Cambridge Realty LLC
32. CSE Camden LLC
33. CSE Canton LLC
34. CSE Casablanca Holdings II LLC
35. CSE Casablanca Holdings LLC
36. CSE Cedar Rapids LLC
37. CSE Centennial Village, LP
38. CSE Chelmsford LLC
39. CSE Chesterton LLC
40. CSE Claremont LLC
41. CSE Corpus North LLC
42. CSE Denver Iliff LLC

[Schedule I – 5th Supplemental Indenture – 2024 Notes]

43. CSE Denver LLC
44. CSE Douglas LLC
45. CSE Elkton LLC
46. CSE Elkton Realty LLC
47. CSE Fairhaven LLC
48. CSE Fort Wayne LLC
49. CSE Frankston LLC
50. CSE Georgetown LLC
51. CSE Green Bay LLC
52. CSE Hilliard LLC
53. CSE Huntingdon LLC
54. CSE Huntsville LLC
55. CSE Indianapolis-Continental LLC
56. CSE Indianapolis-Greenbriar LLC
57. CSE Jacinto City LLC
58. CSE Jefferson City LLC
59. CSE Jeffersonville-Hillcrest Center LLC
60. CSE Jeffersonville-Jennings House LLC
61. CSE Kerrville LLC
62. CSE King L.P.
63. CSE Kingsport LLC
64. CSE Knightdale L.P.
65. CSE Lake City LLC
66. CSE Lake Worth LLC
67. CSE Lakewood LLC
68. CSE Las Vegas LLC
69. CSE Lawrenceburg LLC
70. CSE Lenoir L.P.
71. CSE Lexington Park LLC
72. CSE Lexington Park Realty LLC
73. CSE Ligonier LLC
74. CSE Live Oak LLC
75. CSE Lowell LLC
76. CSE Marianna Holdings LLC
77. CSE Memphis LLC
78. CSE Mobile LLC
79. CSE Moore LLC
80. CSE North Carolina Holdings I LLC
81. CSE North Carolina Holdings II LLC
82. CSE Omro LLC
83. CSE Orange Park LLC
84. CSE Orlando-Pinar Terrace Manor LLC
85. CSE Orlando-Terra Vista Rehab LLC
86. CSE Pennsylvania Holdings, LP
87. CSE Piggott LLC
88. CSE Pilot Point LLC

[Schedule I – 5th Supplemental Indenture – 2024 Notes]

89. CSE Pine View LLC
90. CSE Ponca City LLC
91. CSE Port St. Lucie LLC
92. CSE Richmond LLC
93. CSE Ripley LLC
94. CSE Ripon LLC
95. CSE Safford LLC
96. CSE Salina LLC
97. CSE Seminole LLC
98. CSE Shawnee LLC
99. CSE Spring Branch LLC
100. CSE Stillwater LLC
101. CSE Taylorsville LLC
102. CSE Texarkana LLC
103. CSE Texas City LLC
104. CSE The Village LLC
105. CSE Upland LLC
106. CSE Walnut Cove L.P.
107. CSE West Point LLC
108. CSE Whitehouse LLC
109. CSE Williamsport LLC
110. CSE Winter Haven LLC
111. CSE Woodfin L.P.
112. CSE Yorktown LLC
113. Delta Investors I, LLC
114. Delta Investors II, LLC
115. Desert Lane LLC
116. Dixie White House Nursing Home, LLC (f/k/a Dixie White House Nursing Home, Inc.)
117. Dixon Health Care Center, LLC (f/k/a Dixon Health Care Center, Inc.)
118. Encanto Senior Care, LLC
119. Florida Lessor – Meadowview, LLC
120. Florida Real Estate Company, LLC
121. Georgia Lessor - Bonterra/Parkview, LLC
122. Golden Hill Real Estate Company, LLC
123. Greenbough, LLC
124. Hot Springs Atrium Owner, LLC
125. Hot Springs Cottages Owner, LLC
126. Hot Springs Marina Owner, LLC
127. Hutton I Land, LLC (f/k/a Hutton I Land, Inc.)
128. Hutton II Land, LLC (f/k/a Hutton II Land, Inc.)
129. Hutton III Land, LLC (f/k/a Hutton III Land, Inc.)
130. Indiana Lessor – Wellington Manor, LLC
131. LAD I Real Estate Company, LLC
132. Leatherman 90-1, LLC (f/k/a Leatherman 90-1, Inc.)

[Schedule I – 5th Supplemental Indenture – 2024 Notes]

133. Leatherman Partnership 89-1, LLC (f/k/a Leatherman Partnership 89-1, Inc.)
134. Leatherman Partnership 89-2, LLC (f/k/a Leatherman Partnership 89-2, Inc.)
135. Meridian Arms Land, LLC (f/k/a Meridian Arms Land, Inc.)
136. North Las Vegas LLC
137. NRS Ventures, L.L.C.
138. Ocean Springs Nursing Home, LLC (f/k/a Ocean Springs Nursing Home, Inc.)
139. OHI (Connecticut), LLC
140. OHI (Illinois), LLC(f/k/a OHI (Illinois), Inc.)
141. OHI (Indiana), LLC
142. OHI (Iowa), LLC(f/k/a OHI (Iowa), Inc.)
143. OHI Asset (AR) Ash Flat, LLC
144. OHI Asset (AR) Camden, LLC
145. OHI Asset (AR) Conway, LLC
146. OHI Asset (AR) Des Arc, LLC
147. OHI Asset (AR) Hot Springs, LLC
148. OHI Asset (AR) Malvern, LLC
149. OHI Asset (AR) Mena, LLC
150. OHI Asset (AR) Pocahontas, LLC
151. OHI Asset (AR) Sheridan, LLC
152. OHI Asset (AR) Walnut Ridge, LLC
153. OHI Asset (AZ) Austin House, LLC
154. OHI Asset (CA), LLC
155. OHI Asset (CO), LLC
156. OHI Asset (CT) Lender, LLC
157. OHI Asset (FL) Lake Placid, LLC
158. OHI Asset (FL) Lender, LLC
159. OHI Asset (FL), LLC
160. OHI Asset (GA) Macon, LLC
161. OHI Asset (GA) Moultrie, LLC
162. OHI Asset (GA) Snellville, LLC
163. OHI Asset (ID) Holly, LLC
164. OHI Asset (ID) Midland, LLC
165. OHI Asset (ID), LLC
166. OHI Asset (IL), LLC
167. OHI Asset (IN) American Village, LLC
168. OHI Asset (IN) Anderson, LLC
169. OHI Asset (IN) Beech Grove, LLC
170. OHI Asset (IN) Clarksville, LLC
171. OHI Asset (IN) Clinton, LLC
172. OHI Asset (IN) Connersville, LLC
173. OHI Asset (IN) Crown Point, LLC
174. OHI Asset (IN) Eagle Valley, LLC
175. OHI Asset (IN) Elkhart, LLC

[Schedule I – 5th Supplemental Indenture – 2024 Notes]

176. OHI Asset (IN) Forest Creek , LLC
177. OHI Asset (IN) Fort Wayne, LLC
178. OHI Asset (IN) Franklin, LLC
179. OHI Asset (IN) Greensburg, LLC
180. OHI Asset (IN) Indianapolis, LLC
181. OHI Asset (IN) Jasper, LLC
182. OHI Asset (IN) Kokomo, LLC
183. OHI Asset (IN) Lafayette, LLC
184. OHI Asset (IN) Madison, LLC
185. OHI Asset (IN) Monticello, LLC
186. OHI Asset (IN) Noblesville, LLC
187. OHI Asset (IN) Rosewalk, LLC
188. OHI Asset (IN) Salem, LLC
189. OHI Asset (IN) Seymour, LLC
190. OHI Asset (IN) Spring Mill, LLC
191. OHI Asset (IN) Terre Haute , LLC
192. OHI Asset (IN) Wabash, LLC
193. OHI Asset (IN) Westfield, LLC
194. OHI Asset (IN) Zionsville, LLC
195. OHI Asset (LA), LLC
196. OHI Asset (MD), LLC
197. OHI Asset (MI) Heather Hills, LLC
198. OHI Asset (MI), LLC
199. OHI Asset (MO), LLC
200. OHI Asset (MS) Byhalia, LLC
201. OHI Asset (MS) Cleveland, LLC
202. OHI Asset (MS) Clinton, LLC
203. OHI Asset (MS) Columbia, LLC
204. OHI Asset (MS) Corinth, LLC
205. OHI Asset (MS) Greenwood, LLC
206. OHI Asset (MS) Grenada, LLC
207. OHI Asset (MS) Holly Springs, LLC
208. OHI Asset (MS) Indianola, LLC
209. OHI Asset (MS) Natchez, LLC
210. OHI Asset (MS) Picayune, LLC
211. OHI Asset (MS) Vicksburg, LLC
212. OHI Asset (MS) Yazoo City, LLC
213. OHI Asset (NC) Wadesboro, LLC
214. OHI Asset (OH) Lender, LLC
215. OHI Asset (OH), LLC
216. OHI Asset (OR) Portland, LLC
217. OHI Asset (OR) Troutdale, LLC
218. OHI Asset (PA) GP, LLC
219. OHI Asset (PA), LP
220. OHI Asset (PA) West Mifflin, LP
221. OHI Asset (PA), LLC

[Schedule I – 5th Supplemental Indenture – 2024 Notes]

- 222. OHI Asset (SC) Aiken, LLC
- 223. OHI Asset (SC) Anderson, LLC
- 224. OHI Asset (SC) Easley Anne, LLC
- 225. OHI Asset (SC) Easley Crestview, LLC
- 226. OHI Asset (SC) Edgefield, LLC
- 227. OHI Asset (SC) Greenville Griffith, LLC
- 228. OHI Asset (SC) Greenville Laurens, LLC
- 229. OHI Asset (SC) Greenville North, LLC
- 230. OHI Asset (SC) Greenville, LLC
- 231. OHI Asset (SC) Greer, LLC
- 232. OHI Asset (SC) Marietta, LLC
- 233. OHI Asset (SC) McCormick, LLC
- 234. OHI Asset (SC) Orangeburg, LLC
- 235. OHI Asset (SC) Pickens East Cedar, LLC
- 236. OHI Asset (SC) Pickens Rosemond, LLC
- 237. OHI Asset (SC) Piedmont, LLC
- 238. OHI Asset (SC) Simpsonville SE Main, LLC
- 239. OHI Asset (SC) Simpsonville West Broad, LLC
- 240. OHI Asset (SC) Simpsonville West Curtis, LLC
- 241. OHI Asset (TN) Bartlett, LLC
- 242. OHI Asset (TN) Collierville, LLC
- 243. OHI Asset (TN) Jefferson City, LLC
- 244. OHI Asset (TN) Memphis, LLC
- 245. OHI Asset (TN) Rogersville, LLC
- 246. OHI Asset (TX) Anderson, LLC
- 247. OHI Asset (TX) Bryan, LLC
- 248. OHI Asset (TX) Burleson, LLC
- 249. OHI Asset (TX) College Station, LLC
- 250. OHI Asset (TX) Comfort, LLC
- 251. OHI Asset (TX) Diboll, LLC
- 252. OHI Asset (TX) Granbury, LLC
- 253. OHI Asset (TX) Hondo, LLC
- 254. OHI Asset (TX) Italy, LLC
- 255. OHI Asset (TX) Winnsboro, LLC
- 256. OHI Asset (TX), LLC
- 257. OHI Asset (UT) Ogden, LLC
- 258. OHI Asset (UT) Provo, LLC
- 259. OHI Asset (UT) Roy, LLC
- 260. OHI Asset (VA) Charlottesville, LLC
- 261. OHI Asset (VA) Farmville, LLC
- 262. OHI Asset (VA) Hillsville, LLC
- 263. OHI Asset (VA) Rocky Mount, LLC
- 264. OHI Asset (WA) Battle Ground, LLC
- 265. OHI Asset (WV) Danville, LLC
- 266. OHI Asset (WV) Ivydale, LLC
- 267. OHI Asset CHG ALF, LLC

- 268. OHI Asset CSB LLC
- 269. OHI Asset CSE – E, LLC
- 270. OHI Asset CSE – U, LLC
- 271. OHI Asset CSE–E Subsidiary, LLC
- 272. OHI Asset CSE–U Subsidiary, LLC
- 273. OHI Asset HUD CFG, LLC
- 274. OHI Asset HUD Delta, LLC
- 275. OHI Asset HUD SF CA, LLC
- 276. OHI Asset HUD SF, LLC
- 277. OHI Asset HUD WO, LLC
- 278. OHI Asset II (CA), LLC
- 279. OHI Asset II (FL), LLC
- 280. OHI Asset II (PA), LP
- 281. OHI Asset III (PA), LP
- 282. OHI Asset IV (PA) Silver Lake Trust
- 283. OHI Asset Management, LLC
- 284. OHI Asset RO PMM Services, LLC
- 285. OHI Asset RO, LLC
- 286. OHI Asset, LLC
- 287. OHI Healthcare Properties Holdco, Inc.
- 288. OHI Healthcare Properties Limited Partnership
- 289. OHI Mezz Lender, LLC
- 290. OHI Tennessee, LLC (f/k/a OHI Tennessee, Inc.)
- 291. OHIMA, LLC (f/k/a OHIMA, Inc.)
- 292. Omega TRS I, Inc.
- 293. Orange Village Care Center, LLC (f/k/a Orange Village Care Center, Inc.)
- 294. Panama City Nursing Center LLC
- 295. Pavillion North Partners, LLC
- 296. Pavillion North, LLP
- 297. Pavillion Nursing Center North, LLC
- 298. Pensacola Real Estate Holdings I, LLC (f/k/a Pensacola Real Estate Holdings I, Inc.)
- 299. Pensacola Real Estate Holdings II, LLC (f/k/a Pensacola Real Estate Holdings II, Inc.)
- 300. Pensacola Real Estate Holdings III, LLC (f/k/a Pensacola Real Estate Holdings III, Inc.)
- 301. Pensacola Real Estate Holdings IV, LLC (f/k/a Pensacola Real Estate Holdings IV, Inc.)
- 302. Pensacola Real Estate Holdings V, LLC (f/k/a Pensacola Real Estate Holdings V, Inc.)
- 303. PV Realty–Willow Tree, LLC
- 304. Skyler Boyington, LLC (f/k/a Skyler Boyington, Inc.)
- 305. Skyler Florida, LLC (f/k/a Skyler Florida, Inc.)
- 306. Skyler Maitland LLC
- 307. Skyler Pensacola, LLC (f/k/a Skyler Pensacola, Inc.)

[Schedule I – 5th Supplemental Indenture – 2024 Notes]

- 308. St. Mary's Properties, LLC (f/k/a St. Mary's Properties, Inc.)
- 309. Sterling Acquisition, LLC
- 310. Suwanee, LLC
- 311. Texas Lessor – Stonegate GP, LLC
- 312. Texas Lessor – Stonegate, Limited, LLC
- 313. Texas Lessor – Stonegate, LP
- 314. The Suburban Pavilion, LLC (f/k/a The Suburban Pavilion, Inc.)
- 315. Washington Lessor – Silverdale, LLC
- 316. Wilcare, LLC

[Schedule I – 5th Supplemental Indenture – 2024 Notes]

Schedule II

NEW SUBSIDIARIES

1. 446 Sycamore Road, L.L.C.
2. Alamogordo Aviv, L.L.C.
3. Albany Street Property, L.L.C.
4. Arkansas Aviv, L.L.C.
5. Arma Yates, L.L.C.
6. Avery Street Property, L.L.C.
7. Aviv Asset Management, L.L.C.
8. Aviv Financing I, L.L.C.
9. Aviv Financing II, L.L.C.
10. Aviv Financing III, L.L.C.
11. Aviv Financing IV, L.L.C.
12. Aviv Financing V, L.L.C.
13. Aviv Foothills, L.L.C.
14. Aviv Healthcare Capital Corporation
15. Aviv Healthcare Properties Operating Partnership I, L.P.
16. Aviv Liberty, L.L.C.
17. Avon Ohio, L.L.C.
18. Belleville Illinois, L.L.C.
19. Bellingham II Associates, L.L.C.
20. Bethel ALF Property, L.L.C.
21. BHG Aviv, L.L.C.
22. Biglerville Road, L.L.C.
23. Bonham Texas, L.L.C.
24. Bradenton ALF Property, L.L.C.
25. Burton NH Property, L.L.C.
26. California Aviv Two, L.L.C.
27. California Aviv, L.L.C.
28. Camas Associates, L.L.C.
29. Casa/Sierra California Associates, L.L.C.
30. Champaign Williamson Franklin, L.L.C.
31. Chardon Ohio Property Holdings, L.L.C.
32. Chardon Ohio Property, L.L.C.
33. Chatham Aviv, L.L.C.
34. Chippewa Valley, L.L.C.
35. Clarkston Care, L.L.C.
36. Clayton Associates, L.L.C.
37. Colonial Madison Associates, L.L.C.
38. Columbus Texas Aviv, L.L.C.
39. Columbus Western Avenue, L.L.C.
40. Colville Washington Property, L.L.C.
41. Commerce Nursing Homes, L.L.C.
42. Commerce Sterling Hart Drive, L.L.C.

[Schedule II – 5th Supplemental Indenture – 2024 Notes]

43. Conroe Rigby Owen Road, L.L.C.
44. CR Aviv, L.L.C.
45. Crete Plus Five Property, L.L.C.
46. Crooked River Road, L.L.C.
47. Cuyahoga Falls Property, L.L.C.
48. Dallas Two Property, L.L.C.
49. Danbury ALF Property, L.L.C.
50. Darien ALF Property, L.L.C.
51. Denison Texas, L.L.C.
52. East Rollins Street, L.L.C.
53. Edgewood Drive Property, L.L.C.
54. Effingham Associates, L.L.C.
55. Elite Mattoon, L.L.C.
56. Elite Yorkville, L.L.C.
57. Falcon Four Property Holding, L.L.C.
58. Falcon Four Property, L.L.C.
59. Falfurrias Texas, L.L.C.
60. Florida ALF Properties, L.L.C.
61. Florida Four Properties, L.L.C.
62. Fort Stockton Property, L.L.C.
63. Four Fountains Aviv, L.L.C.
64. Fredericksburg South Adams Street, L.L.C.
65. Freewater Oregon, L.L.C.
66. Fullerton California, L.L.C.
67. Gardnerville Property, L.L.C.
68. Germantown Property, L.L.C.
69. Giltex Care, L.L.C.
70. Glendale NH Property, L.L.C.
71. Gonzales Texas Property, L.L.C.
72. Great Bend Property, L.L.C.
73. Greenville Kentucky Property, L.L.C.
74. Heritage Monterey Associates, L.L.C.
75. HHM Aviv, L.L.C.
76. Hidden Acres Property, L.L.C.
77. Highland Leasehold, L.L.C.
78. Hobbs Associates, L.L.C.
79. Hot Springs Aviv, L.L.C.
80. Houston Texas Aviv, L.L.C.
81. Hutchinson Kansas, L.L.C.
82. Idaho Associates, L.L.C.
83. Illinois Missouri Properties, L.L.C.
84. Iowa Lincoln County Property, L.L.C.
85. Jasper Springhill Street, L.L.C.
86. Kansas Five Property, L.L.C.
87. Karan Associates Two, L.L.C.
88. Karan Associates, L.L.C.

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89. Karissa Court Property, L.L.C.
90. KB Northwest Associates, L.L.C.
91. Kentucky NH Properties, L.L.C.
92. Kingsville Texas, L.L.C.
93. Louisville Dutchmans Property, L.L.C.
94. Magnolia Drive Property, L.L.C.
95. Manor Associates, L.L.C.
96. Mansfield Aviv, L.L.C.
97. Massachusetts Nursing Homes, L.L.C.
98. McCarthy Street Property, L.L.C.
99. Minnesota Associates, L.L.C.
100. Mishawaka Property, L.L.C.
101. Missouri Associates, L.L.C.
102. Missouri Regency Associates, L.L.C.
103. Montana Associates, L.L.C.
104. Monterey Park Leasehold Mortgage, L.L.C.
105. Mount Washington Property, L.L.C.
106. Mt. Vernon Texas, L.L.C.
107. Murray County, L.L.C.
108. Muscatine Toledo Properties, L.L.C.
109. N.M. Bloomfield Three Plus One Limited Company
110. N.M. Espanola Three Plus One Limited Company
111. N.M. Lordsburg Three Plus One Limited Company
112. N.M. Silver City Three Plus One Limited Company
113. New Hope Property, L.L.C.
114. Newtown ALF Property, L.L.C.
115. Nicholasville Kentucky Property, L.L.C.
116. North Royalton Ohio Property, L.L.C.
117. Norwalk ALF Property, L.L.C.
118. Oakland Nursing Homes, L.L.C.
119. October Associates, L.L.C.
120. Ogden Associates, L.L.C.
121. OHI Asset (FL) Lutz, LLC
122. Ohio Aviv Three, L.L.C.
123. Ohio Aviv Two, L.L.C.
124. Ohio Aviv, L.L.C.
125. Ohio Indiana Property, L.L.C.
126. Ohio Pennsylvania Property, L.L.C.
127. Oklahoma Two Property, L.L.C.
128. Oklahoma Warr Wind, L.L.C.
129. Omaha Associates, L.L.C.
130. Orange ALF Property, L.L.C.
131. Orange, L.L.C.
132. Oregon Associates, L.L.C.
133. Oso Avenue Property, L.L.C.
134. Ostrom Avenue Property, L.L.C.

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135. Peabody Associates Two, L.L.C.
136. Peabody Associates, L.L.C.
137. Pennington Road Property, L.L.C.
138. Pocatello Idaho Property, L.L.C.
139. Pomona Vista L.L.C.
140. Prescott Arkansas, L.L.C.
141. Raton Property Limited Company
142. Ravenna Ohio Property, L.L.C.
143. Red Rocks, L.L.C.
144. Richland Washington, L.L.C.
145. Riverside Nursing Home Associates Two, L.L.C.
146. Riverside Nursing Home Associates, L.L.C.
147. Rockingham Drive Property, L.L.C.
148. Rose Baldwin Park Property L.L.C.
149. S.C. Portfolio Property, L.L.C.
150. Salem Associates, L.L.C.
151. San Juan NH Property, LLC
152. Sandalwood Arkansas Property, L.L.C.
153. Santa Ana-Bartlett, L.L.C.
154. Santa Fe Missouri Associates, L.L.C.
155. Savoy/Bonham Venture, L.L.C.
156. Searcy Aviv, L.L.C.
157. Sedgwick Properties, L.L.C.
158. Seguin Texas Property, L.L.C.
159. Sierra Ponds Property, L.L.C.
160. Skyview Associates, L.L.C.
161. Southeast Missouri Property, L.L.C.
162. Southern California Nevada, L.L.C.
163. St. Joseph Missouri Property, L.L.C.
164. Star City Arkansas, L.L.C.
165. Stephenville Texas Property, L.L.C.
166. Stevens Avenue Property, L.L.C.
167. Sun-Mesa Properties, L.L.C.
168. Texas Fifteen Property, L.L.C.
169. Texas Four Property, L.L.C.
170. Texhoma Avenue Property, L.L.C.
171. Tujunga, L.L.C.
172. Tulare County Property, L.L.C.
173. VRB Aviv, L.L.C.
174. Washington Idaho Property, L.L.C.
175. Washington-Oregon Associates, L.L.C.
176. Watauga Associates, L.L.C.
177. Wellington Leasehold, L.L.C.
178. West Pearl Street, L.L.C.
179. West Yarmouth Property I, L.L.C.
180. Wheeler Healthcare Associates, L.L.C.

[Schedule II – 5th Supplemental Indenture – 2024 Notes]

- 181. Whitlock Street Property, L.L.C.
- 182. Willis Texas Aviv, L.L.C.
- 183. Yuba Aviv, L.L.C.

[Schedule II – 5th Supplemental Indenture – 2024 Notes]

FIRST SUPPLEMENTAL INDENTURE
(Senior Notes due 2027)

THIS FIRST SUPPLEMENTAL INDENTURE (this "First Supplemental Indenture") is dated as of April 1, 2015, among OMEGA HEALTHCARE INVESTORS, INC., a Maryland corporation (the "Issuer"), each of the entities listed on Schedule II hereto (collectively, the "New Subsidiaries"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee").

WITNESSETH :

WHEREAS, the Issuer and each of its direct and indirect subsidiaries listed on Schedule I hereto (collectively, the "Subsidiary Guarantors") have heretofore executed and delivered to the Trustee an Indenture, dated as of March 18, 2015 (the "Indenture") providing for the issuance of the Issuer's 4.500% Senior Notes due 2027 (the "Notes");

WHEREAS, Section 9.01(a)(4) of the Indenture authorizes the Issuer and the Trustee, together, to amend or supplement the Indenture, without notice to or consent of any Holder of the Notes and without the execution of such amendment or supplement by existing Subsidiary Guarantors, for the purpose of adding any additional Subsidiary Guarantee by any additional Guarantor;

WHEREAS, the Issuer has created or acquired the New Subsidiaries, which are required to become Subsidiary Guarantors pursuant to Section 4.09 of the Indenture;

WHEREAS, in Section 1.01 of the Indenture, the term "Subsidiary Guarantors" is defined to include all Persons that become a Subsidiary Guarantor by the terms of the Indenture after the Closing Date; and

WHEREAS, Section 10.01 of the Indenture provides that each Subsidiary Guarantor shall be a guarantor of the Issuer's obligations under the Notes, subject to the terms and conditions described in the Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer, the New Subsidiaries and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

[1st Supplemental Indenture – 2027 Notes]

2. **AMENDMENT TO GUARANTEE.** The New Subsidiaries hereby agree, jointly and severally with all other Subsidiary Guarantors, to guarantee the Issuer's obligations under the Notes on the terms and subject to the conditions set forth in the Indenture, and to be bound by, and to receive the benefit of, all other applicable provisions of the Indenture as Subsidiary Guarantors. Such guarantee shall be evidenced by the New Subsidiaries' execution of Subsidiary Guarantees, the form of which is attached as Exhibit E to the Indenture, and shall be effective as of the date hereof.
3. **NO RECOURSE AGAINST OTHERS.** No past, present or future director, officer, employee, incorporator, stockholder, member, manager or controlling person of the New Subsidiaries, as such, shall have any liability for any obligations of the Issuer or any Subsidiary Guarantor under the Notes, any Guarantees, the Indenture or this First Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes, by accepting and holding a Note, waives and releases all such liability. Such waiver and release are part of the consideration for the issuance of the Notes.
4. **NEW YORK LAW TO GOVERN.** The laws of the State of New York shall govern and be used to construe this First Supplemental Indenture.
5. **COUNTERPARTS.** The parties may sign any number of copies of this First Supplemental Indenture. Each signed copy shall be an original, but all of them together shall represent the same agreement.
6. **EFFECT OF HEADINGS.** The Section headings herein are for convenience only and shall not affect the construction hereof.
7. **THE TRUSTEE.** The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this First Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Issuer and the New Subsidiaries.

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[1st Supplemental Indenture – 2027 Notes]

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed, all as of the date first above written.

ISSUER:

OMEGA HEALTHCARE INVESTORS, INC.,
a Maryland corporation

By: /s/ Robert O. Stephenson

Robert O. Stephenson
Chief Financial Officer and Treasurer

NEW SUBSIDIARIES:

**ON BEHALF OF EACH OF THE NEW SUBSIDIARIES LISTED ON
SCHEDULE II**

By: /s/ Robert O. Stephenson

Robert O. Stephenson
Chief Financial Officer and Treasurer

[Signatures continued on the following page]

[Signature Page – 1st Supplemental Indenture – 2027 Notes]

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: /s/ David Ferrell

Name: David Ferrell

Title: Vice President

[Signature Page – 1st Supplemental Indenture – 2027 Notes]

Schedule I

SUBSIDIARY GUARANTORS

1. 11900 East Artesia Boulevard, LLC
2. 1200 Ely Street Holdings Co. LLC
3. 13922 Cerise Avenue, LLC
4. 1628 B Street, LLC
5. 2400 Parkside Drive, LLC
6. 2425 Teller Avenue, LLC
7. 245 East Wilshire Avenue, LLC
8. 3806 Clayton Road, LLC
9. 42235 County Road Holdings Co. LLC
10. 48 High Point Road, LLC
11. 523 Hayes Lane, LLC
12. 637 East Romie Lane, LLC
13. Arizona Lessor - Infinia, LLC
14. Bala Cynwyd Real Estate, LP
15. Bayside Colorado Healthcare Associates, LLC
16. Bayside Street II, LLC
17. Bayside Street, LLC (f/k/a Bayside Street, Inc.)
18. Canton Health Care Land, LLC (f/k/a Canton Health Care Land, Inc.)
19. Carnegie Gardens LLC
20. CFG 2115 Woodstock Place LLC
21. Colonial Gardens, LLC
22. Colorado Lessor - Conifer, LLC
23. CSE Albany LLC
24. CSE Amarillo LLC
25. CSE Arden L.P.
26. CSE Augusta LLC
27. CSE Bedford LLC
28. CSE Blountville LLC
29. CSE Bolivar LLC
30. CSE Cambridge LLC
31. CSE Cambridge Realty LLC
32. CSE Camden LLC
33. CSE Canton LLC
34. CSE Casablanca Holdings II LLC
35. CSE Casablanca Holdings LLC
36. CSE Cedar Rapids LLC
37. CSE Centennial Village, LP
38. CSE Chelmsford LLC
39. CSE Chesterton LLC
40. CSE Claremont LLC
41. CSE Corpus North LLC
42. CSE Denver Iliff LLC

[Schedule I – 1st Supplemental Indenture – 2027 Notes]

43. CSE Denver LLC
44. CSE Douglas LLC
45. CSE Elkton LLC
46. CSE Elkton Realty LLC
47. CSE Fairhaven LLC
48. CSE Fort Wayne LLC
49. CSE Frankston LLC
50. CSE Georgetown LLC
51. CSE Green Bay LLC
52. CSE Hilliard LLC
53. CSE Huntingdon LLC
54. CSE Huntsville LLC
55. CSE Indianapolis-Continental LLC
56. CSE Indianapolis-Greenbriar LLC
57. CSE Jacinto City LLC
58. CSE Jefferson City LLC
59. CSE Jeffersonville-Hillcrest Center LLC
60. CSE Jeffersonville-Jennings House LLC
61. CSE Kerrville LLC
62. CSE King L.P.
63. CSE Kingsport LLC
64. CSE Knightdale L.P.
65. CSE Lake City LLC
66. CSE Lake Worth LLC
67. CSE Lakewood LLC
68. CSE Las Vegas LLC
69. CSE Lawrenceburg LLC
70. CSE Lenoir L.P.
71. CSE Lexington Park LLC
72. CSE Lexington Park Realty LLC
73. CSE Ligonier LLC
74. CSE Live Oak LLC
75. CSE Lowell LLC
76. CSE Marianna Holdings LLC
77. CSE Memphis LLC
78. CSE Mobile LLC
79. CSE Moore LLC
80. CSE North Carolina Holdings I LLC
81. CSE North Carolina Holdings II LLC
82. CSE Omro LLC
83. CSE Orange Park LLC
84. CSE Orlando-Pinar Terrace Manor LLC
85. CSE Orlando-Terra Vista Rehab LLC
86. CSE Pennsylvania Holdings, LP
87. CSE Piggott LLC
88. CSE Pilot Point LLC

[Schedule I – 1st Supplemental Indenture – 2027 Notes]

89. CSE Pine View LLC
90. CSE Ponca City LLC
91. CSE Port St. Lucie LLC
92. CSE Richmond LLC
93. CSE Ripley LLC
94. CSE Ripon LLC
95. CSE Safford LLC
96. CSE Salina LLC
97. CSE Seminole LLC
98. CSE Shawnee LLC
99. CSE Spring Branch LLC
100. CSE Stillwater LLC
101. CSE Taylorsville LLC
102. CSE Texarkana LLC
103. CSE Texas City LLC
104. CSE The Village LLC
105. CSE Upland LLC
106. CSE Walnut Cove L.P.
107. CSE West Point LLC
108. CSE Whitehouse LLC
109. CSE Williamsport LLC
110. CSE Winter Haven LLC
111. CSE Woodfin L.P.
112. CSE Yorktown LLC
113. Delta Investors I, LLC
114. Delta Investors II, LLC
115. Desert Lane LLC
116. Dixie White House Nursing Home, LLC (f/k/a Dixie White House Nursing Home, Inc.)
117. Dixon Health Care Center, LLC (f/k/a Dixon Health Care Center, Inc.)
118. Encanto Senior Care, LLC
119. Florida Lessor – Meadowview, LLC
120. Florida Real Estate Company, LLC
121. Georgia Lessor - Bonterra/Parkview, LLC
122. Golden Hill Real Estate Company, LLC
123. Greenbough, LLC
124. Hot Springs Atrium Owner, LLC
125. Hot Springs Cottages Owner, LLC
126. Hot Springs Marina Owner, LLC
127. Hutton I Land, LLC (f/k/a Hutton I Land, Inc.)
128. Hutton II Land, LLC (f/k/a Hutton II Land, Inc.)
129. Hutton III Land, LLC (f/k/a Hutton III Land, Inc.)
130. Indiana Lessor – Wellington Manor, LLC
131. LAD I Real Estate Company, LLC
132. Leatherman 90-1, LLC (f/k/a Leatherman 90-1, Inc.)

[Schedule I – 1st Supplemental Indenture – 2027 Notes]

133. Leatherman Partnership 89-1, LLC (f/k/a Leatherman Partnership 89-1, Inc.)
134. Leatherman Partnership 89-2, LLC (f/k/a Leatherman Partnership 89-2, Inc.)
135. Meridian Arms Land, LLC (f/k/a Meridian Arms Land, Inc.)
136. North Las Vegas LLC
137. NRS Ventures, L.L.C.
138. Ocean Springs Nursing Home, LLC (f/k/a Ocean Springs Nursing Home, Inc.)
139. OHI (Connecticut), LLC
140. OHI (Illinois), LLC(f/k/a OHI (Illinois), Inc.)
141. OHI (Indiana), LLC
142. OHI (Iowa), LLC(f/k/a OHI (Iowa), Inc.)
143. OHI Asset (AR) Ash Flat, LLC
144. OHI Asset (AR) Camden, LLC
145. OHI Asset (AR) Conway, LLC
146. OHI Asset (AR) Des Arc, LLC
147. OHI Asset (AR) Hot Springs, LLC
148. OHI Asset (AR) Malvern, LLC
149. OHI Asset (AR) Mena, LLC
150. OHI Asset (AR) Pocahontas, LLC
151. OHI Asset (AR) Sheridan, LLC
152. OHI Asset (AR) Walnut Ridge, LLC
153. OHI Asset (AZ) Austin House, LLC
154. OHI Asset (CA), LLC
155. OHI Asset (CO), LLC
156. OHI Asset (CT) Lender, LLC
157. OHI Asset (FL) Lake Placid, LLC
158. OHI Asset (FL) Lender, LLC
159. OHI Asset (FL), LLC
160. OHI Asset (GA) Macon, LLC
161. OHI Asset (GA) Moultrie, LLC
162. OHI Asset (GA) Snellville, LLC
163. OHI Asset (ID) Holly, LLC
164. OHI Asset (ID) Midland, LLC
165. OHI Asset (ID), LLC
166. OHI Asset (IL), LLC
167. OHI Asset (IN) American Village, LLC
168. OHI Asset (IN) Anderson, LLC
169. OHI Asset (IN) Beech Grove, LLC
170. OHI Asset (IN) Clarksville, LLC
171. OHI Asset (IN) Clinton, LLC
172. OHI Asset (IN) Connersville, LLC
173. OHI Asset (IN) Crown Point, LLC
174. OHI Asset (IN) Eagle Valley, LLC
175. OHI Asset (IN) Elkhart, LLC

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176. OHI Asset (IN) Forest Creek , LLC
177. OHI Asset (IN) Fort Wayne, LLC
178. OHI Asset (IN) Franklin, LLC
179. OHI Asset (IN) Greensburg, LLC
180. OHI Asset (IN) Indianapolis, LLC
181. OHI Asset (IN) Jasper, LLC
182. OHI Asset (IN) Kokomo, LLC
183. OHI Asset (IN) Lafayette, LLC
184. OHI Asset (IN) Madison, LLC
185. OHI Asset (IN) Monticello, LLC
186. OHI Asset (IN) Noblesville, LLC
187. OHI Asset (IN) Rosewalk, LLC
188. OHI Asset (IN) Salem, LLC
189. OHI Asset (IN) Seymour, LLC
190. OHI Asset (IN) Spring Mill, LLC
191. OHI Asset (IN) Terre Haute, LLC
192. OHI Asset (IN) Wabash, LLC
193. OHI Asset (IN) Westfield, LLC
194. OHI Asset (IN) Zionsville, LLC
195. OHI Asset (LA), LLC
196. OHI Asset (MD), LLC
197. OHI Asset (MI) Heather Hills, LLC
198. OHI Asset (MI), LLC
199. OHI Asset (MO), LLC
200. OHI Asset (MS) Byhalia, LLC
201. OHI Asset (MS) Cleveland, LLC
202. OHI Asset (MS) Clinton, LLC
203. OHI Asset (MS) Columbia, LLC
204. OHI Asset (MS) Corinth, LLC
205. OHI Asset (MS) Greenwood, LLC
206. OHI Asset (MS) Grenada, LLC
207. OHI Asset (MS) Holly Springs, LLC
208. OHI Asset (MS) Indianola, LLC
209. OHI Asset (MS) Natchez, LLC
210. OHI Asset (MS) Picayune, LLC
211. OHI Asset (MS) Vicksburg, LLC
212. OHI Asset (MS) Yazoo City, LLC
213. OHI Asset (NC) Wadesboro, LLC
214. OHI Asset (OH) Lender, LLC
215. OHI Asset (OH), LLC
216. OHI Asset (OR) Portland, LLC
217. OHI Asset (OR) Troutdale, LLC
218. OHI Asset (PA) GP, LLC
219. OHI Asset (PA), LP
220. OHI Asset (PA) West Mifflin, LP
221. OHI Asset (PA), LLC

[Schedule I – 1st Supplemental Indenture – 2027 Notes]

222. OHI Asset (SC) Aiken, LLC
223. OHI Asset (SC) Anderson, LLC
224. OHI Asset (SC) Easley Anne, LLC
225. OHI Asset (SC) Easley Crestview, LLC
226. OHI Asset (SC) Edgefield, LLC
227. OHI Asset (SC) Greenville Griffith, LLC
228. OHI Asset (SC) Greenville Laurens, LLC
229. OHI Asset (SC) Greenville North, LLC
230. OHI Asset (SC) Greenville, LLC
231. OHI Asset (SC) Greer, LLC
232. OHI Asset (SC) Marietta, LLC
233. OHI Asset (SC) McCormick, LLC
234. OHI Asset (SC) Orangeburg, LLC
235. OHI Asset (SC) Pickens East Cedar, LLC
236. OHI Asset (SC) Pickens Rosemond, LLC
237. OHI Asset (SC) Piedmont, LLC
238. OHI Asset (SC) Simpsonville SE Main, LLC
239. OHI Asset (SC) Simpsonville West Broad, LLC
240. OHI Asset (SC) Simpsonville West Curtis, LLC
241. OHI Asset (TN) Bartlett, LLC
242. OHI Asset (TN) Collierville, LLC
243. OHI Asset (TN) Jefferson City, LLC
244. OHI Asset (TN) Memphis, LLC
245. OHI Asset (TN) Rogersville, LLC
246. OHI Asset (TX) Anderson, LLC
247. OHI Asset (TX) Bryan, LLC
248. OHI Asset (TX) Burleson, LLC
249. OHI Asset (TX) College Station, LLC
250. OHI Asset (TX) Comfort, LLC
251. OHI Asset (TX) Diboll, LLC
252. OHI Asset (TX) Granbury, LLC
253. OHI Asset (TX) Hondo, LLC
254. OHI Asset (TX) Italy, LLC
255. OHI Asset (TX) Winnsboro, LLC
256. OHI Asset (TX), LLC
257. OHI Asset (UT) Ogden, LLC
258. OHI Asset (UT) Provo, LLC
259. OHI Asset (UT) Roy, LLC
260. OHI Asset (VA) Charlottesville, LLC
261. OHI Asset (VA) Farmville, LLC
262. OHI Asset (VA) Hillsville, LLC
263. OHI Asset (VA) Rocky Mount, LLC
264. OHI Asset (WA) Battle Ground, LLC
265. OHI Asset (WV) Danville, LLC
266. OHI Asset (WV) Ivydale, LLC
267. OHI Asset CHG ALF, LLC

[Schedule I – 1st Supplemental Indenture – 2027 Notes]

- 268. OHI Asset CSB LLC
- 269. OHI Asset CSE – E, LLC
- 270. OHI Asset CSE – U, LLC
- 271. OHI Asset CSE–E Subsidiary, LLC
- 272. OHI Asset CSE–U Subsidiary, LLC
- 273. OHI Asset HUD CFG, LLC
- 274. OHI Asset HUD Delta, LLC
- 275. OHI Asset HUD SF CA, LLC
- 276. OHI Asset HUD SF, LLC
- 277. OHI Asset HUD WO, LLC
- 278. OHI Asset II (CA), LLC
- 279. OHI Asset II (FL), LLC
- 280. OHI Asset II (PA), LP
- 281. OHI Asset III (PA), LP
- 282. OHI Asset IV (PA) Silver Lake Trust
- 283. OHI Asset Management, LLC
- 284. OHI Asset RO PMM Services, LLC
- 285. OHI Asset RO, LLC
- 286. OHI Asset, LLC
- 287. OHI Healthcare Properties Holdco, Inc.
- 288. OHI Healthcare Properties Limited Partnership
- 289. OHI Mezz Lender, LLC
- 290. OHI Tennessee, LLC (f/k/a OHI Tennessee, Inc.)
- 291. OHIMA, LLC (f/k/a OHIMA, Inc.)
- 292. Omega TRS I, Inc.
- 293. Orange Village Care Center, LLC (f/k/a Orange Village Care Center, Inc.)
- 294. Panama City Nursing Center LLC
- 295. Pavillion North Partners, LLC
- 296. Pavillion North, LLP
- 297. Pavillion Nursing Center North, LLC
- 298. Pensacola Real Estate Holdings I, LLC (f/k/a Pensacola Real Estate Holdings I, Inc.)
- 299. Pensacola Real Estate Holdings II, LLC (f/k/a Pensacola Real Estate Holdings II, Inc.)
- 300. Pensacola Real Estate Holdings III, LLC (f/k/a Pensacola Real Estate Holdings III, Inc.)
- 301. Pensacola Real Estate Holdings IV, LLC (f/k/a Pensacola Real Estate Holdings IV, Inc.)
- 302. Pensacola Real Estate Holdings V, LLC (f/k/a Pensacola Real Estate Holdings V, Inc.)
- 303. PV Realty–Willow Tree, LLC
- 304. Skyler Boyington, LLC (f/k/a Skyler Boyington, Inc.)
- 305. Skyler Florida, LLC (f/k/a Skyler Florida, Inc.)
- 306. Skyler Maitland LLC
- 307. Skyler Pensacola, LLC (f/k/a Skyler Pensacola, Inc.)

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- 308. St. Mary's Properties, LLC (f/k/a St. Mary's Properties, Inc.)
- 309. Sterling Acquisition, LLC
- 310. Suwanee, LLC
- 311. Texas Lessor – Stonegate GP, LLC
- 312. Texas Lessor – Stonegate, Limited, LLC
- 313. Texas Lessor – Stonegate, LP
- 314. The Suburban Pavilion, LLC (f/k/a The Suburban Pavilion, Inc.)
- 315. Washington Lessor – Silverdale, LLC
- 316. Wilcare, LLC

[Schedule I – 1st Supplemental Indenture – 2027 Notes]

Schedule II

NEW SUBSIDIARIES

1. 446 Sycamore Road, L.L.C.
2. Alamogordo Aviv, L.L.C.
3. Albany Street Property, L.L.C.
4. Arkansas Aviv, L.L.C.
5. Arma Yates, L.L.C.
6. Avery Street Property, L.L.C.
7. Aviv Asset Management, L.L.C.
8. Aviv Financing I, L.L.C.
9. Aviv Financing II, L.L.C.
10. Aviv Financing III, L.L.C.
11. Aviv Financing IV, L.L.C.
12. Aviv Financing V, L.L.C.
13. Aviv Foothills, L.L.C.
14. Aviv Healthcare Capital Corporation
15. Aviv Healthcare Properties Operating Partnership I, L.P.
16. Aviv Liberty, L.L.C.
17. Avon Ohio, L.L.C.
18. Belleville Illinois, L.L.C.
19. Bellingham II Associates, L.L.C.
20. Bethel ALF Property, L.L.C.
21. BHG Aviv, L.L.C.
22. Biglerville Road, L.L.C.
23. Bonham Texas, L.L.C.
24. Bradenton ALF Property, L.L.C.
25. Burton NH Property, L.L.C.
26. California Aviv Two, L.L.C.
27. California Aviv, L.L.C.
28. Camas Associates, L.L.C.
29. Casa/Sierra California Associates, L.L.C.
30. Champaign Williamson Franklin, L.L.C.
31. Chardon Ohio Property Holdings, L.L.C.
32. Chardon Ohio Property, L.L.C.
33. Chatham Aviv, L.L.C.
34. Chippewa Valley, L.L.C.
35. Clarkston Care, L.L.C.
36. Clayton Associates, L.L.C.
37. Colonial Madison Associates, L.L.C.
38. Columbus Texas Aviv, L.L.C.
39. Columbus Western Avenue, L.L.C.
40. Colville Washington Property, L.L.C.
41. Commerce Nursing Homes, L.L.C.
42. Commerce Sterling Hart Drive, L.L.C.

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43. Conroe Rigby Owen Road, L.L.C.
44. CR Aviv, L.L.C.
45. Crete Plus Five Property, L.L.C.
46. Crooked River Road, L.L.C.
47. Cuyahoga Falls Property, L.L.C.
48. Dallas Two Property, L.L.C.
49. Danbury ALF Property, L.L.C.
50. Darien ALF Property, L.L.C.
51. Denison Texas, L.L.C.
52. East Rollins Street, L.L.C.
53. Edgewood Drive Property, L.L.C.
54. Effingham Associates, L.L.C.
55. Elite Mattoon, L.L.C.
56. Elite Yorkville, L.L.C.
57. Falcon Four Property Holding, L.L.C.
58. Falcon Four Property, L.L.C.
59. Falfurrias Texas, L.L.C.
60. Florida ALF Properties, L.L.C.
61. Florida Four Properties, L.L.C.
62. Fort Stockton Property, L.L.C.
63. Four Fountains Aviv, L.L.C.
64. Fredericksburg South Adams Street, L.L.C.
65. Freewater Oregon, L.L.C.
66. Fullerton California, L.L.C.
67. Gardnerville Property, L.L.C.
68. Germantown Property, L.L.C.
69. Giltex Care, L.L.C.
70. Glendale NH Property, L.L.C.
71. Gonzales Texas Property, L.L.C.
72. Great Bend Property, L.L.C.
73. Greenville Kentucky Property, L.L.C.
74. Heritage Monterey Associates, L.L.C.
75. HHM Aviv, L.L.C.
76. Hidden Acres Property, L.L.C.
77. Highland Leasehold, L.L.C.
78. Hobbs Associates, L.L.C.
79. Hot Springs Aviv, L.L.C.
80. Houston Texas Aviv, L.L.C.
81. Hutchinson Kansas, L.L.C.
82. Idaho Associates, L.L.C.
83. Illinois Missouri Properties, L.L.C.
84. Iowa Lincoln County Property, L.L.C.
85. Jasper Springhill Street, L.L.C.
86. Kansas Five Property, L.L.C.
87. Karan Associates Two, L.L.C.
88. Karan Associates, L.L.C.

89. Karissa Court Property, L.L.C.
90. KB Northwest Associates, L.L.C.
91. Kentucky NH Properties, L.L.C.
92. Kingsville Texas, L.L.C.
93. Louisville Dutchmans Property, L.L.C.
94. Magnolia Drive Property, L.L.C.
95. Manor Associates, L.L.C.
96. Mansfield Aviv, L.L.C.
97. Massachusetts Nursing Homes, L.L.C.
98. McCarthy Street Property, L.L.C.
99. Minnesota Associates, L.L.C.
100. Mishawaka Property, L.L.C.
101. Missouri Associates, L.L.C.
102. Missouri Regency Associates, L.L.C.
103. Montana Associates, L.L.C.
104. Monterey Park Leasehold Mortgage, L.L.C.
105. Mount Washington Property, L.L.C.
106. Mt. Vernon Texas, L.L.C.
107. Murray County, L.L.C.
108. Muscatine Toledo Properties, L.L.C.
109. N.M. Bloomfield Three Plus One Limited Company
110. N.M. Espanola Three Plus One Limited Company
111. N.M. Lordsburg Three Plus One Limited Company
112. N.M. Silver City Three Plus One Limited Company
113. New Hope Property, L.L.C.
114. Newtown ALF Property, L.L.C.
115. Nicholasville Kentucky Property, L.L.C.
116. North Royalton Ohio Property, L.L.C.
117. Norwalk ALF Property, L.L.C.
118. Oakland Nursing Homes, L.L.C.
119. October Associates, L.L.C.
120. Ogden Associates, L.L.C.
121. OHI Asset (FL) Lutz, LLC
122. Ohio Aviv Three, L.L.C.
123. Ohio Aviv Two, L.L.C.
124. Ohio Aviv, L.L.C.
125. Ohio Indiana Property, L.L.C.
126. Ohio Pennsylvania Property, L.L.C.
127. Oklahoma Two Property, L.L.C.
128. Oklahoma Warr Wind, L.L.C.
129. Omaha Associates, L.L.C.
130. Orange ALF Property, L.L.C.
131. Orange, L.L.C.
132. Oregon Associates, L.L.C.
133. Oso Avenue Property, L.L.C.
134. Ostrom Avenue Property, L.L.C.

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135. Peabody Associates Two, L.L.C.
136. Peabody Associates, L.L.C.
137. Pennington Road Property, L.L.C.
138. Pocatello Idaho Property, L.L.C.
139. Pomona Vista L.L.C.
140. Prescott Arkansas, L.L.C.
141. Raton Property Limited Company
142. Ravenna Ohio Property, L.L.C.
143. Red Rocks, L.L.C.
144. Richland Washington, L.L.C.
145. Riverside Nursing Home Associates Two, L.L.C.
146. Riverside Nursing Home Associates, L.L.C.
147. Rockingham Drive Property, L.L.C.
148. Rose Baldwin Park Property L.L.C.
149. S.C. Portfolio Property, L.L.C.
150. Salem Associates, L.L.C.
151. San Juan NH Property, LLC
152. Sandalwood Arkansas Property, L.L.C.
153. Santa Ana-Bartlett, L.L.C.
154. Santa Fe Missouri Associates, L.L.C.
155. Savoy/Bonham Venture, L.L.C.
156. Searcy Aviv, L.L.C.
157. Sedgwick Properties, L.L.C.
158. Seguin Texas Property, L.L.C.
159. Sierra Ponds Property, L.L.C.
160. Skyview Associates, L.L.C.
161. Southeast Missouri Property, L.L.C.
162. Southern California Nevada, L.L.C.
163. St. Joseph Missouri Property, L.L.C.
164. Star City Arkansas, L.L.C.
165. Stephenville Texas Property, L.L.C.
166. Stevens Avenue Property, L.L.C.
167. Sun-Mesa Properties, L.L.C.
168. Texas Fifteen Property, L.L.C.
169. Texas Four Property, L.L.C.
170. Texhoma Avenue Property, L.L.C.
171. Tujung, L.L.C.
172. Tulare County Property, L.L.C.
173. VRB Aviv, L.L.C.
174. Washington Idaho Property, L.L.C.
175. Washington-Oregon Associates, L.L.C.
176. Watauga Associates, L.L.C.
177. Wellington Leasehold, L.L.C.
178. West Pearl Street, L.L.C.
179. West Yarmouth Property I, L.L.C.
180. Wheeler Healthcare Associates, L.L.C.

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- 181. Whitlock Street Property, L.L.C.
- 182. Willis Texas Aviv, L.L.C.
- 183. Yuba Aviv, L.L.C.

[Schedule II – 1st Supplemental Indenture – 2027 Notes]

RULE 13a-14(a)/15d-14(a) CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Certification

I, C. Taylor Pickett, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Omega Healthcare Investors, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2015

/S/ C. TAYLOR PICKETT

C. Taylor Pickett

Chief Executive Officer

RULE 13a-14(a)/15d-14(a) CERTIFICATION OF CHIEF FINANCIAL OFFICER**Certifications**

I, Robert O. Stephenson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Omega Healthcare Investors, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2015

/S/ ROBERT O. STEPHENSON

Robert O. Stephenson
Chief Financial Officer

**SECTION 1350 CERTIFICATION
OF THE CHIEF EXECUTIVE OFFICER**

I, C. Taylor Pickett, hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of the Company for the three months ended March 31, 2015 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2015

/S/ C. TAYLOR PICKETT

C. Taylor Pickett
Chief Executive Officer

**SECTION 1350 CERTIFICATION
OF THE CHIEF FINANCIAL OFFICER**

I, Robert O. Stephenson, hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of the Company for the three months ended March 31, 2015 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2015

/S/ ROBERT O. STEPHENSON

Robert O. Stephenson
Chief Financial Officer
