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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): May 7, 2010

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

Maryland	**1-11316**	**38-3041398**
(State of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

200 International Circle
Suite 3500
Hunt Valley, Maryland 21030
(Address of principal executive offices / Zip Code)

(410) 427-1700
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act.
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act.
- ☐ Pre-commencement communications pursuant to Rule 14d—2(b) under the Exchange Act.
- ☐ Pre-commencement communications pursuant to Rule 13e—4(c) under the Exchange Act.

Item 8.01 Other Events.

As previously reported, on November 17, 2009, Omega Healthcare Investors, Inc. ("Omega") entered into a securities purchase agreement with CapitalSource Inc. ("CapitalSource") and certain of its subsidiaries, pursuant to which Omega agreed, subject to the terms and conditions of the purchase agreement, to purchase (i) certain CapitalSource subsidiaries owning 40 long-term care facilities unencumbered by third party financing (the "Core Portfolio"), (ii) certain CapitalSource subsidiaries owning 40 long-term care facilities encumbered by long-term mortgage financing guaranteed by the U.S. Department of Housing and Urban Development (the "HUD Portfolio"), and (iii) and an option to purchase certain other CapitalSource subsidiaries owning an additional 63 long-term care facilities (the "Option Portfolio"). As previously reported, on December 22, 2009, Omega closed on its acquisition of the Core Portfolio, and on April 19, 2010, Omega provided CapitalSource with notice of its intent to exercise its option to purchase the Option Portfolio. Omega anticipates acquiring the HUD Portfolio and the Option Portfolio during the second quarter of 2010. Omega's acquisition of each of the HUD Portfolio and the Option Portfolio is subject to customary closing conditions, and there can be no assurance that the transactions will be consummated.

This Current Report on Form 8-K provides certain financial and pro forma information required under Item 9.01 of Form 8-K regarding the facilities that constitute the HUD Portfolio and the Option Portfolio.

This Current Report on Form 8-K contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about the purchase of the CapitalSource entities, which are subject to numerous conditions, requirements, adjustments, options, assumptions, risks and uncertainties. All statements contained in this release that are not clearly historical in nature are forward-looking, and the words "anticipate," "assume," "intend," "believe," "expect," "estimate," "plan," "goal," "will," "continue," "should," and similar expressions are generally intended to identify forward-looking statements. All forward-looking statements (including statements regarding future transactions) involve risks, uncertainties and contingencies, many of which are beyond our control, which may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. Actual results could differ materially from those contained or implied by such statements for a variety of factors, including without limitation: the remaining CapitalSource transactions may not be completed on the proposed terms and schedule or at all; changes in economic or market conditions; continued or worsening recession in the overall economy or disruptions in credit and other markets; movements in interest rates and lending spreads; continued or worsening credit losses, charge-offs, reserves and delinquencies; our ability to successfully and cost effectively operate our business; competitive and other market pressures on product pricing and services; success and timing of our business strategies; the nature, extent and timing of governmental actions and reforms; changes in tax laws or regulations affecting our business; and other factors described in Omega's 2009 Annual Report on Form 10-K and documents subsequently filed by Omega with the Securities and Exchange Commission. All forward-looking statements included in this report are based on information available at the time of this report. Omega is under no obligation to (and expressly disclaims any such obligation to) update or alter forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired

Filed as Exhibit 99.1 herewith.

(b) Pro Forma Financial Information

Filed as Exhibit 99.2 herewith.

(c) Shell Company Transactions

Not Applicable.

(d) Exhibits:

Exhibit No.	Description of Exhibit
23.1	Consent of Ernst & Young LLP with respect to the Healthcare Real Estate Carve-out of CapitalSource Inc.: Closing II and Healthcare Real Estate Carve-out of CapitalSource Inc.: Closing III
99.1	Healthcare Real Estate Carve-out of CapitalSource Inc.: Closing II, Combined Statements of Revenues and Certain Expenses for the year ended December 31, 2009 and Healthcare Real Estate Carve-out of CapitalSource Inc.: Closing III, Combined Statements of Revenues and Certain Expenses for the year ended December 31, 2009
99.2	Omega Unaudited Pro Forma Condensed Consolidated Financial Statements as of and for the year ended December 31, 2009

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)

Dated: May 7, 2010

By: /s/ C. Taylor Pickett
C. Taylor Pickett
President and Chief Executive Officer

Exhibit 23.1

Consent of Independent Auditors

We consent to the incorporation by reference in the following Registration Statements:

1) Registration Statements (Form S-8 No. 333-69807 and No. 333-3124) related to the 1993 Stock Option and Restricted Stock Plan of Omega Healthcare Investors, Inc., as Amended and Restated;

2) Registration Statement (Form S-8 No. 333-61354) related to the 2000 Stock Incentive Plan of Omega Healthcare Investors, Inc.;

3) Registration Statement (Form S-8 No. 333-117656) related to the 2004 Stock Incentive Plan of Omega Healthcare Investors, Inc.;

4) Registration Statement (Form S-3 No. 333-162083) related to the Dividend Reinvestment and Common Stock Purchase Plan of Omega Healthcare Investors, Inc.;

5) Registration Statement (Form S-3 No. 333-150183) of Omega Healthcare Investors, Inc.; and

6) Registration Statement (Form S-3 No. 333-164367) of Omega Healthcare Investors, Inc.;

of our report dated March 11, 2010, with respect to the combined statement of revenues and certain expenses of the Healthcare Real Estate Carve-out of CapitalSource Inc.: Closing II and our report dated March 11, 2010, with respect to the combined statement of revenues and certain expenses of the Healthcare Real Estate Carve-out of CapitalSource Inc.: Closing III included in this Current Report on Form 8-K.

/s/ Ernst & Young LLP

McLean, Virginia
May 7, 2010

Exhibit 99.1

COMBINED STATEMENT OF REVENUES AND CERTAIN EXPENSES

Healthcare Real Estate Carve-out of CapitalSource Inc.: Closing II
For the Year Ended December 31, 2009
With Report of Independent Auditors

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REPORT OF INDEPENDENT AUDITORS

Management
CapitalSource Inc.

We have audited the accompanying combined statement of revenues and certain expenses of the Healthcare Real Estate Carve-out of CapitalSource Inc.: Closing II (the "Sale Properties") for the year ended December 31, 2009. The combined statement of revenues and certain expenses is the responsibility of the Sale Properties' management. Our responsibility is to express an opinion on the combined statement of revenues and certain expenses based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined statement of revenues and certain expenses is free of material misstatement. We were not engaged to perform an audit of the Sale Properties' internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sale Properties' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined statement of revenues and certain expenses, assessing the accounting principles used and significant estimates made by management, and evaluating the overall presentation of the combined statement of revenues and certain expenses. We believe that our audit provides a reasonable basis for our opinion.

The accompanying combined statement of revenues and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in a registration statement and/or Form 8-K of Omega Healthcare Investors, Inc. as described in Note 1, and is not intended to be a complete presentation of the Sale Properties' combined revenues and expenses.

In our opinion, the combined statement of revenues and certain expenses referred to above presents fairly, in all material respects, the revenues and certain expenses described in Note 1 of the Sale Properties for the year ended December 31, 2009, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

McLean, Virginia
March 11, 2010

Healthcare Real Estate Carve-out of CapitalSource Inc.: Closing II
Combined Statement of Revenues and Certain Expenses
For the year ended December 31, 2009
($ in thousands)

Revenues:	
Operating lease income	$ 28,927
Other income	87
Total revenues	29,014
Certain expenses:	
Interest	5,445
Depreciation	7,911
General and administrative	2,731
Total expenses	16,087
Revenues in excess of certain expenses	$ 12,927

See accompanying notes.

Healthcare Real Estate Carve-out of CapitalSource Inc.: Closing II
NOTES TO THE COMBINED STATEMENT OF REVENUES AND CERTAIN EXPENSES

Note 1. Basis of Presentation

Presented herein is the combined statement of revenues and certain expenses of a portion of the healthcare-related assets and liabilities of CapitalSource Inc.'s ("CapitalSource") direct real estate business owned by subsidiaries of CapitalSource Healthcare REIT (''CHR''), (the "Healthcare Real Estate Carve-out of CapitalSource Inc.: Closing II" or the "Sale Properties") to be sold to Omega Healthcare Investors, Inc. ("OHI"), a publicly traded company, in consideration for the assumption of debt and cash. The specific properties and terms of the sale are outlined in the Securities Purchase Agreement between CapitalSource and OHI. The composition of the Closing II Sale Properties is defined below.

The combined statement has been prepared for the purpose of complying with Rule 3-14 of Regulation S-X of the Securities and Exchange Commission and is not intended to be a complete presentation of the actual operations of the Sale Properties. Accordingly, the combined financial statement excludes certain expenses because they may not be comparable to those expected to be incurred in the future operations of the Sale Properties. Items excluded consist primarily of allocated income tax charges, which may not be comparable to future operations. Consistent with CapitalSource's treatment of the Sale Properties in its consolidated financial statements for the year ended December 31, 2009, depreciation ceased on November 1, 2009 as a result of the Sale Properties being classified as held for sale and presented as discontinued operations therein.

The following table describes the composition of the Sale Properties:

Operating Property	***Location***
2055 Georgia St. East	Bartow, FL
755 Meadows Road	Boca Raton, FL
1902 59th Street West	Bradenton, FL
1111 South Highland Avenue	Clearwater, FL
1111 South Highland Avenue	Clearwater, FL
1270 Turner Street	Clearwater, FL
991 East New York Avenue	Deland, FL
545 West Euclid Avenue	Deland, FL
3250 Winkler Avenue	Ft. Myers, FL
114 3rd Street	Fort Walton Beach, FL
1414 59th Street	Gulfport, FL
13719 Dallas Drive	Hudson, FL
512 South 11th Street	Lake Wales, FL
610 East Bella Vista Drive	Lakeland, FL
1336 St. Andrews	Panama City, FL
401 East Sample Road	Pompano Beach, FL
51 West Sample Road	Pompano Beach, FL
950 Mellonville Avenue	Sanford, FL
1524 East Avenue South	Sarasota, FL
7045 Evergreen Woods Trail	Spring Hill, FL
7101 31st Street South	St. Petersburg, FL
4201 31st Street South	St. Petersburg, FL
550 62nd. Street	St. Petersburg, FL
15002 Hutchinson Road	Tampa, FL
4411 North Habana Avenue	Tampa, FL
515 Chesapeake Drive	Tarpon Springs, FL
1705 Jess Parrish Court	Titusville, FL
300 15th Street	West Palm Beach, FL

Operating Property	*Location*
2629 Del Prado Boulevard	Cape Coral, FL
3387 Gulf Breeze Parkway	Gulf Breeze, FL
4343 Langley Avenue	Pensacola, FL
138 Sandestine Lane	Destin, FL
5951 Colonial Drive	Margate, FL
3107 North H Street	Pensacola, FL
103 Ruby Lane	Crestview, FL
6894 Pine Forest Road	Pensacola, FL
538 Menge Avenue	Pass Christian, MS
1199 Ocean Springs Road	Ocean Springs, MS
1304 Walnut Street	Waynesboro, MS
1530 Broad Avenue	Gulfport, MS

In the combined statement, unless the context otherwise requires or indicates, references to ‘‘we,’’ ‘‘our,’’ and ‘‘us’’ refer to the Sale Properties.

Note 2. Summary of Significant Accounting Policies

Our financial reporting and accounting policies conform to U.S. generally accepted accounting principles (‘‘GAAP’’).

We have conducted our subsequent events review through March 11, 2010.

Use of Estimates

The preparation of the combined statement of revenues and certain expenses in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosure of revenues and certain expenses of the Sale Properties during the reporting period. Actual results could differ from those estimates.

Principles of Combination

The accompanying financial statement reflects our combined accounts of the Sale Properties. All significant intercompany accounts and transactions have been eliminated.

Real Estate Investments

Depreciation is computed on a straight-line basis over the estimated useful life of the asset, which ranges from 10 to 40 years for buildings and improvements. Furniture and equipment related to our real estate investments are depreciated over seven and five year periods, respectively.

In assessing lease intangibles, we recognize above-market and below-market in-place lease values for acquired operating leases based on the present value of the difference between: (1) the contractual amounts to be received pursuant to the leases negotiated and in-place at the time of acquisition of the facilities; and (2) management’s estimate of fair market lease rates for the facility or equivalent facility, measured over a period equal to the remaining non-cancelable term of the lease. Factors to be considered for lease intangibles also include estimates of carrying costs during hypothetical lease-up periods, market conditions, and costs to execute similar leases. The capitalized above-market or below-market lease values are classified as intangible lease assets, net, and lease obligations, net, respectively, and are amortized into operating lease income over the remaining non-cancelable term of each lease.

Operating Lease Income Recognition

Substantially all of our real estate investments are leased to unrelated third parties through long-term, triple-net operating leases that typically include fixed rental payments, subject to escalation over the life of the lease. We recognize operating lease income on a straight-line basis over the non-cancelable term of the lease when collectability is reasonably assured. For the year ended December 31, 2009, straight-line rental revenues totaling $1.8 million were recognized as a component of operating lease income in our combined statement of revenues and certain expenses.

We do not recognize any revenue on contingent rents until payments are received and all contingencies have been met.

Income Taxes

We expect that the Sale Properties will reside in a real estate investment trust under the Internal Revenue Code of 1986, and generally will not be subject to corporate income taxes to the extent it distributes at least 90% of its taxable income to its shareholders and complies with certain other requirements. Accordingly, no provision has been made for federal income taxes in the accompanying statement of revenues and certain expenses.

Note 3. Lease Commitments

The leases on our real estate investments expire at various dates through 2022 and typically include fixed rental payments that are subject to escalation over the life of the lease. As of December 31, 2009, we expected to receive future minimum rental payments from our non-cancelable operating leases as follows ($ in thousands):

2010	$ 27,335
2011	27,882
2012	28,440
2013	29,008
2014	29,588
Thereafter	104,069
Total	$ 246,322

Note 4. Commitments and Contingencies

We had identified conditional asset retirement obligations primarily related to the future removal and disposal of asbestos that is contained within certain of our real estate investment properties. The asbestos is appropriately contained, and we believe we are compliant with current environmental regulations. If these properties undergo major renovations or are demolished, certain environmental regulations are in place, which specify the manner in which asbestos must be handled and disposed.

From time to time we are party to legal proceedings. We do not believe that any currently pending or threatened proceeding, if determined adversely to us, would have a material adverse effect on our combined statement of revenues and certain expenses.

Note 5. Borrowings

Mortgage Debt

We had mortgage debt totaling $184.9 million as of December 31, 2009. Our mortgage debt consists of $55.3 million related to eleven mortgage loans assumed in 2006 and 2007 on the acquisition of certain of our healthcare investment properties. These mortgage loans are guaranteed by the U.S. Department of Housing & Urban Development ("HUD") and collateralized by eleven of our healthcare investment properties. Our mortgage debt also consists of $129.6 million related to 18 mortgage loans guaranteed by HUD, collateralized by 29 of our healthcare investment properties, which we entered into in December 2009. The weighted average interest rate as of December 31, 2009 on the assumed mortgage loans is 6.63% and on the new mortgage loans is 4.85%. The weighted average maturity as of December 31, 2009 on the assumed loans is 28 years and on the new mortgage loans is 33 years. Interest expense on this debt for the year ended December 31, 2009 was $3.6 million.

Subordinated Debt

In November 2006, in connection with the acquisition of eleven properties, we entered into an aggregate of $20.0 million junior subordinated unsecured seller notes. The term of the notes is 15 years, and interest is payable quarterly at a fixed rate of 9.0%. The interest on these notes is due and payable only to the extent that there is rent being received from the tenants of the acquired properties to cover the interest expense related to this debt. Principal is due at the end of the 15-year period in December 2021, but only to the extent that all rent has been paid for the 15-year term of the debt. As of December 31, 2009, all rent to date had been paid in full. Interest expense on this debt for the year ended December 31, 2009 was $1.8 million.

Note 6. Related Party Transactions

For the year ended December 31, 2009, certain management, administrative and operational services of CapitalSource were shared between the Sale Properties and other CapitalSource operations. For purposes of financial statement presentation, the costs for these shared services have been allocated to the Sale Properties based on actual direct costs incurred and an allocation of indirect costs. CapitalSource's management believes that the allocations are reasonable. However, actual expenses may be materially different from the allocated expenses if the Sale Properties had operated as an unaffiliated stand-alone entity.

Our combined statement of revenues and certain expenses for the year ended December 31, 2009, includes the following related party income and expenses ($ in thousands):

Allocated interest income(1)	$	67
Allocated general and administrative expenses(2)		2,218

(1) Represents an allocation of interest income earned on cash held and managed by CapitalSource on our behalf.

(2) To facilitate operating efficiency, CapitalSource provides office space, equipment, certain administrative support, and other assistance to the Sale Properties. As a result, overhead expenses (including compensation and benefits) have been allocated to the Sale Properties at cost based on the relative value of its real estate assets to CapitalSource's portfolio.

Combined Statement of Revenues and Certain Expenses

Healthcare Real Estate Carve-out of CapitalSource Inc.: Closing III
For the Year Ended December 31, 2009
With Report of Independent Auditors

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REPORT OF INDEPENDENT AUDITORS

Management
CapitalSource Inc.

We have audited the accompanying combined statement of revenues and certain expenses of the Healthcare Real Estate Carve-out of CapitalSource Inc.: Closing III (the “Sale Properties”) for the year ended December 31, 2009. The combined statement of revenues and certain expenses is the responsibility of the Sale Properties’ management. Our responsibility is to express an opinion on the combined statement of revenues and certain expenses based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined statement of revenues and certain expenses is free of material misstatement. We were not engaged to perform an audit of the Sale Properties’ internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sale Properties’ internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined statement of revenues and certain expenses, assessing the accounting principles used and significant estimates made by management, and evaluating the overall presentation of the combined statement of revenues and certain expenses. We believe that our audit provides a reasonable basis for our opinion.

The accompanying combined statement of revenues and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in a registration statement and/or Form 8-K of Omega Healthcare Investors, Inc. as described in Note 1, and is not intended to be a complete presentation of the Sale Properties’ combined revenues and expenses.

In our opinion, the combined statement of revenues and certain expenses referred to above presents fairly, in all material respects, the revenues and certain expenses described in Note 1 of the Sale Properties for the year ended December 31, 2009, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

McLean, Virginia
March 11, 2010

Healthcare Real Estate Carve-out of CapitalSource Inc.: Closing III
Combined Statement of Revenues and Certain Expenses
For the year ended December 31, 2009
($ in thousands)

Revenues:	
Operating lease income	$ 33,947
Other income	93
Total revenues	34,040
Certain expenses:	
Interest	6,883
Depreciation	10,160
General and administrative	3,485
Total expenses	20,528
Revenues in excess of certain expenses	$ 13,512

See accompanying notes.

Note 1. Basis of Presentation

Presented herein is the combined statement of revenues and certain expenses of a portion of the healthcare-related assets and liabilities of CapitalSource Inc.'s ("CapitalSource") direct real estate business owned by subsidiaries of CapitalSource Healthcare REIT (''CHR''), (the "Healthcare Real Estate Carve-out of CapitalSource Inc.: Closing III" or the "Sale Properties") to be sold to Omega Healthcare Investors, Inc. ("OHI"), a publicly traded company. The sale is contingent on OHI's exercise of a non-refundable option, which was received by CapitalSource in the form of shares of OHI. The specific properties and terms of the sale are outlined in the Securities Purchase Agreement Casablanca Option Agreement between CapitalSource and OHI. The composition of the Closing III Sale Properties is defined below.

The combined statement has been prepared for the purpose of complying with Rule 3-14 of Regulation S-X of the Securities and Exchange Commission and is not intended to be a complete presentation of the actual operations of the Sale Properties. Accordingly, the combined financial statement excludes certain expenses because they may not be comparable to those expected to be incurred in the future operations of the Sale Properties. Items excluded consist primarily of allocated income tax charges, which may not be comparable to future operations.

The following table describes the composition of the Sale Properties:

Operating Property	***Location***
404 Washington Street	Albany, KY
9 Medical Drive	Amarillo, TX
3864 Sweeten Creek Road	Arden, NC
5269 Asbury Road	Augusta, KY
50 Shepherd Lane	Bedford, KY
520 Glenburn Avenue	Cambridge, MD
2714 13th Street NW	Canton, OH
200 Clive Drive SW	Cedar Rapids, IA
40 Parkhurst Road	Chelmsford, MA
110 Beverly Drive	Chesterton, IN
590 South Indian Hill Boulevard	Claremont, CA
3185 West Arkansas Avenue	Denver, CO
1400 North San Antonio Avenue	Douglas, AZ
960 East Bowles	Dumas, AR
100 Laurel Drive	Elkton, MD
2940 North Clinton Street	Fort Wayne, IN
303 Highway 155 (Murchison Street)	Frankston, TX
102 Pocahontas Trail	Georgetown, KY
2961 St. Anthony Drive	Green Bay, WI
5471 Scioto Darby Road	Hilliard, OH
287 Baker Street	Huntsville, TN
344 South Ritter Avenue	Indianapolis, IN
8181 Harcourt Road	Indianapolis, IN
203 Sparks Avenue	Jeffersonville, IN
2700 Waters Edge Parkway	Jeffersonville, IN
115 White Road	King, NC
2035 Stonebrook Place	Kingsport, TN
1000 Tandal Place	Knightdale, NC
2400 South First Street	Lake City, FL
4405 Lakewood Road	Lake Worth, FL
1432 Depew Street	Lakewood, CO

Operating Property	*Location*
2301 Collins Drive	Las Vegas, NM
3051 Buffalo Road	Lawrenceburg, TN
2030 Harper Avenue	Lenoir, NC
21412 Great Mills Road	Lexington Park, MD
200 Kingston Circle Drive	Ligonier, IN
110 SE Lee Avenue	Live Oak, FL
1555 Commerce Street	Logansport, IN
710 Michigan Avenue	Lowell, IN
954 Navco Road	Mobile, AL
320 North Eastern Avenue	Moore, OK
500 South Grant Avenue	Omro, WI
833 Kingsley Avenue	Orange Park, FL
7950 Lake Underhill Road	Orlando, FL
1730 Lucerne Terrace	Orlando, FL
450 South 9th Street	Piggott, AR
1700 North Washington Street	Pilot Point, TX
1400 North Waverly Street	Ponca City, OK
1655 Southeast Walton Road	Port St. Lucie, FL
2050 Chester Boulevard	Richmond, IN
1933 Peppertree Drive	Safford, AZ
900 Elmhurst Boulevard	Salina, KS
1705 Boren Street	Seminole, OK
535 West Federal Street	Shawnee, OK
1215 South Western Road	Stillwater, OK
625 Taylorsville Road	Taylorsville, KY
6602 Memorial Drive	Texas City, TX
1564 South University Boulevard	Upland, IN
511 Windmill Street	Walnut Cove, NC
1801 North Lake Miriam Drive	Winter Haven, FL
1801 North Lake Miriam Drive	Winter Haven, FL
25 Reynolds Mountain Boulevard	Woodfin, NC
2000 Andrews Road	Yorktown, IN

In the combined statement, unless the context otherwise requires or indicates, references to "we," "our," and "us" refer to the Sale Properties.

Note 2. Summary of Significant Accounting Policies

Our financial reporting and accounting policies conform to U.S. generally accepted accounting principles ("GAAP").

We have conducted our subsequent events review through March 11, 2010.

Use of Estimates

The preparation of the combined statement of revenues and certain expenses in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosure of revenues and certain expenses of the Sale Properties during the reporting period. Actual results could differ from those estimates.

Principles of Combination

The accompanying financial statement reflects our combined accounts of the Sale Properties. All significant intercompany accounts and transactions have been eliminated.

Real Estate Investments

Depreciation is computed on a straight-line basis over the estimated useful life of the asset, which ranges from 10 to 40 years for buildings and improvements. Furniture and equipment related to our real estate investments are depreciated over seven and five year periods, respectively.

In assessing lease intangibles, we recognize above-market and below-market in-place lease values for acquired operating leases based on the present value of the difference between: (1) the contractual amounts to be received pursuant to the leases negotiated and in-place at the time of acquisition of the facilities; and (2) management's estimate of fair market lease rates for the facility or equivalent facility, measured over a period equal to the remaining non-cancelable term of the lease. Factors to be considered for lease intangibles also include estimates of carrying costs during hypothetical lease-up periods, market conditions, and costs to execute similar leases. The capitalized above-market or below-market lease values are classified as intangible lease assets, net, and lease obligations, net, respectively, and are amortized into operating lease income over the remaining non-cancelable term of each lease.

Deferred Financing Fees

Deferred financing fees represent fees and other direct incremental costs incurred in connection with our borrowings. These amounts are amortized into income as interest expense over the estimated life of the borrowing using the interest method.

Operating Lease Income Recognition

Substantially all of our real estate investments are leased to unrelated third parties through long-term, triple-net operating leases that typically include fixed rental payments, subject to escalation over the life of the lease. We recognize operating lease income on a straight-line basis over the non-cancelable term of the lease when collectability is reasonably assured. For the year ended December 31, 2009, straight-line rental revenues totaling $0.8 million were recognized as a component of operating lease income in our combined statement of revenues and certain expenses.

We do not recognize any revenue on contingent rents until payments are received and all contingencies have been met.

Income Taxes

We expect that the Sale Properties will reside in a real estate investment trust under the Internal Revenue Code of 1986, and generally will not be subject to corporate income taxes to the extent it distributes at least 90% of its taxable income to its shareholders and complies with certain other requirements. Accordingly, no provision has been made for federal income taxes in the accompanying statement of revenues and certain expenses.

Note 3. Lease Commitments

The leases on our real estate investments expire at various dates through 2026 and typically include fixed rental payments that are subject to escalation over the life of the lease. As of December 31, 2009, we expected to receive future minimum rental payments from our non-cancelable operating leases as follows ($ in thousands):

2010	$ 33,020
2011	28,936
2012	25,704
2013	21,888
2014	20,081
Thereafter	72,788
Total	$ 202,417

Note 4. Commitments and Contingencies

We had identified conditional asset retirement obligations primarily related to the future removal and disposal of asbestos that is contained within certain of our real estate investment properties. The asbestos is appropriately contained, and we believe we are compliant with current environmental regulations. If these properties undergo major renovations or are demolished, certain environmental regulations are in place, which specify the manner in which asbestos must be handled and disposed.

From time to time we are party to legal proceedings. We do not believe that any currently pending or threatened proceeding, if determined adversely to us, would have a material adverse effect on our combined statement of revenues and certain expenses.

Note 5. Borrowings

Mortgage Debt

As of December 31, 2009, our mortgage debt comprised a senior loan of $228.9 million and a mezzanine loan of $33.9 million collateralized by 63 healthcare investment properties. The initial maturity date on the loan was April 9, 2009 subject to three one-year extensions. In February 2010, we exercised the second of the three one year extensions to extend the maturity of the loans to April 9, 2011. The extension was approved by the master servicer subject to our compliance with the terms and conditions of the loan agreements as of April 9, 2010. The interest rate as of December 31, 2009, under the senior loan is one-month LIBOR plus 1.54%, and the interest rate under the mezzanine loan is one-month LIBOR plus 4%. Interest expense on this debt for the year ended December 31, 2009 was $6.9 million, which included amortization of deferred financing fees of $0.8 million.

Note 6. Related Party Transactions

For the year ended December 31, 2009, certain management, administrative and operational services of CapitalSource were shared between the Sale Properties and other CapitalSource operations. For purposes of financial statement presentation, the costs for these shared services have been allocated to the Sale Properties based on actual direct costs incurred and an allocation of indirect costs. CapitalSource's management believes that the allocations are reasonable. However, actual expenses may be materially different from the allocated expenses if the Sale Properties had operated as an unaffiliated stand-alone entity.

Our combined statement of revenues and certain expenses for the year ended December 31, 2009, includes the following related party income and expenses ($ in thousands):

Allocated interest income(1)	$ 78
Allocated general and administrative expenses(2)	3,077

(1) Represents an allocation of interest income earned on cash held and managed by CapitalSource on our behalf.

(2) To facilitate operating efficiency, CapitalSource provides office space, equipment, certain administrative support, and other assistance to the Sale Properties. As a result, overhead expenses (including compensation and benefits) have been allocated to the Sale Properties at cost based on the relative value of its real estate assets to CapitalSource's portfolio.

Exhibit 99.2

Omega Pro Forma Financial Statements
Unaudited Pro Forma Balance Sheet
CapitalSource Transaction

	As of December 31, 2009						
	12/31/2009 Historical Balance Sheet	Adjustments for Capital Market Transactions	Company Pro Forma after Capital Market Transactions	Closing 2 Acquisition HUD Properties Historical	Company Pro Forma after Closing 2 Acquisition	Closing 3 Acquisition Properties Historical	Company Pro Forma after Closing 2 & 3 Acquisition
	a	b		f		m	
ASSETS							
Real estate properties							
Land and buildings at cost	$ 1,669,843	$ -	$ 1,669,843	$ 281,131 g	$ 1,950,974	$ 320,211 n	$ 2,271,185
Less accumulated depreciation	(296,441)	-	(296,441)	-	(296,441)	-	(296,441)
Real estate properties - net	**1,373,402**	**-**	1,373,402	**281,131**	**1,654,533**	**320,211**	**1,974,744**
Mortgage notes receivable - net	100,223	-	100,223	-	100,223	-	100,223
	1,473,625	**-**	1,473,625	**281,131**	**1,754,756**	**320,211**	**2,074,967**
Other investments - net	32,800	-	32,800	-	32,800	-	32,800
	1,506,425	**-**	1,506,425	**281,131**	**1,787,556**	**320,211**	**2,107,767**
Assets held for sale - net	877	-	877	-	877	-	877
Total investments	**1,507,302**	**-**	1,507,302	**281,131**	**1,788,433**	**320,211**	**2,108,644**
Cash and cash equivalents	2,170	108,039	110,209	(68,034) h	42,175	-	42,175
Restricted cash	9,486	-	9,486	2,170 i	11,656	2,883 o	14,539
Accounts receivable - net	81,558	-	81,558	-	81,558	-	81,558
Other assets	50,778	4,946 c	55,724	-	55,724	(25,000) p	30,724
Operating assets for owned properties	3,739	-	3,739	-	3,739	-	3,739
Total assets	**$ 1,655,033**	**$ 112,985**	$ 1,768,018	**$ 215,267**	**$ 1,983,285**	**$ 298,094**	**$ 2,281,379**
LIABILITIES AND STOCKHOLDERS' EQUITY							
Revolving line of credit	$ 94,100	$ (94,100)	-	$ -	$ -	$ 296,211 q	$ 296,211
Secured Borrowings	159,354	(59,354)	100,000	214,147 j	314,147	-	314,147
Unsecured borrowings	485,000	200,000	685,000	-	685,000	-	685,000
Premium/Discount on unsecured borrowings (net)	(305)	(3,444) d	(3,749)	-	(3,749)	-	(3,749)
Accrued expenses and other liabilities	49,895	-	49,895	2,170 k	52,065	2,883 r	54,948
Operating liabilities for owned properties	1,762	-	1,762	-	1,762	-	1,762
Total liabilities	**789,806**	**43,102**	832,908	**216,317**	**1,049,225**	**299,094**	**1,348,319**
Stockholders' equity:							
Preferred stock	108,488	-	108,488	-	108,488	-	108,488
Common stock	8,827	379	9,206	-	9,206	-	9,206
Additional paid-in capital	1,157,931	73,347	1,231,278	-	1,231,278	-	1,231,278
Cumulative net earnings	522,388	(3,843) e	518,545	(1,050) l	517,495	(1,000) s	516,495
Cumulative dividends paid	(932,407)	-	(932,407)	-	(932,407)	-	(932,407)
Total stockholders' equity	**865,227**	**69,883**	935,110	**(1,050)**	**934,060**	**(1,000)**	**933,060**
Total liabilities and stockholders' equity	**$ 1,655,033**	**$ 112,985**	$ 1,768,018	**$ 215,267**	**$ 1,983,285**	**$ 298,094**	**$ 2,281,379**

Omega Pro Forma Financial Statements
Unaudited Pro Forma Statement of Operations
CapitalSource Transaction

	For the Year-end December 31, 2009									
	12/31/2009 Historical Balance Sheet	Full Year Impact of Closing 1 Facilities	Impact of Capital Market Transactions	Company Pro Forma after Closing 1 Acquisition & Capital Market Transactions	Closing 2 Acquisition Properties Historical	Closing 2 Acquisition Properties Pro Forma Adjustments	Company Pro Forma after Closing 1 & 2 Acquisition	Closing 3 Acquisition Properties Historical	Closing 3 Acquisition Properties Pro Forma Adjustments	Company Pro Forma after Closing All CapitalSource Acquisitions
	a	b	h		j			k		
Revenues										
Rental income	$ 164,468	$ 30,036 c	$ -	$ 194,504	$ 28,927	$ 1,610 l	$ 225,041	$ 33,947	$ (288) l	$ 258,700
Mortgage interest income	11,601	-	-	11,601	-	-	11,601	-	-	11,601
Other investment income - net	2,502	-	-	2,502	87	(87) m	2,502	93	(93) m	2,502
Miscellaneous	437	-	-	437	-	-	437	-	-	437
Nursing home revenues of owned and operated assets	18,430	-	-	18,430	-	-	18,430	-	-	18,430
Total operating revenues	**197,438**	**30,036**	**-**	**227,474**	**29,014**	**1,523**	**258,011**	**34,040**	**(381)**	**291,670**
Expenses										
Depreciation and amortization	44,694	11,800 d	-	56,494	7,911	4,321 n	68,726	10,160	4,237 n	83,123
General and administrative	11,742	-	-	11,742	2,731	(1,531) o	12,942	3,485	(3,485) o	12,942
Acquisition related costs	1,561	-	-	1,561	-	-	1,561	-	-	1,561
Provisions for impairment on real estate properties	159	-	-	159	-	-	159	-	-	159
Provisions for uncollectible mortgages, notes and accounts receivable	2,765	-	-	2,765	-	-	2,765	-	-	2,765
Nursing home revenues and expenses of owned and operated assets	20,632	-	-	20,632	-	-	20,632	-	-	20,632
Total operating expenses	**81,553**	**11,800**	**-**	**93,353**	**10,642**	**2,790**	**106,785**	**13,645**	**752**	**121,182**
Income before other income and expense	**115,885**	**18,236**	**-**	**134,121**	**18,372**	**(1,267)**	**151,226**	**20,395**	**(1,133)**	**170,488**
Other income (expense):										
Interest and other investment income	21	-	-	21	-	-	21	-	-	21
Interest	(36,077)	(15,326) e	(5,318)	(56,721)	(5,445)	(5,771) p	(67,937)	(6,883)	(4,965) p	(79,785)
Interest - amortization of deferred financing costs	(2,472)	(495) f	321	(2,646)	-	-	(2,646)	-	-	(2,646)
Interest - refinancing costs	(526)	-	-	(526)	-	-	(526)	-	-	(526)
Litigation settlements	4,527	-	-	4,527	-	-	4,527	-	-	4,527
Total other (expense) income	**(34,527)**	**(15,821)**	**(4,997)**	**(55,345)**	**(5,445)**	**(5,771)**	**(66,561)**	**(6,883)**	**(4,965)**	**(78,409)**
Income before gain on assets sold	**81,358**	**2,415**	**(4,997)**	**78,776**	**12,927**	**(7,038)**	**84,665**	**13,512**	**(6,098)**	**92,079**
Gain (loss) on assets sold - net	753	-	-	753	-	-	753	-	-	753
Income from continuing operations before income taxes	**82,111**	**2,415**	**(4,997)**	**79,529**	**12,927**	**(7,038)**	**85,418**	**13,512**	**(6,098)**	**92,832**
Income taxes	-	-	-	-	-	-	-	-	-	-
Income from continuing operations	**82,111**	**2,415**	**(4,997)**	**79,529**	**12,927**	**(7,038)**	**85,418**	**13,512**	**(6,098)**	**92,832**
Discontinued operations	-	-	-	-	-	-	-	-	-	-
Net income	**82,111**	**2,415**	**(4,997)**	**79,529**	**12,927**	**(7,038)**	**85,418**	**13,512**	**(6,098)**	**92,832**
Preferred stock dividends	(9,086)	-	-	(9,086)	-	-	(9,086)	-	-	(9,086)
Series C preferred stock conversion charges	-	-	-	-	-	-	-	-	-	-
Net income available to common	**$ 73,025**	**$ 2,415**	**$ (4,997)**	**$ 70,443**	**$ 12,927**	**$ (7,038)**	**$ 76,332**	**$ 13,512**	**$ (6,098)**	**$ 83,746**
Income per common share:										
Basic:										
Income from continuing operations	$ 0.87			$ 0.78			$ 0.85			$ 0.93
Net income	$ 0.87			$ 0.78			$ 0.85			$ 0.93
Diluted:										
Income from continuing operations	$ 0.87			$ 0.78			$ 0.85			$ 0.93
Net income	$ 0.87			$ 0.78			$ 0.85			$ 0.93
Dividends declared and paid per common share	$ 1.20			$ 1.20			$ 1.20			$ 1.20
Weighted-average shares outstanding, basic	83,556	2,641 g	3,787 i	89,984	-	-	89,984	-	-	89,984
Weighted-average shares outstanding, diluted	83,649	2,641 g	3,787 i	90,077	-	-	90,077	-	-	90,077

Omega Pro Forma Financial Statements
Unaudited Pro Forma Balance Sheet Adjustments
CapitalSource Transaction

Balance Sheet Pro Forma Adjustments:

a Reflects the Company's historical balance sheet for the period ended December 31, 2009.

b Reflects capital market activity in 2010 in connection with the CapitalSource transactions. In February 2010, the Company issued $200 million of its 7.5% 10 year senior notes at a discount and used the net proceeds to repay (i) amounts outstanding under its 2009 $200 million revolving credit facility and (ii) $59.4 million of secured borrowings assumed in connection with the December 22, 2009 acquisition of 40 facilities from CapitalSource (Closing 1). The discount on the $200 million 7.5% 10 year senior notes was approximately $3.4 million. In addition, the Company issued approximately 3.8 million shares of common stock under its Equity Shelf Program for net proceeds of approximately $73.8 million. In 2010, the Company incurred deferred financing costs associated with entering into a new $320 million revolving credit facility.

c Reflects: (i) approximately $4.3 million in debt issuance cost associated with the $200 million 7.5% 10 year senior notes offering completed in February 2010 and $4.5 million in debt issuance costs associated with the new $320 million revolving credit facility completed in April 2010, and (ii) the write-off of December 31, 2009 unamortized debt issuance costs of $3.8 million associated with the 2009 $200 million revolving credit facility.

d Reflects the discount on the issuance of the $200 million 7.5% 10 year senior notes issued in February 2010.

e Reflects the write-off of December 31, 2009 unamortized debt issuance costs associated with the 2009 $200 million credit facility.

f The aggregate consideration for the entities owning an additional 40 facilities to be acquired from CapitalSource (Closing 2) is estimated to be approximately $270.4 million, to consist of the following:

Preliminary estimated fair value of land, building and FF&E	$	281.1
Estimated market adjustment for assumed HUD debt		(10.7)
Total Consideration paid at closing	$	270.4
Funding of Consideration:		
Assumption of 9.0% subordinated debt	$	20.0
Assumption of 6.41% HUD debt		53.8
Assumption of 4.85% HUD debt		129.6
Funds drawn from the Company's revolving credit facility		67.0
Total Funding of consideration at Closing 2	$	270.4

g Reflects the pending acquisition of entities owning an additional 40 facilities from CapitalSource at Closing 2, which is expected to be completed during the second quarter of 2010. The aggregate consideration for the additional 40 facilities is estimated to be $270.4 million. The Company intends to account for the acquisition in accordance with guidance for business combinations and is currently in the process of analyzing the fair value of the acquired properties and the related in-place leases. The Company estimates that the value of the above and below market lease intangibles approximates one another and as a result no value has been assigned to in-place leases and no adjustment has been reflected for the amortization of the acquired lease intangibles. The purchase price allocations are preliminary and subject to change. Our preliminary allocation of the purchase price to real estate assets is as follows:

Land	$	34.3
Building and FF&E		246.8
Total	$	281.1

h Reflects cash used to fund the acquisition of the 40 facilities in Closing 2 and estimated acquisition related costs.

i Reflects cash expected to be received from CapitalSource that relates to liquidity deposits held for leases.

j Reflects debt that the Company expects to assume as part of Closing 2. The $203.4 million in assumed debt includes: $20.0 million in 9% subordinated debt that matures in December 2021, $53.8 million in Housing and Urban Development ("HUD") Mortgage debt at a weighted average of 6.41% that matures between January 2036 and May 2040, and $129.6 million of new HUD debt at 4.85% that matures in 2039. The Company intends to account for the acquisition in accordance with guidance for business combinations and is currently in the process of analyzing the fair value of the assumed debt. The Company estimates that the current fair market value of the $53.8 million HUD debt at current market rates is approximately $64.5 million. No other adjustments have been made regarding fair market value adjustments for any of the other assumed debt as the Company has estimated that the carrying amount of such debt approximates fair value based on current borrowing rates of similar instruments. The purchase price allocations are preliminary and subject to change. Closing 2 is expected to occur during the second quarter of 2010.

k Reflects the liabilities associated with liquidity deposits noted above in footnote (i).

l Reflects the Company's estimate of acquisition related costs associated with Closing 2. The Company assumed that the costs were paid with available cash.

m The aggregate consideration for the entities owning the additional 63 facilities to be acquired from CapitalSource upon the exercise of the Company's purchase option at Closing 3 is estimated to be approximately $320.2 million, to consist of the following:

Preliminary estimated fair value of land, building and FF&E	$	320.2
Payment of deposit for purchase option paid during Closing 1		(25.0)
Total Consideration paid at closing	$	295.2

The Company plans to use funds from its line of credit to fund the $295.2 million in consideration due at closing.

n Reflects the pending acquisition of entities owning an additional 63 facilities from CapitalSource at Closing 3, which is expected to be completed during the second quarter of 2010. The aggregate consideration for the additional 63 facilities is estimated to be $320.2 million. The Company intends to account for the acquisition in accordance with guidance for business combinations and is currently in the process of analyzing the fair value of the acquired properties and the related in-place leases. The Company estimates that the value of the above and below market lease intangibles approximates one another and as a result no value has been assigned to in-place leases and no adjustment has been reflected for the amortization of the acquired lease intangibles. The purchase price allocations are preliminary and subject to change. Our preliminary allocation of the purchase price to real estate assets is as follows:

Land	$	33.1
Building and FF&E		287.1
Total	$	320.2

o Reflects cash expected to be received from CapitalSource that relates to liquidity deposits held for leases.

p Reflects the exercise of the Company's option to purchase the additional 63 facilities at Closing 3. The purchase option is applied to the total consideration for Closing 3 and is allocated to acquired assets and assumed liabilities.

q Reflects funds used from the new 2010 $320 million revolving credit facility to fund the acquisition of 63 facilities from CapitalSource at Closing 3.

r Reflects the liabilities associated with liquidity deposits noted above in footnote (o).

s Reflects the Company's estimate of acquisition related costs associated with Closing 3. The Company assumed that the costs were paid with funds drawn from the new 2010 $320 million revolving credit facility.

Omega Pro Forma Financial Statements
Unaudited Pro Forma Statement of Operation Adjustments
CapitalSource Transaction

Statement of Operations Pro Forma Adjustments:

a Reflects the Company's historical statements of operation for the year-ended December 31, 2009.

b Reflects the full year impact of the December 22, 2009 (Closing 1) acquisition of 40 facilities from CapitalSource Inc. (CapitalSource) and related financing activities, including (i) a new five year $100 million in new 6.5% term loan which closed on December 18, 2009, (ii) the issuance of approximately 2.7 million shares of Company common stock valued at approximately $52.8 million on December 22, 2009 to an affiliate of CapitalSource, (iii) the assumption of $59.4 million in 6.8% CapitalSource mortgage debt and (iv) a draw of approximately $90 million under our 2009 $200 million revolving credit facility. The aggregate consideration for the 40 facilities was approximately $270 million. At Closing 1, the Company also purchased an option for $25 million to purchase an additional 63 CapitalSource facilities. The Company accounted for the acquisition in accordance with guidance for business combinations and is currently in the process of finalizing the analysis of the fair value of the acquired properties and the related in-place leases. The purchase price allocations are preliminary and subject to change.

c Reflects full year impact of straight-line rents for Closing 1 facilities as if the lease start dates were January 1, 2009 and the estimated impact of in-place lease amortization associated with the purchased leases acquired at Closing 1.

d Reflects the full year impact of depreciation and amortization associated with the Closing 1 facilities as if the facilities were acquired on January 1, 2009.

e The adjustment is to reflect the full year impact of the interest costs related to the debt issued and assumed to finance Closing 1 as if the transaction had occurred on January 1, 2009. See footnote (b) above for additional details related to the debt issued and assumed in connection with Closing 1.

f Reflects the full year impact of debt issuance cost associated with the $100 million term loan issued on December 18, 2009 related to Closing 1. The adjustment is to reflect the amortization of debt issuance costs related to the $100 million term loan as if the transaction had occurred on January 1, 2009.

g Reflects the share impact as if Closing 1 had occurred on January 1, 2009 not December 22, 2009.

h Reflects capital market activity in 2010 in preparation for the completion of the CapitalSource transactions. In February 2010, the Company issued $200 million of 7.5% 10 year bonds at a discount and used the net proceeds to repay all of the outstanding amounts under its 2009 $200 million revolving credit facility and $59.4 million of mortgage debt (i.e., secured borrowings) that was assumed from CapitalSource as part of Closing 1. The discount on the $200 million 7.5% 10 year bonds was approximately $3.4 million. In addition, the Company issued approximately 3.8 million shares of common stock under its Equity Shelf Program for net proceeds of approximately $73.8 million. In 2010, the Company incurred deferred financing costs associated with entering into a new 2010 $320 million revolving credit facility, replacing the existing 2009 $200 million revolving credit facility.

i Represents the number of shares issued in capital market transactions in 2010 associated with our Equity Shelf Program. The adjustment is to reflect the issuance of these shares as if they occurred on January 1, 2009.

j Reflects the historical financial results of operations for an additional 40 facilities to be acquired from CapitalSource (Closing 2), which the Company expects to acquire during the second quarter of 2010, for the year-end December 31, 2009. The aggregate consideration for the additional 40 facilities to be acquired at Closing 2 is estimated to be $270 million. The Company expects to assume approximately $203 million in debt as a result of Closing 2 from CapitalSource. The Company intends to account for the acquisition in accordance with guidance for business combinations and is currently in the process of analyzing the fair value of the acquired properties, the related in-place leases and assumed debt. The purchase price allocations are preliminary and subject to change.

k Reflects the historical financial results of operations for an additional 63 facilities to be acquired from CapitalSource (Closing 3), which the Company expects to acquire during the second quarter of 2010, for the year-end December 31, 2009. The aggregate consideration for the additional 63 facilities to be acquired at Closing 3 is estimated to be $320 million. The Company intends to account for the acquisition in accordance with guidance for business combinations and is currently in the process of analyzing the fair value of the acquired properties, the related in-place leases and assumed debt. The purchase price allocations are preliminary and subject to change.

l Reflects increased straight-line rents as if the lease start dates for Closing 2 and Closing 3 facilities were January 1, 2009.

	Year-end December 31, 2009
Closing 2, 40 Facilities expected to be acquired during the second quarter of 2010:	
Rental income recorded by CapitalSource	$ 28,927
Revenue income assuming the acquisition occurred on January 1, 2009	30,537
Pro Forma adjustment to rental income	$ 1,610
Closing 3, 63 Facilities expected to be acquired during the second quarter of 2010:	
Rental income recorded by CapitalSource	$ 33,947
Revenue income assuming the acquisition occurred on January 1, 2009	33,659
Pro Forma adjustment to rental income	$ (288)

m Reflects an adjustment to eliminate the other investment income because we do not intend to purchase other assets from CapitalSource.

n Reflects an adjustment to depreciation and amortization as if Closing 2 and Closing 3 facilities were purchased on January 1, 2009. The estimate is based on our preliminary estimate of the purchase price allocation for the 40 facilities expected to be acquired at Closing 2 during the second quarter of 2010 and the 63 additional facilities that are expected to be acquired at Closing 3 during the second quarter of 2010. The aggregate consideration for the 40 facilities that we expect to acquire at Closing 2 is approximately $270 million and the aggregate consideration for the additional 63 facilities that we expect to acquire at Closing 3 is approximately $320 million, including the $25 million in purchase option deposits that paid at Closing 1 related to Closing 3. The Company intends to account for both of these acquisitions in accordance with guidance for business combinations and is currently in the process of analyzing the fair value of these facilities and the related in-place leases. The purchase price allocations are preliminary and subject to change.

	Year-end December 31, 2009
Closing 2, 40 Facilities expected to be acquired during the second quarter of 2010:	
Depreciation & amortization recorded by CapitalSource	$ 7,911
Depreciation & amortization assuming the acquisition occurred on January 1, 2009	12,232
Pro Forma adjustment to depreciation & amortization	$ 4,321
Closing 3, 63 Facilities expected to be acquired during the second quarter of 2010:	
Depreciation & amortization recorded by CapitalSource	$ 10,160
Depreciation & amortization assuming the acquisition occurred on January 1, 2009	14,397
Pro Forma adjustment to depreciation & amortization	$ 4,237

o Reflects the estimated reduction in general and administrative costs relating to allocations of corporate costs of CapitalSource that are not recurring direct costs of the Closing 2 and Closing 3 facilities, as applicable.

p Represents interest expense on the assumed debt as part of Closing 2 and the anticipated draw on the Company's new 2010 $320 million revolving credit facility in connection with Closing 3.

	Year-end December 31, 2009
Closing 2, 40 Facilities expected to be acquired during the second quarter of 2010:	
Interest Expense Recorded by CapitalSource	$ (5,445)
Interest expense assuming the acquisition occurred on January 1, 2009	(11,216)
Pro Forma adjustment to interest expense	$ (5,771)
Closing 3, 63 Facilities expected to be acquired during the second quarter of 2010:	
Interest Expense Recorded by CapitalSource	$ (6,883)
Interest expense assuming the acquisition occurred on January 1, 2009	(11,848)
Pro Forma adjustment to interest expense	$ (4,965)