

HCP, INC.  
Form 424B5  
March 22, 2011

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Filed Pursuant to Rule 424(b)(5)  
Registration Statement No. 333-161721

**The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state or other jurisdiction where the offer or sale is not permitted.**

**Subject to Completion  
Preliminary Prospectus Supplement dated March 22, 2011**

**PROSPECTUS SUPPLEMENT**

To Prospectus dated September 4, 2009

**24,000,000 Shares**

**HCP, Inc.**

**Common Stock**

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We are offering 24,000,000 shares of our common stock to the public. Our common stock is traded on the New York Stock Exchange under the symbol "HCP." On March 21, 2011, the last reported sale price for our common stock on the New York Stock Exchange was \$37.60 per share.

The closing of this offering is not conditioned upon the consummation of our acquisition of the real estate assets of HCR ManorCare, Inc. as described in this prospectus supplement.

**Investing in our common stock involves risks. See "Risk Factors" on page S-15 of this prospectus supplement and page 4 of the accompanying prospectus and "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2010.**

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

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	<b>Per Share</b>	<b>Total</b>
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds (before expenses) to HCP	\$	\$

To the extent the underwriters sell more than 24,000,000 shares of common stock, the underwriters have the option to purchase up to an additional 3,600,000 shares from us.

The underwriters expect to deliver the shares against payment in New York, New York on March , 2011.

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*Sole Book-Running Manager*

**BofA Merrill Lynch**

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The date of this prospectus supplement is March , 2011.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus and, if applicable, any free writing prospectus we may provide you in connection with this offering. We have not, and the underwriters have not, authorized anyone to provide you with information that is different. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale of these securities is not permitted. This document may only be used where it is legal to sell these securities. You should assume that the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus we may provide you in connection with this offering is accurate only as of their respective dates and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. This prospectus supplement also adds to, updates and changes information contained in the accompanying prospectus. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. The accompanying prospectus is part of a registration statement that we filed with the Securities and Exchange Commission ("SEC") using a shelf registration statement. Under the shelf registration process, from time to time, we may offer and sell debt securities, warrants or other rights, stock purchase contracts, units, common stock, preferred stock or depositary shares, or any combination thereof, in one or more offerings.

It is important that you read and consider all of the information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents to which we have referred you in "Incorporation by Reference" on page S-4 of this prospectus supplement and "Where You Can Find More Information" on page 2 of the accompanying prospectus.

In this prospectus supplement, unless otherwise indicated herein or the context otherwise indicates:

the terms "HCP," "we," "us," "our" and the "Company" refer to HCP, Inc., together with its consolidated subsidiaries, except where it is clear from the context that the term means only the issuer, HCP, Inc.;

the term "HCR ManorCare" refers to HCR ManorCare, Inc., together with its consolidated subsidiaries;

the term "HCR ManorCare PropCo" refers to HCR Properties, LLC, an indirect wholly owned subsidiary of HCR ManorCare, together with its consolidated subsidiaries;

the term "HCR ManorCare Facilities Acquisition" refers to the acquisition by HCP of all of the equity interests of HCR ManorCare PropCo, pursuant to the Purchase Agreement, dated as of December 13, 2010, by and among HCP, HCP 2010 REIT LLC, a Delaware limited liability company, HCR ManorCare, HCR ManorCare PropCo and HCR Healthcare, LLC;

the term "HCP Ventures II Purchase" refers to the acquisition of the remaining 65% of HCP Ventures II, the previously existing senior housing joint venture in which we owned a 35% unconsolidated interest, which closed on January 14, 2011;

the term "Acquisitions" refers to the HCR ManorCare Facilities Acquisition and the HCP Ventures II Purchase;

the term "December 2010 Common Stock Offering" refers to our registered offering in December 2010 of 46 million shares of our common stock pursuant to an underwriting agreement between us and Citigroup Global Markets Inc., as representative of the several underwriters named therein;

the term "January 2011 Notes Offering" refers to our registered offering in January 2011 of \$2.4 billion aggregate principal amount of senior unsecured notes, including \$400 million of 2.700% senior notes due 2014, \$500 million of 3.750% senior notes due 2016, \$1.2 billion of 5.375% senior notes due 2021 and \$300 million of 6.750% senior notes due 2041 pursuant to an underwriting agreement between us and Merrill Lynch, Pierce, Fenner & Smith Incorporated, UBS Securities LLC and Wells Fargo Securities, LLC, as representatives of the several underwriters named therein; and

currency amounts in this prospectus supplement are stated in U.S. dollars.



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**CAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS**

Statements in this prospectus supplement and the information incorporated by reference in this prospectus supplement and the accompanying prospectus that are not historical factual statements are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. We intend to have our forward-looking statements covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and include this statement for purposes of complying with those provisions. Forward-looking statements include, among other things, statements regarding our and our officers' intent, belief or expectations as identified by the use of words such as "may," "will," "project," "expect," "believe," "intend," "anticipate," "seek," "forecast," "plan," "estimate," "could," "would," "should" and other comparable and derivative terms or the negatives thereof. In addition, we, through our officers, from time to time, make forward-looking oral and written public statements concerning our expected future operations, strategies, securities offerings, growth and investment opportunities, dispositions, capital structure changes, budgets and other developments. Readers are cautioned that, while forward-looking statements reflect our good faith belief and reasonable assumptions based upon current information, we can give no assurance that our expectations or forecasts will be attained. Therefore, readers should be mindful that forward-looking statements are not guarantees of future performance and that they are subject to known and unknown risks and uncertainties that are difficult to predict. As more fully set forth herein under "Risk Factors" in this prospectus supplement and under "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2010, factors that may cause our actual results to differ materially from the expectations contained in the forward-looking statements include:

Changes in national and local economic conditions, including a prolonged period of weak economic growth;

Continued volatility in the capital markets, including changes in interest rates and the availability and cost of capital;

Our ability to manage our indebtedness level and changes in the terms of such indebtedness;

Changes in federal, state or local laws and regulations, including those affecting the healthcare industry that affect our costs of compliance or increase the costs, or otherwise affect the operations of our operators, tenants and borrowers;

The potential impact of existing and future litigation matters, including the possibility of larger than expected litigation costs and related developments;

Competition for tenants and borrowers, including with respect to new leases and mortgages and the renewal or rollover of existing leases;

Our ability to negotiate the same or better terms with new tenants or operators if existing leases are not renewed or we exercise our right to replace an existing operator or tenant upon default;

Availability of suitable properties to acquire at favorable prices and the competition for the acquisition and financing of those properties;

The ability of our operators, tenants and borrowers to conduct their respective businesses in a manner sufficient to maintain or increase their revenues and to generate sufficient income to make rent and loan payments to us;

The financial weakness of some operators and tenants, including potential bankruptcies and downturns in their businesses, which results in uncertainties regarding our ability to continue to realize the full benefit of such operators' and/or tenants' leases;

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The financial, legal and regulatory difficulties of significant operators of our properties, including Sunrise Senior Living, Inc.;

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The risk that we may not be able to achieve the benefits of investments within expected time-frames or at all, or within expected cost projections;

Our ability to obtain financing necessary to consummate acquisitions on favorable terms;

Changes in the reimbursement available to our tenants and borrowers by governmental or private payors, including changes in Medicare and Medicaid payment levels and the availability and cost of third party insurance coverage; and

Our ability to close the HCR ManorCare Facilities Acquisition and to effectively integrate the acquisition in our operations, and the effects of any future acquisitions.

Except as required by law, we undertake no, and hereby disclaim any, obligation to update any forward-looking statements, whether as a result of new information, changed circumstances or otherwise.



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**INCORPORATION BY REFERENCE**

The SEC allows us to "incorporate by reference" information into this prospectus supplement and the accompanying prospectus. This means that we can disclose important information to you by referring you to another document that HCP has filed separately with the SEC that contains that information. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus. Information that HCP files with the SEC after the date of this prospectus supplement and that is incorporated by reference in this prospectus supplement will automatically modify and supersede the information included or incorporated by reference in this prospectus supplement and the accompanying prospectus to the extent that the subsequently filed information modifies or supersedes the existing information. We incorporate by reference (other than any portions of any such documents that are not deemed "filed" under the Securities Exchange Act of 1934 in accordance with the Securities Exchange Act of 1934 and applicable SEC rules):

our Annual Report on Form 10-K for the fiscal year ended December 31, 2010;

our Current Report on Form 8-K/A filed on January 19, 2011 and our Current Reports on Form 8-K filed on January 24, 2011, February 15, 2011 (Item 5.02(b)), March 10, 2011, March 15, 2011 (Items 1.01 and 2.03), March 21, 2011 (Item 5.02(b)) and March 22, 2011;

the description of our common stock contained in our Registration Statement on Form 10 dated May 7, 1985 (File No. 1-08895), including the amendments dated May 20, 1985 and May 23, 1985, and any other amendment or report filed for the purpose of updating such description, including the description of amendments to our charter contained in our Quarterly Reports on Form 10-Q for the quarters ended June 30, 2001, June 30, 2004 and September 30, 2007; and

any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until we sell all of the securities offered by this prospectus supplement.

You may request a copy of any of these filings at no cost to you by contacting us by mail, telephone or e-mail using the information set forth below:

Legal Department  
HCP, Inc.  
3760 Kilroy Airport Way, Suite 300  
Long Beach, California 90806  
(562) 733-5100  
*legaldept@hcsi.com*

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**SUMMARY**

*The information below is a summary of the more detailed information included elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. You should read carefully the following summary together with the more detailed information contained in this prospectus supplement, the accompanying prospectus, and the information incorporated by reference into those documents, including the risk factors described on page S-15 of this prospectus supplement and on page 4 of the accompanying prospectus and the "Risk Factors" section in our Annual Report on Form 10-K for the year ended December 31, 2010. This summary is not complete and does not contain all of the information you should consider when making your investment decision.*

*Unless otherwise expressly stated or the context otherwise requires, information in this prospectus supplement assumes that the option granted to the underwriters to purchase up to 3,600,000 additional shares from us has not been exercised.*

*The closing of this offering is not conditioned upon the closing of the HCR ManorCare Facilities Acquisition. Except as otherwise indicated, this prospectus supplement does not give pro forma effect to the Acquisitions and the related transactions, the January 2011 Notes Offering or the offering of common stock by this prospectus supplement. Unless otherwise indicated, references to fiscal year refer to the fiscal year of HCP, which ends on December 31. Our financial results on a pro forma basis for the Acquisitions and the January 2011 Notes Offering for the fiscal year ended December 31, 2010 are set forth below under "Unaudited Pro Forma Condensed Consolidated Financial Statements."*

**Our Company**

We invest primarily in real estate serving the healthcare industry in the United States, or U.S. We are a Maryland corporation and were organized to qualify as a self-administered real estate investment trust, or REIT, in 1985. We are headquartered in Long Beach, California, with offices in Nashville, Tennessee and San Francisco, California. We acquire, develop, lease, manage and dispose of healthcare real estate and provide financing to healthcare providers. Our portfolio is comprised of investments in the following five healthcare segments: (i) senior housing, (ii) life science, (iii) medical office, (iv) post-acute/skilled nursing, and (v) hospital. We make investments within our healthcare segments using the following five investment products: (i) properties under lease, (ii) debt investments, (iii) developments and redevelopments, (iv) investment management and (v) non-managing member limited liability companies, or DownREITs. As of December 31, 2010, our portfolio of investments, including properties owned by our Investment Management Platform, consisted of: (i) interests in 672 facilities among the following segments: 251 senior housing, 102 life science, 253 medical office, 45 post-acute/skilled nursing and 21 hospital and (ii) \$2.0 billion of mezzanine and other secured loan investments.

The delivery of healthcare services requires real estate and, as a result, tenants and operators depend on real estate, in part, to maintain and grow their businesses. HCP believes that the healthcare real estate market provides investment opportunities due to the following:

compelling demographics driving the demand for healthcare services;

specialized nature of healthcare real estate investing; and

ongoing consolidation of the fragmented healthcare real estate sector.

**HCR ManorCare Facilities Acquisition**

On December 13, 2010, we signed a definitive purchase agreement (the "Purchase Agreement") to acquire HCR ManorCare PropCo, which owns substantially all of the post-acute, skilled nursing and assisted living facilities of HCR ManorCare, for a total consideration of \$6.1 billion, comprised of

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approximately \$852 million of our common stock (a fixed 25.7 million shares), \$3.5 billion in cash, and the reinvestment of \$1.7 billion resulting from the payoff of HCP's existing debt investments in HCR ManorCare. Under the terms of the Purchase Agreement, we can elect to fund all or a portion of the stock portion of the consideration in cash. We expect to use the proceeds of this offering to fund all of the stock portion of the consideration in cash in lieu of issuing 25.7 million shares of our common stock to HCR ManorCare. HCR ManorCare, based in Toledo, Ohio, is owned by private equity funds managed by The Carlyle Group. Upon the closing of the HCR ManorCare Facilities Acquisition, we will acquire from HCR ManorCare 334 post-acute, skilled nursing and assisted living facilities located in 30 states, with the highest concentrations in Illinois, Ohio, Pennsylvania, Michigan and Florida. On the closing date, we will enter into a long-term triple-net master lease supported by a guaranty from HCR ManorCare under which HCR ManorCare will continue to operate the facilities that we are acquiring. See "The HCR ManorCare Facilities Acquisition Master Lease" for additional information.

The HCR ManorCare Facilities Acquisition is expected to close in March or April of 2011. If the closing of the HCR ManorCare Facilities Acquisition has not occurred by April 15, 2011, then the purchase price will decrease by an amount equal to \$675,000 multiplied by a fraction (which shall not be greater than one) equal to the gross financing proceeds (including equity and debt) raised by us after the date of the Purchase Agreement divided by \$4.1 billion for each day thereafter until the closing occurs. In addition, the purchase price will be adjusted at closing based on changes in net liabilities associated with the acquired assets, which adjustments may be effected through adjustments in the amount of stock issued to the shareholders of HCR ManorCare. This acquisition will be subject to various customary conditions to closing, the failure of which to occur could delay the closing or result in the transaction not closing. In the event that HCR ManorCare terminates the Purchase Agreement when all of its conditions to closing are satisfied or capable of being satisfied (other than conditions not satisfied because of our breach or default), and we have not consummated the acquisition, then we would be required to pay HCR ManorCare \$500 million as its sole and exclusive remedy for such termination.

In addition, after the closing of the HCR ManorCare Facilities Acquisition, we currently anticipate that the HCP board of directors will appoint Paul A. Ormond, Chairman, President and Chief Executive Officer of HCR ManorCare, to HCP's board of directors.

In addition, in conjunction with the HCR ManorCare Facilities Acquisition and the terms of the Purchase Agreement, HCP will either (i) have the option to purchase a 9.9% equity interest in HCR ManorCare for \$95 million at the consummation of the HCR ManorCare Facilities Acquisition or (ii) be granted a warrant to purchase a 9.9% equity interest, subject to dilution, in HCR ManorCare that is exercisable between the second and seventh anniversaries of the consummation of the HCR ManorCare Facilities Acquisition for \$100 million.

### **January 2011 Notes Offering**

In January 2010, we completed an offering of \$2.4 billion aggregate principal amount of senior unsecured notes, including \$400 million of 2.700% senior notes due 2014, \$500 million of 3.750% senior notes due 2016, \$1.2 billion of 5.375% senior notes due 2021, and \$300 million of 6.750% senior notes due 2041. The net proceeds from the January 2011 Notes Offering were approximately \$2.37 billion, all of which we expect to use to fund a portion of the HCR ManorCare Facilities Acquisition. If the HCR ManorCare Facilities Acquisition does not close, we are required to redeem all of the notes issued in the January 2011 Notes Offering.

### **The HCP Ventures II Purchase**

On January 14, 2011, we acquired our partner's 65% interest in a joint venture that owns 25 senior housing facilities and became the sole owner of these facilities. The assets were initially acquired on

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October 5, 2006, through HCP's acquisition of CNL Retirement Properties, Inc., and subsequently were contributed to the joint venture in January 2007.

In exchange for our partner's interest and the assumption of their share of approximately \$650 million of Fannie Mae debt secured by these facilities, we paid approximately \$137 million in cash in a transaction valuing the assets of the joint venture at \$860 million.

**Healthcare Industry**

Healthcare is the single largest industry in the U.S. based on Gross Domestic Product ("GDP"). According to the National Health Expenditures report dated September 2010 by the Centers for Medicare and Medicaid Services ("CMS"): (i) national health expenditures are projected to grow 4.2% in 2011; (ii) the average compounded annual growth rate for national health expenditures, over the projection period of 2009 through 2019, is anticipated to be 6.3%; and (iii) the healthcare industry is projected to represent 17.4% of U.S. GDP in 2011.

Senior citizens are the largest consumers of healthcare services. According to CMS, on a per capita basis, the 75-year and older segment of the population spends 76% more on healthcare than the 65 to 74-year-old segment and over 200% more than the population average.

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**The Offering**

Common stock offered by HCP	24,000,000 shares
Common stock outstanding after this offering(1)	395,507,538 shares
Use of proceeds	We estimate that the net proceeds of this offering, after giving effect to the underwriting discount and estimated expenses payable by us, will be approximately \$874 million, assuming an initial public offering price of \$37.60 per share, which is the last reported sale price of our common stock on the New York Stock Exchange, or NYSE, on March 21, 2011. We intend to use the net proceeds from this offering to finance part of the aggregate purchase price of the HCR ManorCare Facilities Acquisition, including approximately \$852 million to fund all of the stock portion of the consideration in cash in lieu of issuing 25.7 million shares of our common stock to HCR ManorCare. See "The HCR ManorCare Facilities Acquisition." If the HCR ManorCare Facilities Acquisition is not consummated (or if the net proceeds exceed the amount necessary to fund the acquisition), we would use the net proceeds from this offering (or remaining net proceeds) for general corporate purposes and/or working capital purposes, which may include the repayment of indebtedness or other acquisitions or investment opportunities. Pending such uses, the net proceeds may be invested in short-term, investment-grade, interest bearing securities. See "Use of Proceeds."
Risk factors	You should carefully consider the information set forth under "Risk Factors" beginning on page S-15 of this prospectus supplement and the "Risks Factors" section in our Annual Report on Form 10-K for the year ended December 31, 2010, and the other information included in or incorporated by reference in this prospectus supplement and the accompanying prospectus in connection with this offering before buying our common stock.
Registrar and Transfer Agent	Wells Fargo Bank N.A.
NYSE symbol	HCP

(1)

Based on 371,507,538 shares of our common stock outstanding as of March 18, 2011. Does not include:

approximately 8.0 million shares issuable upon the exercise of outstanding options;

approximately 7.8 million shares reserved for future awards under equity incentive plans;

approximately 6.0 million shares issuable in exchange for non-managing member units of affiliated entities; and

3.6 million shares that the underwriters have the option to purchase from us.

For additional information regarding our common stock, see "Description of Capital Stock We May Offer Common Stock," "Description of Capital Stock We May Offer Transfer and Ownership Restrictions Relating to our Common Stock" and "Certain Provisions of Maryland Law and HCP's Charter and Bylaws" in the accompanying prospectus.

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The following table sets forth our summary consolidated financial data. You should read this information together with our consolidated financial statements, including the related notes, included in our Annual Report on Form 10-K for the year ended December 31, 2010, from which such information has been derived, and which is incorporated by reference herein. The following data is presented on a historical basis.

	Year Ended December 31,		
	2010	2009	2008
<b>(in thousands, except per share data)</b>			
<b>Revenues:</b>			
Rental and related revenues	\$ 951,855	\$ 878,492	\$ 867,367
Tenant recoveries	89,012	89,457	82,688
Income from direct financing leases	49,438	51,495	58,149
Interest income	160,163	124,146	130,869
Investment management fee income	4,666	5,312	5,923
<b>Total revenues</b>	<b>1,255,134</b>	<b>1,148,902</b>	<b>1,144,996</b>
<b>Costs and expenses:</b>			
Depreciation and amortization	311,952	316,722	312,009
Interest expense	288,650	298,869	348,343
Operating	210,276	185,704	192,945
General and administrative	83,048	78,471	73,691
Litigation provision		101,973	
Impairments (recoveries)	(11,900)	75,389	18,276
<b>Total costs and expenses</b>	<b>882,026</b>	<b>1,057,128</b>	<b>945,264</b>
Other income, net	15,819	7,768	25,672
<b>Income before income tax expense and equity income from and impairments of investments in unconsolidated joint ventures</b>	<b>388,927</b>	<b>99,542</b>	<b>225,404</b>
Income taxes	(412)	(1,910)	(4,224)
Equity income from unconsolidated joint ventures	4,770	3,511	3,326
Impairments of investments in unconsolidated joint ventures	(71,693)		
<b>Income from continuing operations</b>	<b>321,592</b>	<b>101,143</b>	<b>224,506</b>
<b>Discontinued operations:</b>			
Income before impairments and gain on sales of real estate, net of income taxes	\$ 2,878	\$ 7,812	\$ 26,463
Impairments		(125)	(9,175)
Gain on sales of real estate, net of income taxes	19,925	37,321	229,189
<b>Total discontinued operations</b>	<b>22,803</b>	<b>45,008</b>	<b>246,477</b>
<b>Net income</b>	<b>344,395</b>	<b>146,151</b>	<b>470,983</b>
Noncontrolling interests' share in earnings	(13,686)	(14,461)	(22,488)
<b>Net income attributable to HCP, Inc.</b>	<b>330,709</b>	<b>131,690</b>	<b>448,495</b>
Preferred stock dividends	(21,130)	(21,130)	(21,130)
Participating securities' share in earnings	(2,081)	(1,491)	(1,997)
<b>Net income applicable to common shares</b>	<b>\$ 307,498</b>	<b>\$ 109,069</b>	<b>\$ 425,368</b>
<b>Basic earnings per common share:</b>			
Continuing operations	\$ 0.93	\$ 0.23	\$ 0.76
Discontinued operations	0.08	0.17	1.03

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Net income applicable to common shares	\$	1.01	\$	0.40	\$	1.79
<b>Diluted earnings per common share:</b>						
Continuing operations	\$	0.93	\$	0.23	\$	0.76
Discontinued operations		0.07		0.17		1.03
Net income applicable to common shares	\$	1.00	\$	0.40	\$	1.79

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	Year Ended December 31,		
	2010	2009	2008
	(in thousands, except per share data)		
<b>Weighted average shares used to calculate earnings per common share:</b>			
Basic	305,574	274,216	237,301
Diluted	306,900	274,631	237,972
<b>Dividends declared per common share</b>	\$ 1.86	\$ 1.84	\$ 1.82

	As of December 31,	
	2010	2009
	(in thousands)	
<b>Consolidated Balance Sheet Data:</b>		
Cash and cash equivalents	\$ 1,036,701	\$ 112,259
Total assets	13,331,923	12,209,735
Total liabilities	5,185,876	6,251,126
Total equity	8,146,047	5,958,609

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**THE HCR MANORCARE FACILITIES ACQUISITION**

On December 13, 2010, we signed a definitive purchase agreement (the "Purchase Agreement") to acquire HCR ManorCare PropCo, which owns substantially all of the post-acute, skilled nursing and assisted living facilities of HCR ManorCare (the "Facilities"), for a total consideration of \$6.1 billion, comprised of approximately \$852 million of our common stock as of December 13, 2010 (a fixed 25.7 million shares), \$3.5 billion in cash and the reinvestment of \$1.7 billion resulting from the payoff of HCP's existing debt investments in HCR ManorCare. Under the terms of the Purchase Agreement, we can elect to fund all or a portion of the stock portion of the consideration with cash. HCR ManorCare, based in Toledo, Ohio, is owned by private equity funds managed by The Carlyle Group. Upon the closing of the acquisition, we will acquire from HCR ManorCare 334 post-acute skilled nursing and assisted living facilities principally located in Illinois, Ohio, Pennsylvania, Michigan and Florida. As described below under "Master Lease," on the closing date, we will enter into a long-term triple-net master lease supported by a guaranty from HCR ManorCare under which HCR ManorCare will continue to operate the facilities that we are acquiring.

The HCR ManorCare Facilities Acquisition is expected to close in March or April of 2011. If the closing has not occurred by April 15, 2011, then the purchase price will decrease by an amount equal to \$675,000 multiplied by a fraction (which shall not be greater than one) equal to the gross financing proceeds (including equity and debt) raised by us after the date of the Purchase Agreement divided by \$4.1 billion for each day thereafter until the closing occurs. In addition, the purchase price will be adjusted at closing based on changes in net liabilities associated with the acquired assets, which adjustments may be effected through adjustments in the amount of stock issued to the shareholders of HCR ManorCare. The acquisition is subject to various customary conditions to closing, the failure of which to occur could delay the closing or result in the transaction not closing.

In addition, after the closing of the HCR ManorCare Facilities Acquisition, we currently anticipate that the HCP board of directors will appoint Paul A. Ormond, Chairman, President and Chief Executive Officer of HCR ManorCare, to the board.

In addition, in conjunction with the HCR ManorCare Facilities Acquisition and the terms of the Purchase Agreement, HCP will either (i) have the option to purchase a 9.9% equity interest in HCR ManorCare for \$95 million at the consummation of the HCR ManorCare Facilities Acquisition or (ii) be granted a warrant to purchase a 9.9% equity interest, subject to dilution, in HCR ManorCare that is exercisable between the second and seventh anniversaries of the consummation of the HCR ManorCare Facilities Acquisition for \$100 million.

The acquisition is subject to certain governmental and regulatory approvals and other closing conditions and is expected to close in March or April of 2011. However, we cannot assure you that the acquisition will close or, if it does, when such closing will occur. See "Risk Factors Risks Related to this Offering and the HCR ManorCare Facilities Acquisition." The acquisition is not subject to a financing contingency. In the event that HCR ManorCare terminates the Purchase Agreement when all of its conditions to closing are satisfied or capable of being satisfied (other than conditions not satisfied because of our breach or default), and we have not consummated the acquisition, then we would be required to pay HCR ManorCare \$500 million as its sole and exclusive remedy for such termination.

**Master Lease**

Immediately after the closing of the HCR ManorCare Facilities Acquisition, certain wholly-owned subsidiaries of HCR ManorCare PropCo will lease the Facilities to a wholly-owned subsidiary of HCR ManorCare pursuant to a triple-net master lease (the "Master Lease"). All obligations under the Master Lease will be guaranteed by HCR ManorCare with HCR ManorCare being subject to (i) a fixed charge coverage ratio on a debt incurrence basis and (ii) dividend payment limitations tied to a

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fixed charge coverage ratio and a percentage of available cash flow after funding capital expenditures and mandatory debt amortization.

To minimize facility renewal risk, the Facilities will be divided into four pools with initial lease terms of between 13 and 17 years. HCR ManorCare will have a one-time lease extension option with respect to each pool for varying extension terms which could extend the total lease terms to between 23 and 35 years in length. The pools are designed to have a comparable mix of Facilities based on location, asset type, and performance.

The Master Lease will provide for minimum rent in the first year of \$472.5 million, with minimum rent to increase by 3.5% per year during the subsequent five years of the term and by 3% per year for the remaining portion of the initial term. Upon the exercise of an extension option, minimum rent will reset to the greater of fair market value rent or 103% of the minimum rent for the prior year. Thereafter, minimum rent will increase by the greater of the annual increase in the consumer price index or 3%.

The Master Lease is structured so that HCR ManorCare will be responsible for all operating costs associated with the Facilities, including the repayment of taxes, insurance, and all repairs. HCR ManorCare will also provide indemnities against liabilities associated with the operation of the Facilities.

On an annual basis, HCR ManorCare is required to make capital improvements to the Facilities equal to a minimum of \$1,250/bed for the first three years of the Master Lease and a minimum of \$800/bed commencing in year four of the Master Lease, subject to annual escalations. Capital expenditures will be assessed in years 10 and 20 of the Master Lease term with HCR ManorCare being responsible for certain deferred maintenance and capital expenditure requirements based on such assessments.

HCP will have the right of first refusal to provide sale-leaseback or other financing for any purchase options on facilities HCR ManorCare currently leases, any owned facilities not included in the transaction and any development projects currently in HCR ManorCare's pipeline.

**The Financing Transactions**

***December 2010 Common Stock Offering***

In December 2010, we completed an offering of 46 million shares of our common stock. The net proceeds from the December 2010 Common Stock Offering were approximately \$1.4 billion, a portion of which was used to fund the HCP Ventures II Purchase and the remainder of which will be used to fund a portion of the HCR ManorCare Facilities Acquisition.

***January 2011 Notes Offering***

In January 2010, we completed an offering of \$2.4 billion aggregate principal amount of senior unsecured notes, including \$400 million of 2.700% senior notes due 2014, \$500 million of 3.750% senior notes due 2016, \$1.2 billion of 5.375% senior notes due 2021, and \$300 million of 6.750% senior notes due 2041. The net proceeds from the January 2011 Notes Offering were approximately \$2.37 billion, all of which we expect to use to fund a portion of the HCR ManorCare Facilities Acquisition. If the HCR ManorCare Facilities Acquisition does not close, we are required to redeem all of the notes issued in the January 2011 Notes Offering.

***This Offering***

We are offering 24,000,000 shares of our common stock in this offering. We intend to use the net proceeds from this offering to finance part of the aggregate purchase price of the HCR ManorCare

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Facilities Acquisition, including approximately \$852 million to fund all of the stock portion of the consideration in cash in lieu of issuing 25.7 million shares of our common stock to HCR ManorCare. This offering is not conditioned upon the consummation of the HCR ManorCare Facilities Acquisition.

***Revolving Credit Facility***

On March 11, 2011, we refinanced our existing \$1.5 billion revolving credit facility with a new \$1.5 billion senior unsecured revolving credit facility with Bank of America, N.A., as administrative agent, swing line lender, letter of credit issuer and alternative currency fronting lender, Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC, as joint lead arrangers and joint bookrunners, JPMorgan Chase Bank, N.A., as syndication agent, Citibank, N.A., Wells Fargo Bank, N.A. and UBS Loan Finance, LLC, as co-documentation agents and a syndicate of banks, as lenders. Proceeds of the new revolving credit facility will be used for working capital and general corporate purposes.

***Bridge Loan Facility***

In connection with the HCR ManorCare Facilities Acquisition, we entered into a credit agreement for a 364-day bridge loan facility (from funding to maturity) in an aggregate amount of up to \$3.3 billion. We currently have remaining commitments of approximately \$94 million available under the bridge loan facility, which is available to provide us additional funds to finance the HCR ManorCare Facilities Acquisition, if necessary. However, upon consummation of this offering, we will have raised sufficient funds to finance the acquisition without drawing on the bridge loan facility, and we expect such commitments to be reduced to zero, which will effectuate the termination of the bridge loan facility.

***Investments in HCR ManorCare Debt***

Prior to the HCR ManorCare Facilities Acquisition, we purchased approximately \$1.7 billion of outstanding debt of HCR ManorCare. On January 31, 2010, we purchased an additional \$360 million participation in the outstanding first mortgage debt of HCR ManorCare. This transaction increased our total debt investments in HCR ManorCare to an aggregate par value of \$2.08 billion.

Table of Contents**Sources and Uses of Funds for the HCR ManorCare Facilities Acquisition**

The following table sets forth the expected sources and uses of funds upon completion of the HCR ManorCare Facilities Acquisition, assuming a closing date in March or April of 2011. No assurances can be given that the information in the following table will not change depending on the nature of our financing arrangements and/or whether the HCR ManorCare Facilities Acquisition will be consummated in accordance with the anticipated timing or at all. See "Risk Factors Risks Related to this Offering and the HCR ManorCare Facilities Acquisition."

Sources	Amount (in millions)	Uses	Amount (in millions)
Cash	\$ 2,256(1)	Cash portion of purchase price	\$ 4,279
January 2011 Notes Offering	2,400	HCP's loan investment in ManorCare PropCo's debt	1,718(2)
HCP's loan investment in ManorCare PropCo's debt	1,718(2)	Repayment of HCP secured debt collateralized by its investment in ManorCare PropCo's mortgage	425
Bank line of credit	180	Estimated fees and expenses	132
<b>Total</b>	<b>\$ 6,554</b>	<b>Total</b>	<b>\$ 6,554</b>

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- (1) Includes cash on hand and proceeds from the December 2011 Common Stock Offering and this offering. Proceeds from this offering are based on an assumed initial public offering price of \$37.60 per share, which is the last reported sale price of our common stock on the NYSE on March 21, 2011. We intend to use approximately \$852 million from the net proceeds from this offering to fund all of the stock portion of the consideration in cash in lieu of issuing 25.7 million shares of our common stock to HCR ManorCare.
- (2) Does not include a \$360 million participation in the outstanding first mortgage debt of HCR ManorCare that we purchased on January 31, 2011.

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**RISK FACTORS**

*Before purchasing shares of our common stock, you should consider carefully the information under the heading "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, in the accompanying prospectus and the following risk factors, each of which could materially adversely affect our operating results and financial condition. You should also carefully consider the other information included in this prospectus supplement, the accompanying prospectus and other information incorporated by reference herein. Each of the risks described in our Form 10-K, the accompanying prospectus and below could result in a decrease in the value of our common stock and your investment therein. Although we have tried to discuss what we believe are key risk factors, please be aware that other risks may prove to be important in the future. New risks may emerge at any time, and we cannot predict those risks or estimate the extent to which they may affect our financial performance or the value of our common stock. The information contained, and incorporated by reference, in this prospectus supplement and in the accompanying prospectus includes forward-looking statements that involve risks and uncertainties, and we refer you to the "Cautionary Language Regarding Forward-Looking Statements" section in this prospectus supplement and the accompanying prospectus.*

**Risks Related to this Offering and the HCR ManorCare Facilities Acquisition**

***There can be no assurance that the HCR ManorCare Facilities Acquisition will be consummated in accordance with the anticipated timing or at all, and the closing of this offering is not conditioned on the consummation of the HCR ManorCare Facilities Acquisition.***

Although we expect to close the HCR ManorCare Facilities Acquisition in March or April of 2011, there can be no assurance that the HCR ManorCare Facilities Acquisition will be completed in accordance with the anticipated timing or at all. In order to consummate the HCR ManorCare Facilities Acquisition, we and HCR ManorCare must obtain certain regulatory and other approvals and consents in a timely manner. If these approvals or consents are not received, or they are not received on terms that satisfy the conditions set forth in the Purchase Agreement, then we and/or HCR ManorCare will not be obligated to complete the HCR ManorCare Facilities Acquisition. The Purchase Agreement also contains customary and other closing conditions, which may not be satisfied or waived. In addition, under circumstances specified in the Purchase Agreement, we or HCR ManorCare may terminate the Purchase Agreement.

The closing of this offering is not conditioned on the consummation of the HCR ManorCare Facilities Acquisition. Therefore, upon the closing of this offering, you will become a holder of our common stock irrespective of whether the HCR ManorCare Facilities Acquisition is consummated or delayed. If the HCR ManorCare Facilities Acquisition is not consummated, shares of our common stock that you have purchased in this offering will not reflect any interest in HCR ManorCare PropCo, and if the HCR ManorCare Facilities Acquisition is delayed, this interest will not be reflected during the period of delay. If this offering is consummated and the HCR ManorCare Facilities Acquisition is not consummated, your expected earnings per share of our common stock may be significantly reduced. Also, the price of our common stock may decline to the extent that the current market price of our common stock reflects a market assumption that the HCR ManorCare Facilities Acquisition will be consummated and that we will realize certain anticipated benefits of the HCR ManorCare Facilities Acquisition. In addition, our business may be harmed to the extent that customers, suppliers and others believe that we cannot effectively compete in the marketplace without HCR ManorCare PropCo, or otherwise remain uncertain about us.

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*We will incur substantial expenses and payments even if the HCR ManorCare Facilities Acquisition is not completed.*

We have incurred substantial legal, accounting, financial advisory and other costs and our management has devoted considerable time and effort in connection with the HCR ManorCare Facilities Acquisition. If the HCR ManorCare Facilities Acquisition is not completed, we will bear certain fees and expenses associated with this transaction without realizing the benefits of the acquisition. The fees and expenses may be significant and could have an adverse impact on our results of our operations.

**Risks Related to the Company**

*Certain provisions of Maryland law and our bylaws could hinder, delay or prevent a change in control transaction, even if our stockholders believe such transaction to be otherwise in their best interests.*

The Maryland Control Share Acquisition Act provides that holders of "control shares" of a corporation acquired in a "control share acquisition" shall have no voting rights with respect to the control shares except to the extent approved by a vote of two-thirds of the votes eligible to be cast on the matter under the statute. "Control shares" means shares of stock that, if aggregated with all other shares of stock previously acquired by the acquiror, would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of the voting power: one-tenth or more but less than one-third, one-third or more but less than a majority, or a majority or more of all voting power. A "control share acquisition" means the acquisition of control shares, subject to certain exceptions.

If voting rights of control shares acquired in a control share acquisition are not approved at a stockholders' meeting, or if the acquiring person does not deliver an acquiring person statement as required by the Maryland Control Share Acquisition Act, then subject to certain conditions and limitations, the issuer may redeem any or all of the control shares for fair value. If voting rights of such control shares are approved at a stockholders' meeting and the acquiror becomes entitled to vote a majority of the shares of stock entitled to vote, all other stockholders may exercise appraisal rights. Our bylaws contain a provision exempting acquisitions of shares of our stock from the Maryland Control Share Acquisition Act. However, our Board of Directors may amend our bylaws in the future to repeal or modify this exemption, in which case any control shares of our company acquired in a control share acquisition will be subject to the Maryland Control Share Acquisition Act.

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**USE OF PROCEEDS**

We estimate that the net proceeds of this offering, after giving effect to the underwriting discount and estimated expenses payable by us, will be approximately \$874 million, assuming an initial public offering price of \$37.60 per share, which is the last reported sale price of our common stock on the NYSE on March 21, 2011. We intend to use the net proceeds from this offering to finance part of the aggregate purchase price of the HCR ManorCare Facilities Acquisition, including approximately \$852 million to fund all of the stock portion of the consideration in cash in lieu of issuing 25.7 million shares of our common stock to HCR ManorCare. See "The HCR ManorCare Facilities Acquisition." If the HCR ManorCare Facilities Acquisition is not consummated (or if the net proceeds exceed the amount necessary to fund the acquisition), we would use the net proceeds from this offering (or remaining net proceeds) for general corporate purposes and/or working capital purposes, which may include the repayment of indebtedness or other acquisitions or investment opportunities. Pending such uses, the net proceeds may be invested in short-term, investment-grade, interest bearing securities. See "Underwriting Conflicts of Interest."

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**CAPITALIZATION**

The following table sets forth our capitalization as of December 31, 2010:

- (1) on an actual basis,
- (2) on an adjusted basis to give effect to the sale of 24,000,000 shares of common stock in this offering at an assumed offering price of \$37.60 per share, which is the last reported sale price of our common stock on the NYSE on March 21, 2011 (assuming no exercise of the underwriters' option to purchase additional shares of our common stock), and
- (3) on a pro forma as adjusted basis to give effect to the consummation of (i) this offering and (ii) the HCR ManorCare Facilities Acquisition (and the related financing transactions, including our issuance of \$2.4 billion aggregate principal amount of senior notes in the January 2011 Notes Offering) and the HCP Ventures II Purchase, as if each had occurred on December 31, 2010.

The following table is unaudited and should be read in conjunction with "Summary Historical Consolidated Financial Data of HCP," "The HCR ManorCare Facilities Acquisition," "Use of Proceeds," and "Unaudited Pro Forma Condensed Consolidated Financial Statements," contained elsewhere in this prospectus supplement, and our consolidated annual financial statements and the notes thereto included in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. No assurances can be given that the HCR ManorCare Facilities Acquisition will be consummated in accordance with the anticipated timing or at all. The consummation of this offering is not conditioned upon the consummation of the HCR ManorCare Facilities Acquisition.



Table of Contents**HCP, INC.****CAPITALIZATION****As of December 31, 2010****(in thousands, except share and per share data)**

	Actual	As Adjusted(1)	Pro Forma, As Adjusted(1)(2)
	(in thousands, except share and per share data)		
<b>Debt obligations:</b>			
Bank line of credit	\$	\$	\$ 179,518
2.700% senior notes due 2014			400,000
3.750% senior notes due 2016			500,000
5.375% senior notes due 2021			1,200,000
6.750% senior notes due 2041			300,000
Other senior unsecured notes	3,318,379	3,318,379	3,318,379
Mortgage and other secured debt	1,235,779	1,235,779	1,871,248
Other debt	92,187	92,187	92,187
<b>Total debt</b>	<b>4,646,345</b>	<b>4,646,345</b>	<b>7,861,332</b>
<b>Stockholders' equity:</b>			
Preferred stock, \$1.00 par value per share: 50,000,000 shares authorized; 11,820,000 shares issued and outstanding	\$ 285,173	\$ 285,173	\$ 285,173
Common stock, \$1.00 par value per share: 750,000,000 shares authorized; 370,924,887 actual shares, 394,924,887 shares as adjusted, and 394,924,887 shares pro forma as adjusted, issued and outstanding	370,925	394,925	394,925
Additional paid-in capital	8,089,982	8,940,210	8,940,210
Cumulative dividends in excess of earnings	(775,476)	(775,476)	(775,017)
Accumulated other comprehensive loss	(13,237)	(13,237)	(13,237)
<b>Total stockholders' equity</b>	<b>7,957,367</b>	<b>8,831,595</b>	<b>8,832,054</b>
<b>Noncontrolling interests:</b>			
Joint venture partners	14,935	14,935	14,935
Non-managing member unitholders	173,745	173,745	173,745
<b>Total noncontrolling interests</b>	<b>188,680</b>	<b>188,680</b>	<b>188,680</b>
<b>Total equity</b>	<b>8,146,047</b>	<b>9,020,275</b>	<b>9,020,734</b>
<b>Total capitalization</b>	<b>\$ 12,792,392</b>	<b>\$ 13,666,620</b>	<b>\$ 16,882,066</b>

(1)

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Assumes that the underwriters do not exercise their option to purchase up to 3,600,000 additional shares of our common stock.

- (2) See "Unaudited Pro Forma Condensed Consolidated Financial Statements" for a discussion of the pro forma adjustments.

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Table of Contents**PRICE RANGE OF COMMON STOCK AND DIVIDENDS**

Our common stock is listed on the NYSE, under the symbol "HCP." The table below sets forth, for the fiscal quarters indicated, high and low reported sale prices per share of our common stock on the NYSE and the cash dividends per share paid in such periods. The last reported sale price of our common stock on the NYSE on March 21, 2011 was \$37.60 per share.

	Stock Price		Dividends Paid
	High	Low	
<b>2009</b>			
First Quarter	\$ 27.77	\$ 14.93	\$ 0.460
Second Quarter	24.50	17.07	0.460
Third Quarter	30.73	19.79	0.460
Fourth Quarter	33.45	26.94	0.460
<b>2010</b>			
First Quarter	\$ 34.37	\$ 26.70	\$ 0.465
Second Quarter	34.50	28.53	0.465
Third Quarter	38.05	31.08	0.465
Fourth Quarter	37.65	31.87	0.465
<b>2011</b>			
First Quarter (through March 21, 2011)	\$ 38.29	\$ 35.81	\$ 0.480

As of March 18, 2011, there were approximately 12,522 common stockholders of record.

It has been our policy to declare dividends to the holders of shares of our common stock so as to comply with applicable provisions of the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code, governing REITs. The cash dividends per share paid on our common stock since January 1, 2009 are set forth in the table above.

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**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*The following is an excerpt of information contained in our Current Report on Form 8-K, filed by HCP with the SEC on March 22, 2011 and incorporated herein by reference. You should read and consider the information in the documents to which we have referred you in "Incorporation by Reference" including the foregoing Current Report of Form 8-K, before purchasing shares of our common stock.*

The accompanying unaudited pro forma condensed consolidated financial statements presented below have been prepared based on certain pro forma adjustments to the historical consolidated financial statements of HCP, HCR ManorCare PropCo and HCP Ventures II as of and for the year ended December 31, 2010. The historical financial information of HCP was derived from its consolidated financial statements that are included in its Annual Report on Form 10-K for the year ended December 31, 2010. The historical financial information of HCR ManorCare PropCo was derived from its consolidated financial statements that are included as Exhibit 99.2 to the Current Report on Form 8-K filed by HCP with the SEC on March 22, 2011.

The accompanying unaudited pro forma condensed consolidated financial statements give effect to the Acquisitions. The unaudited pro forma condensed consolidated balance sheet as of December 31, 2010 has been prepared as if the Acquisitions had occurred as of that date. The unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2010 has been prepared as if the Acquisitions had occurred as of January 1, 2010. Such statements also reflect the incurrence of debt and give effect to certain capital transactions undertaken by HCP in order to finance the Acquisitions.

The allocation of the purchase price of HCR ManorCare PropCo and HCP Ventures II reflected in these unaudited pro forma condensed consolidated financial statements has been based upon preliminary estimates of the fair value of assets acquired and liabilities assumed. A final determination of the fair values of HCR ManorCare PropCo's and HCP Ventures II's assets and liabilities will be based on the actual valuation of the tangible and intangible assets and liabilities of HCR ManorCare PropCo and HCP Ventures II that exist as of the date of completion of the transactions. Consequently, amounts preliminarily allocated to identifiable tangible and intangible assets and liabilities could change significantly from those used in the pro forma condensed consolidated financial statements presented below and could result in a material change in amortization of tangible and intangible assets and liabilities.

In the opinion of HCP's management, the pro forma financial statements include all significant necessary adjustments that can be factually supported to reflect the effects of the Acquisitions. The unaudited pro forma condensed consolidated financial statements are provided for informational purposes only. The unaudited pro forma condensed consolidated financial statements are not necessarily and should not be assumed to be an indication of the results that would have been achieved had the transactions been completed as of the dates indicated or that may be achieved in the future. The completion of the valuation, the allocation of the purchase price, the impact of ongoing integration activities, the timing of completion of the transactions and other changes in HCR ManorCare PropCo and HCP Ventures II tangible and intangible assets and liabilities could cause material differences in the information presented. Furthermore, following consummation of the HCR ManorCare Facilities Acquisition, HCP expects to apply its own methodologies and judgments in accounting for the assets and liabilities acquired in the transaction, which may differ from those reflected in HCR ManorCare PropCo's historical financial statements and the pro forma financial statements.

Table of Contents**HCP, INC.****UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET****December 31, 2010**

	<b>HCP Historical</b>	<b>HCR ManorCare PropCo Historical (A)</b>	<b>HCR ManorCare PropCo Pro Forma Adjustments (B)</b>	<b>HCP Ventures II Historical (A)</b>	<b>HCP Ventures II Pro Forma Adjustments (P)</b>	<b>HCP Pro Forma</b>
<b>(in thousands)</b>						
<b>ASSETS</b>						
Real estate:						
Buildings, improvements and development	\$ 8,353,922	\$	\$	\$ 936,074	\$ (252,287)(P)	\$ 9,037,709
Land	1,573,984			108,907	(28,727)(P)	1,654,164
Accumulated depreciation and amortization	(1,251,142)			(109,830)	109,830(P)	(1,251,142)
Net real estate	8,676,764			935,151	(171,184)	9,440,731
Net investment in direct financing leases	609,661	3,133,172	2,864,926(C)			6,607,759
Loans receivable, net	2,002,866		(1,592,822)(D)			410,044
Investments in and advances to unconsolidated joint ventures	195,847				(64,985)(Q)	130,862
Accounts receivable, net	34,504					34,504
Cash, cash equivalents and restricted cash	1,073,020	7,446	(863,252)(E)	5,738	(136,748)(O)	86,204
Intangible assets, net	316,375		13,500(F)	35,458	42,835(R)	408,168
Other assets, net	422,886	31,677	(18,614)(G)	6,999	(6,499)(S)	436,449
Total assets	\$ 13,331,923	\$ 3,172,295	\$ 403,738	\$ 983,346	\$ (336,581)	\$ 17,554,721
<b>LIABILITIES AND EQUITY</b>						
Bank line of credit	\$	\$	\$ 179,518(E)	\$	\$	\$ 179,518
Senior unsecured notes	3,318,379		2,400,000(E)			5,718,379
Mortgage and other secured debt	1,235,779			649,450	(13,981)(T)	1,871,248
Long-term debt		4,595,942	(4,595,942)(E)			
Other debt	92,187					92,187
	148,072			962	(962)(U)	148,072

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Intangible liabilities, net						
Accounts payable and accrued expenses and deferred revenues	391,459	1,081,819	(951,843)(H)	3,160	(12)(Q)	524,583
<b>Total liabilities</b>	<b>5,185,876</b>	<b>5,677,761</b>	<b>(2,968,267)</b>	<b>653,572</b>	<b>(14,955)</b>	<b>8,533,987</b>
Equity:						
Preferred stock	285,173					285,173
Common stock	370,925		24,000(I)			394,925
Additional paid-in capital	8,089,982		850,228(I)			8,940,210
Cumulative dividends in excess of earnings	(775,476)		22,258(D)		8,298(Q)	(775,017)
			(29,947)(B)		(150)(O)	
Accumulated other comprehensive loss	(13,237)					(13,237)
<b>Total members' equity (deficit)</b>		<b>(2,505,466)</b>	<b>2,505,466(B)</b>	<b>329,774</b>	<b>(329,774)(O)</b>	
<b>Total stockholders' equity</b>	<b>7,957,367</b>	<b>(2,505,466)</b>	<b>3,372,005</b>	<b>329,774</b>	<b>(321,626)</b>	<b>8,832,054</b>
<b>Total noncontrolling interests</b>	<b>188,680</b>					<b>188,680</b>
<b>Total equity</b>	<b>8,146,047</b>	<b>(2,505,466)</b>	<b>3,372,005</b>	<b>329,774</b>	<b>(321,626)</b>	<b>9,020,734</b>
<b>Total liabilities and equity</b>	<b>\$ 13,331,923</b>	<b>\$ 3,172,295</b>	<b>\$ 403,738</b>	<b>\$ 983,346</b>	<b>\$ (336,581)</b>	<b>\$ 17,554,721</b>

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.

Table of Contents**HCP, INC.****UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS****YEAR ENDED DECEMBER 31, 2010**

	<b>HCP Historical</b>	<b>HCR ManorCare PropCo Historical (A)</b>	<b>HCR ManorCare PropCo Pro Forma Adjustments (B)</b>	<b>HCP Ventures II Historical (A)</b>	<b>HCP Ventures II Pro Forma Adjustments (O)</b>	<b>HCP Pro Forma</b>
<b>(in thousands, except per share data)</b>						
<b>Revenues and other income:</b>						
Rental and related revenues	\$ 951,855	\$	\$	\$ 73,193	\$ (6,442)(W)	\$ 1,018,606
Tenant recoveries	89,012					89,012
Income from direct financing leases	49,438	442,970	178,347(J)			670,755
Interest income	160,163		(112,605)(K)			47,558
Investment management fee income	4,666				(2,300)(X)	2,366
<b>Total revenues</b>	<b>1,255,134</b>	<b>442,970</b>	<b>65,742</b>	<b>73,193</b>	<b>(8,742)</b>	<b>1,828,297</b>
<b>Costs and expenses:</b>						
Depreciation and amortization	311,952			27,575	4,506(Y)	344,033
Interest expense	288,650	155,686	(40,306)(L)	38,234	1,762(Z)	444,026
Operating	210,276	1,700	(1,547)(M)	15		210,444
General and administrative	83,048			3,908	(3,538)(X)	83,418
Impairments (recoveries)	(11,900)			54,500	(54,500)(AA)	(11,900)
<b>Total costs and expenses</b>	<b>882,026</b>	<b>157,386</b>	<b>(41,853)</b>	<b>124,232</b>	<b>(51,770)</b>	<b>1,070,021</b>
<b>Other income, net</b>	<b>15,819</b>	<b>(25,641)</b>	<b>25,641</b>	<b>1</b>		<b>15,820</b>
<b>Income before income taxes and equity income from and impairments of investments in unconsolidated joint ventures</b>						
	388,927	259,943	133,236	(51,038)	43,028	774,096
Income taxes	(412)	(98,283)	98,283(N)			(412)
Equity income from unconsolidated joint ventures	4,770				(2,839)(BB)	1,931
Impairments of investments in unconsolidated joint ventures	(71,693)				71,693(BB)	
<b>Income from continuing operations</b>	<b>321,592</b>	<b>161,660</b>	<b>231,519</b>	<b>(51,038)</b>	<b>111,882</b>	<b>775,615</b>
Noncontrolling interests' share of	(13,686)					(13,686)

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earnings						
<b>Income from continuing operations attributable to HCP, Inc.</b>	307,906	161,660	231,519	(51,038)	111,882	761,929
Preferred stock dividends	(21,130)					(21,130)
Participating securities' share in earnings	(2,081)					(2,081)
<b>Income from continuing operations applicable to common shares</b>	\$ 284,695	\$ 161,660	\$ 231,519	\$ (51,038)	\$ 111,882	\$ 738,718
Income from continuing operations per common share basic(CC)	\$ 0.93					\$ 1.97
Income from continuing operations per common share diluted(CC)	\$ 0.93					\$ 1.97
<b>Weighted average shares used to calculate income from continuing operations per common share:</b>						
Basic(CC)	305,574		64,045(DD)		4,455(DD)	374,074
Diluted(CC)	306,900		64,045(DD)		4,455(DD)	375,400

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.



Table of Contents**HCP, INC.****NOTES TO UNAUDITED PRO FORMA CONDENSED****CONSOLIDATED FINANCIAL STATEMENTS**

The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the respective historical financial statements and the notes thereto of HCP and HCR ManorCare PropCo as of and for the year ended December 31, 2010 that are incorporated herein by reference.

(A) The historical financial statements of HCR ManorCare PropCo and HCP Ventures II as of and for the year ended December 31, 2010 have been presented based on the financial statement classification utilized by HCP.

(B) On December 13, 2010, HCP signed a definitive agreement to acquire HCR ManorCare PropCo, a wholly-owned subsidiary of HCR ManorCare, Inc., for a total purchase price of approximately \$6.1 billion, comprised of \$3.5 billion in cash (adjusted for working capital), the \$1.6 billion settlement of HCP's then current loan investments in HCR ManorCare PropCo's debt at its estimated fair value and approximately \$852 million of HCP common stock. Under the terms of the purchase agreement, HCP can elect to fund all or a portion of the stock portion of the consideration with cash (See Note I). After the HCR ManorCare Facilities Acquisition is consummated, a wholly-owned subsidiary of HCR ManorCare, Inc. will continue to operate the assets pursuant to a long-term triple-net master lease supported by a guaranty from HCR ManorCare, Inc.

The calculation of the HCR ManorCare PropCo total purchase price follows (in thousands):

	<b>December 31, 2010</b>
<b>Calculation of HCR ManorCare PropCo purchase price</b>	
Payment of aggregate cash consideration, net of cash acquired	\$ 4,271,542
HCP's loan investment in HCR ManorCare PropCo's debt settled at fair value	1,615,080
Assumed HCR ManorCare PropCo accrued tax and other liabilities at fair value	129,976
<b>Total purchase price</b>	<b>\$ 6,016,598</b>
<b>Estimated fees and costs</b>	
Advisory fees(1)	\$ 12,600
Legal, accounting and other fees and costs(1)	17,347
Debt issuance costs	19,135
<b>Total</b>	<b>\$ 49,082</b>

(1) Represents estimated fees and costs that will be expensed. These charges are directly attributable to the transaction and represent non-recurring costs; therefore, the anticipated impact on the results of operations was excluded from the pro forma condensed consolidated statements of operations.

Adjustment to the total members' deficit represents the elimination of such historical deficit balance of HCR ManorCare PropCo.

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- (C) Adjustment has been made to reflect HCR ManorCare PropCo's existing direct financing lease ("DFL") assets at their estimated fair value.
- (D) HCP's historical investments in loan receivables from HCR ManorCare PropCo will be settled at the closing of the HCR ManorCare Facilities Acquisition resulting in an estimated gain on

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Table of Contents**HCP, INC.****NOTES TO UNAUDITED PRO FORMA CONDENSED****CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

settlement of \$22.3 million, which represents the loan receivables' estimated fair value in excess of their carrying value. This gain is directly attributable to the transaction and represents a non-recurring credit; therefore, the anticipated impact on HCP's results of operations was excluded from the pro forma condensed consolidated statements of operations.

(E)

HCP expects to fund \$3.3 billion of the cash consideration and other associated costs of the HCR ManorCare Facilities Acquisition primarily with cash on hand, short-term financing and the issuance of senior notes. In January 2011, HCP issued an aggregate \$2.4 billion of senior unsecured notes, including \$400 million aggregate principal amount of 2.700% senior notes due 2014, \$500 million aggregate principal amount of 3.750% senior notes due 2016, \$1.2 billion aggregate principal amount of 5.375% senior notes due 2021, and \$300 million aggregate principal amount of 6.750% senior notes due 2041. All of HCR ManorCare PropCo's long-term debt, including HCP's aggregate investments in HCR ManorCare PropCo debt with an aggregate face amount of \$1.72 billion, is assumed to be settled or repaid at closing.

(F)

Recognition of intangible assets associated with the acquired in-place ground leases that have favorable market rental rates.

(G)

Adjustments to HCR ManorCare PropCo's historical balance of other assets follow (in thousands):

Elimination of HCR ManorCare PropCo's historical deferred debt issuance costs	\$ (31,458)
Elimination of HCR ManorCare PropCo's land parcel not acquired at closing	(60)
Elimination of HCR ManorCare PropCo's derivative asset settled at closing	(159)
Elimination of historical deferred costs associated with HCP's bridge loan commitment	(11,072)
Fair value of option to purchase a non-controlling interest in the lessee	5,000
Deferral of debt issuance costs associated with new borrowings	19,135
	\$ (18,614)

(H)

Adjustments to HCR ManorCare PropCo's historical balance of other liabilities follow (in thousands):

Elimination of HCR ManorCare PropCo's historical deferred tax liability	\$ (922,986)
Payment of HCR ManorCare's historical accrued interest on its long-term debt	(8,107)
Elimination of HCR ManorCare PropCo's net payable to its affiliate	(20,750)
	\$ (951,843)

(I)

Adjustments represent an assumed issuance of 24 million shares of HCP common stock, which estimated net proceeds of approximately \$874 million will be used to finance part of the aggregate purchase price of the HCR ManorCare Facilities Acquisition in lieu of issuing 25.7 million shares of HCP common stock directly to the seller of HCR ManorCare PropCo. The shares of HCP

Table of Contents**HCP, INC.****NOTES TO UNAUDITED PRO FORMA CONDENSED****CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

common stock issued in connection with this assumed offering are valued as follows (in thousands, except share and per share data):

Number of shares issued	24,000,000
Price of shares of HCP common stock	\$ 37.60(1)
Value of shares issued	\$ 902,400
Less: Underwriting discount	(27,072)
Less: share registration and issuance costs	(1,100)
Total value of shares issued	\$ 874,228

(1)

Based on the last reported sale price of HCP's common stock on the NYSE on March 21, 2011.

The total value of the shares of HCP common stock issued is presented as follows:

Par value, \$1.00 per share	\$ 24,000
Additional paid-in capital	850,228
	\$ 874,228

(J)

Adjustments to income from DFLs follow (in thousands):

	Year Ended December 31, 2010
Eliminate HCR ManorCare PropCo historical income from DFLs	\$ (442,970)
Pro forma amortization of unearned income from DFLs utilizing the interest method and based on DFLs' estimated fair value	621,317
	\$ 178,347

(K)

Represents the elimination of interest earned on HCR ManorCare PropCo debt held as loan investments by HCP that will be settled at closing.

(L)

Adjustments to interest expense follow (in thousands):

	Year Ended December 31, 2010
Interest expense and related amortization of issuance costs and fees associated with new borrowings used to finance the HCR ManorCare Facilities Acquisition (Note E)	\$ 120,904

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Eliminate HCR ManorCare PropCo's historical interest expense (Note E)	(155,686)
Eliminate HCP's historical interest expense related to debt repaid at closing that is secured by HCP's loan investment participation in HCR ManorCare PropCo's mortgage debt (Note E)	(5,524)
	\$ (40,306)

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Table of Contents**HCP, INC.****NOTES TO UNAUDITED PRO FORMA CONDENSED****CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(M)

Adjustments to operating expenses follow (in thousands):

	<b>Year Ended December 31, 2010</b>
Eliminate HCR ManorCare PropCo's historical operating expenses	\$ (1,700)
Recognize the amortization of acquired ground lease intangibles	153
	<b>\$ (1,547)</b>

For intangible assets associated with the value of in-place ground leases, a weighted-average remaining lease term of approximately 88 years was used to compute amortization expense. HCP computes amortization using the straight-line method over the remaining lease term of the related lease.

(N)

At the closing of the HCR ManorCare Facilities Acquisition, 100% of the real estate of HCR ManorCare PropCo will be acquired by a REIT subsidiary of HCP; accordingly, assuming this acquisition was effective January 1, 2010, substantially all of the amounts of the income tax expense would then be eliminated.

(O)

On January 14, 2011, HCP purchased its partner's 65 percent interest in HCP Ventures II, which owned 25 senior housing facilities, resulting in HCP becoming the sole owner of the portfolio. The assets were acquired on October 5, 2006, through HCP's acquisition of CNL Retirement Properties, Inc., and were contributed to HCP Ventures II in January 2007. HCP owned a 35 percent noncontrolling interest in HCP Ventures II that was accounted under the equity method as an unconsolidated joint venture at December 31, 2010. In exchange for its partner's interest and the assumption of approximately \$650 million of mortgage debt secured by the assets, HCP paid approximately \$137 million in cash for the transaction.

The calculation of the HCP Ventures II Purchase consideration and total purchase price follows (in thousands):

	<b>December 31, 2010</b>
<b>Calculation of HCP Ventures II purchase price</b>	
Payment of aggregate cash consideration, net of cash acquired	\$ 130,360
Fair value of 35 percent interest in HCP Ventures II	73,283
All HCP Ventures II debt assumed at fair value	635,469
Assumed HCP Ventures II other liabilities at fair value	3,148
<b>Total purchase price</b>	<b>\$ 842,260</b>
<b>Estimated fees and costs</b>	
Legal, accounting and other fees and costs(1)	\$ 150
Debt assumption fees	500

**Total** \$ 650

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- (1) Represents estimated fees and costs that will be expensed. These charges are directly attributable to the transaction and represent non-recurring costs; therefore, the anticipated

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Table of Contents**HCP, INC.****NOTES TO UNAUDITED PRO FORMA CONDENSED****CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

impact on the results of operations was excluded from the pro forma condensed consolidated statement of operations.

Adjustment to the total members' equity represents the elimination of such historical equity balance of HCP Ventures II.

(P)

HCP Ventures II's real estate assets have been adjusted to their preliminary estimated fair values as of December 31, 2010 and the related historical accumulated depreciation and amortization balances are eliminated when real estate assets are recorded at fair value.

(Q)

Adjustments to eliminate HCP's historical 35 percent interest in HCP Ventures II follow (in thousands):

Elimination of HCP's historical carrying value of HCP Ventures II	\$ 64,973
Elimination of historical amounts due from HCP Ventures II	12
	64,985

Elimination of historical amounts due to HCP by HCP Ventures II	\$ 12
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The consolidation of HCP Ventures II results in an estimated gain of \$8.2 million, which represents the estimated fair value of HCP's 35 percent noncontrolling interest in HCP Ventures II that is in excess of its carrying value at December 31, 2010. This gain is directly attributable to the transaction and represents a non-recurring credit; therefore, the impact on the results of operations was excluded from the pro forma consolidated statements of operations.

(R)

Adjustments to intangible assets follow (in thousands):

Recognition of lease-up related intangible assets associated with acquired leases	\$ 78,293
Elimination of HCP Ventures II's historical intangible assets	(35,458)
	\$ 42,835

In-place lease intangible assets acquired include amounts for in-place lease values that are based on HCP's evaluation of the specific characteristics of each tenant's lease. Factors to be considered include estimates of carrying costs during hypothetical expected lease-up periods, market conditions, and costs to execute similar leases. In estimating carrying costs, HCP includes estimates of lost rentals at market rates during the expected lease-up periods, depending on local market conditions. In estimating costs to execute similar leases, HCP considers leasing commissions, legal and other related costs.

(S)

Adjustments to HCP Ventures II's historical balance of other assets follow (in thousands):

Deferral of debt issuance costs associated with debt assumed in the HCP Ventures II Purchase	\$ 500
Elimination of HCP Ventures II's historical deferred debt issuance costs	(4,334)
Elimination of HCP Ventures II's leasing incentive assets	(2,665)
	\$ (6,499)



(T)

Adjustment to eliminate HCP Ventures II's historical discount on mortgage debt.

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Table of Contents**HCP, INC.****NOTES TO UNAUDITED PRO FORMA CONDENSED****CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(U) Adjustment to eliminate HCP Ventures II's historical balance of intangible liabilities associated with acquired in-place leases that have below-market rental rates.

(V) Intentionally left blank.

(W) Adjustments to rental and related revenues follow (in thousands):

	<b>Year Ended December 31, 2010</b>
Eliminate HCP Ventures II's historical straight-line rent revenue	\$ (9,539)
Eliminate HCP Ventures II's historical amortization of lease intangibles and lease incentives	3,097
	\$ (6,442)

(X) Adjustments to eliminate management fees follow (in thousands):

	<b>Year Ended December 31, 2010</b>
Eliminate HCP's historical management fee income related to HCP Ventures II	\$ (2,300)
Eliminate HCP Ventures II's historical management fees paid to HCP	\$ 3,538

(Y) Adjustments to depreciation and amortization expense follow (in thousands):

	<b>Year Ended December 31, 2010</b>
Real estate depreciation expense as a result of the recording of HCP Ventures II's real estate at its estimated fair value	\$ 22,870
Represents the incremental amortization expense related to lease-up related intangible assets associated with acquired leases	9,211
Eliminate HCP Ventures II's historical depreciation and amortization	(27,575)
	\$ 4,506

An estimated useful life of 30 years was assumed to compute real estate depreciation. For assets and liabilities associated with the value of in-place leases, a weighted-average remaining lease term of approximately 8.5 years was used to compute amortization expense. HCP computes depreciation and amortization using the straight-line method over the properties estimated useful lives or the remaining lease term of the related intangible.

Table of Contents**HCP, INC.****NOTES TO UNAUDITED PRO FORMA CONDENSED****CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(Z)

Adjustments to interest expense follow (in thousands):

	<b>Year Ended December 31, 2010</b>
Increase in interest expense resulting from the amortization of discount recognized at the purchase date to adjust the assumed HCP Ventures II debt at fair value	\$ 2,283
Amortization of debt issuance costs associated with the assumed debt in the HCP Ventures II Purchase	80
Eliminate HCP Ventures II's historical debt issuance costs amortization	(601)
	\$ 1,762

(AA)

Adjustment eliminates HCP Ventures II's historical impairment of its straight-line rent assets. In October 2010, HCP Ventures II determined that the collectability of the straight-line rents was not reasonably assured and as a result established an allowance to fully impair the carrying value of its straight-line rent assets effective July 1, 2010. Further, HCP Ventures II limited its recognition of rental revenues to amounts collected from the related tenant. Assuming the HCP Ventures II Purchase occurred on January 1, 2010, no value would be attributed to straight-line asset in purchase accounting; therefore, no impairment of straight-line rent assets would have occurred.

(BB)

Represents the elimination of HCP's historical equity income from and related impairment of its 35 percent interest in HCP Ventures II, which resulted from the pro forma consolidation of HCP Ventures II assumed on January 1, 2010.

Table of Contents**HCP, INC.****NOTES TO UNAUDITED PRO FORMA CONDENSED****CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(CC) The calculations of basic and diluted income from continuing operations attributable to common stock per share follow (in thousands, except per share data):

	<b>Year Ended December 31, 2010</b>	
	<b>Historical</b>	<b>Pro Forma</b>
<b>Income from continuing operations</b>	\$ 321,592	\$ 775,615
Noncontrolling interests' share of earnings	(13,686)	(13,686)
<b>Income from continuing operations attributable to HCP, Inc.</b>	\$ 307,906	\$ 761,929
Preferred stock dividends	(21,130)	(21,130)
Participating securities' share in earnings	(2,081)	(2,081)
<b>Income from continuing operations applicable to common shares</b>	\$ 284,695	\$ 738,718
Weighted average shares used to calculate earnings per common share Basic	305,574	374,074
Incremental weighted average effect of potentially dilutive instruments	1,326	1,326
Adjusted weighted average shares used to calculate earnings per common share Diluted	306,900	375,400
Earnings from continuing operations per common share Basic	\$ 0.93	\$ 1.97
Earnings from continuing operations per common share Diluted	\$ 0.93	\$ 1.97

(DD) The pro forma weighted-average shares outstanding are the historical weighted-average shares of HCP for the year ended December 31, 2010, adjusted for the assumed issuance of 24 million shares of HCP common stock on a weighted-average basis for the year ended December 31, 2010. Additionally, the historical weighted-average shares of HCP for the year ended December 31, 2010 have been adjusted for the impact of the December 2010 issuance of 46 million shares of HCP common stock as if the issuance had occurred as of January 1, 2010 as such shares were issued in order to finance the Acquisitions.

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**SUPPLEMENTAL MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

This discussion is a supplement to, and is intended to be read together with, the discussion in the accompanying prospectus under the heading "Material United States Federal Income Tax Considerations." This summary of material federal income tax considerations is for general information only and is not tax advice. This discussion does not purport to deal with all aspects of taxation that may be relevant to particular holders of our common stock in light of their personal investment or tax circumstances. Notwithstanding anything contained in the accompanying prospectus to the contrary, Skadden, Arps, Slate, Meagher & Flom LLP is our counsel with respect to this offering.

**EACH PROSPECTIVE HOLDER IS ADVISED TO CONSULT HIS OR HER TAX ADVISOR REGARDING THE SPECIFIC FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES TO HIM OR HER OF ACQUIRING, HOLDING, EXCHANGING OR OTHERWISE DISPOSING OF OUR COMMON STOCK AND OF THE COMPANY'S ELECTION TO BE TAXED AS A REAL ESTATE INVESTMENT TRUST, AND OF POTENTIAL CHANGES IN APPLICABLE TAX LAWS.**

**REIT Tax Opinion**

Skadden, Arps, Slate, Meagher & Flom LLP has rendered an opinion to us to the effect that, commencing with our taxable year ended December 31, 1985, we have been organized and have operated in conformity with the requirements for qualification and taxation as a REIT, and that our proposed method of operation will enable us to continue to meet the requirements for qualification and taxation as a REIT under the Internal Revenue Code. It must be emphasized that this opinion was based on various assumptions and representations as to factual matters, including representations made by us in factual certificates. You should be aware that opinions of counsel are not binding on the Internal Revenue Service, and no assurance can be given that the opinion will not be subject to challenge. Moreover, our qualification and taxation as a REIT depend upon our ability to meet the various qualification tests imposed under the Internal Revenue Code, including through actual annual operating results, asset composition, distribution levels and diversity of stock ownership, the results of which have not been and will not be reviewed by Skadden, Arps, Slate, Meagher & Flom LLP. Accordingly, no assurance can be given that our actual results of operation for any particular taxable year have satisfied or will satisfy those requirements. See "Material United States Federal Income Tax Considerations Failure to Qualify" on page 60 of the accompanying base prospectus. Skadden, Arps, Slate, Meagher & Flom LLP has no obligation to update its opinion subsequent to its date.

**Annual Distribution Requirements**

We expect that our REIT taxable income will be less than our cash flow because of depreciation and other non-cash charges included in computing REIT taxable income. Accordingly, we anticipate that we generally will have sufficient cash or liquid assets to enable us to satisfy the REIT distribution requirements. However, from time to time, we may not have sufficient cash or other liquid assets to meet these distribution requirements due to timing differences between the actual receipt of cash and the payment of deductible expenses, and the inclusion of income and deduction of expenses in determining our taxable income. In addition, we may decide to retain our cash, rather than distribute it, in order to repay debt or for other reasons. If these timing differences occur, we may be required to borrow funds to pay cash dividends or we may be required to pay dividends in the form of taxable stock dividends in order to meet the distribution requirements. Pursuant to IRS Revenue Procedure 2010-12, certain part-stock and part-cash dividends distributed by publicly traded REITs with respect to calendar years 2008 through 2011, and in some cases declared as late as December 31, 2012, will be treated as distributions for purposes of the REIT distribution requirements. Under the terms of this Revenue Procedure, up to 90% of our distributions could be paid in shares of our capital stock.

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**Legislative or Other Actions Affecting REITs and Stockholders**

The present federal income tax treatment of REITs may be modified, possibly with retroactive effect, by legislative, judicial or administrative action at any time. The REIT rules, as well as all federal tax laws, are constantly under review by persons involved in the legislative process and by the Internal Revenue Service and the U.S. Treasury Department which may result in statutory changes as well as revisions to regulations and interpretations. No assurance can be given as to whether, or in what form, any proposals affecting REITs or their stockholders will be enacted. Changes to the federal tax laws and interpretations thereof could adversely affect an investment in our common stock.

The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 extended the 2001 and 2003 tax rates for taxpayers that are taxable as individuals, trusts and estates through 2012, including the maximum 35% tax rate on ordinary income and the maximum 15% tax rate for long-term capital gains and qualified dividend income. As noted in "Material United States Federal Income Tax Considerations Tax Rates" on page 66 of the accompanying base prospectus, dividends paid by REITs generally will not constitute qualified dividend income eligible for the 15% tax rate for stockholders that are taxable as individuals, trusts and estates and will generally be taxable at the higher ordinary income tax rates.

The Health Care and Education Reconciliation Act of 2010 requires U.S. stockholders who meet certain requirements and are individuals, estates or certain trusts to pay an additional 3.8% tax on, among other things, dividends on and capital gains from the sale or other disposition of stock for taxable years beginning after December 31, 2012. U.S. stockholders should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of shares of our common stock.

Recently enacted legislation will require, after December 31, 2012, withholding at a rate of 30% on dividends in respect of, and gross proceeds from the sale of, shares of our common stock held by or through certain foreign financial institutions (including investment funds), unless such institution enters into an agreement with the Secretary of the Treasury to report, on an annual basis, information with respect to shares in the institution held by certain United States persons and by certain non-U.S. entities that are wholly or partially owned by United States persons and to withhold on certain payments. Accordingly, the entity through which shares of our common stock are held will affect the determination of whether such withholding is required. Similarly, dividends in respect of, and gross proceeds from the sale of, shares of our common stock held by an investor that is a non-financial non-U.S. entity will be subject to withholding at a rate of 30%, unless such entity either (i) certifies to us that such entity does not have any "substantial United States owners" or (ii) provides certain information regarding the entity's "substantial United States owners," which we will in turn provide to the Secretary of the Treasury. We will not pay any additional amounts to stockholders in respect of any amounts withheld. Non-U.S. stockholders are encouraged to consult with their tax advisors regarding the possible implications of the legislation on their investment in shares of our common stock.

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**UNDERWRITING**

We are offering the shares of common stock described in this prospectus supplement through a number of underwriters. Merrill Lynch, Pierce, Fenner & Smith Incorporated is acting as sole book-running manager and representative of the underwriters. We have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discount and commissions set forth on the cover page of this prospectus supplement, the number of shares of common stock listed next to its name in the following table:

<b>Underwriter</b>	<b>Number of shares</b>
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Total	24,000,000

The underwriters are committed to purchase all the shares of common stock offered by us if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

The underwriters propose to offer the shares of common stock directly to the public at the public offering price set forth on the cover page of this prospectus supplement and to certain dealers at that price less a concession not in excess of \$ \_\_\_\_\_ per share. Any such dealers may resell shares to certain other brokers or dealers at a discount of up to \$ \_\_\_\_\_ per share from the public offering price. After the public offering of the shares, the offering price and other selling terms may be changed by the underwriters. Sales of shares made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to buy up to 3,600,000 additional shares of common stock from us to cover sales of shares by the underwriters that exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus supplement to exercise this over-allotment option. If any shares are purchased with this over-allotment option, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of common stock are purchased, the underwriters will offer the additional shares at the price shown on the cover page of this prospectus supplement less the underwriting discount and less any dividends or distributions declared by us and paid or payable on the shares initially purchased by the underwriters but not on the shares to be purchased upon exercise of the option, and otherwise on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock. The underwriting fee is \$ \_\_\_\_\_ per share.

The following table shows the per share and total underwriting discounts to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	<b>Without Option</b>	<b>With Option</b>
Per share	\$ _____	\$ _____
Total	\$ _____	\$ _____

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We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately \$1,100,000.

A prospectus in electronic format may be made available on the websites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representative to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed, that, except for common stock issued in this offering and subject to certain additional exceptions, we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act of 1933 relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly announce the intention to make any such offer, sale, pledge, disposition or filing, without the prior written consent of the representative for a period of 45 days after the date of this prospectus supplement. The representative, in its sole discretion, may waive this lock-up agreement at any time without notice.

Certain of our officers and directors have agreed, subject to certain exceptions, that, for a period of 45 days from the date of this prospectus supplement they will not, without the prior written consent of the representative, dispose of or hedge any shares of our common stock or any securities convertible into or exchangeable or exercisable for our common stock. The representative in its sole discretion may release any of the securities subject to these lock-up agreements at any time without notice.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

Our common stock is listed on the NYSE under the symbol "HCP."

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of the common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be "covered" shorts, which are short positions in an amount not greater than the underwriters' over-allotment option referred to above, or may be "naked" shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their over-allotment option, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the over-allotment option. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act of 1933, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representative of the underwriters purchases common stock in the open market in stabilizing transactions or to cover short



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sales, the representative can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the NYSE, in the over-the-counter market or otherwise.

**Conflicts of Interest**

The underwriters and/or their affiliates have provided and in the future may provide investment banking, commercial banking and/or advisory services to us from time to time for which they have received and in the future may receive customary fees and expenses and may have entered into and in the future may enter into other transactions with us. In addition, Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, is administrative agent, swing line lender, L/C issuer and alternative currency fronting lender, JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities LLC, is syndication agent, Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC are joint lead arrangers and joint bookrunners, Citibank, N.A., an affiliate of Citigroup Global Markets Inc., Wells Fargo Bank, N.A., an affiliate of Wells Fargo Securities, LLC and UBS Loan Finance, LLC, an affiliate of UBS Securities LLC, are co-documentation agents and Credit Suisse AG, Cayman Islands Branch, an affiliate of Credit Suisse Securities (USA) LLC, Credit Agricole Corporate and Investment Bank, an affiliate of Credit Agricole Securities (USA) Inc., Goldman Sachs Bank USA, an affiliate of Goldman, Sachs & Co., Morgan Stanley Bank, N.A., an affiliate of Morgan Stanley & Co. Incorporated and The Royal Bank of Scotland PLC, an affiliate of RBS Securities Inc., are senior managing agents, and those entities and/or their affiliates are or may be lenders, under our new revolving credit facility. In addition, Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, UBS Securities LLC and Wells Fargo Securities, LLC are joint lead arrangers and joint bookrunners, Citibank, N.A., an affiliate of Citigroup Global Markets Inc., Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities LLC and Wells Fargo Bank, National Association, an affiliate of Wells Fargo Securities, LLC, are co-syndication agents, UBS AG, Stamford Branch, an affiliate of UBS Securities LLC, is the administrative agent, and those entities and/or their affiliates may be lenders under our bridge loan facility. To the extent that any portion of the net cash proceeds from this offering is applied to repay borrowings under our new revolving credit facility, these entities and/or their respective affiliates will receive a portion of the net proceeds so applied through the repayment of borrowings under our new revolving credit facility. Citigroup Global Markets Inc., UBS Securities LLC and, Wells Fargo Securities, LLC have acted as our financial advisors in connection with the HCR ManorCare Facilities Acquisition. J.P. Morgan Securities LLC has acted as financial advisor to HCR ManorCare in connection with the HCR ManorCare Facilities Acquisition.

**Notice to Prospective Investors in the European Economic Area**

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), an offer of any shares which are the subject of the offering contemplated by this prospectus supplement may not be made to the public in that relevant member state, except that an offer to the public in that relevant member state of any shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that relevant member state:

to any legal entity which is a qualified investor as defined in the Prospectus Directive;

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by the underwriters to fewer than 100 or, if the relevant member state has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive) subject to obtaining the prior consent of the representative for any such offer; or

in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the shares shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an "offer to the public" in relation to any shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for the shares, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the relevant member state) and includes any relevant implementing measure in each relevant member state and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

We have not authorized and do not authorize the making of any offer of the shares through any financial intermediary on behalf of us, other than offers made by the underwriters with a view to the final placement of the shares as contemplated in this prospectus supplement. Accordingly, no purchaser of the shares, other than the underwriters, is authorized to make any further offer of the shares on behalf of us or the underwriters.

**Notice to Prospective Investors in the United Kingdom**

Each underwriter shall be deemed to have represented, warranted and agreed that:

it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of the shares in circumstances in which section 21 of the FSMA does not apply to us; and

it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

This prospectus supplement and the accompanying prospectus are only being distributed to, and are only directed at, persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iii) other persons to whom it may lawfully be communicated (each such person being referred to as a "relevant person"). This prospectus supplement and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any persons who are not relevant persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents. The shares and investment activity to which this prospectus supplement relates are only available to and will only be engaged in with relevant persons.

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**Notice to Prospective Investors in France**

Neither this prospectus supplement nor any other offering material relating to the shares described in this prospectus supplement has been submitted to the clearance procedures of the *Autorité des Marchés Financiers* or of the competent authority of another member state of the European Economic Area and notified to the *Autorité des Marchés Financiers*. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this prospectus supplement nor any other offering material relating to the shares has been or will be:

released, issued, distributed or caused to be released, issued or distributed to the public in France; or

used in connection with any offer for subscription or sale of the shares to the public in France.

Such offers, sales and distributions will be made in France only:

to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), in each case investing for their own account, all as defined in, and in accordance with articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code *monétaire et financier*;

to investment services providers authorized to engage in portfolio management on behalf of third parties; or

in a transaction that, in accordance with article L.411-2-II-1<sup>o</sup>-or-2<sup>o</sup>-or 3<sup>o</sup> of the French Code *monétaire et financier* and article 211-2 of the General Regulations (*Règlement Général* of the *Autorité des Marchés Financiers*, does not constitute a public offer (*appel public à l'épargne*).

The shares may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French Code *monétaire et financier*.

**Notice to Prospective Investors in Switzerland**

This prospectus supplement and the accompanying prospectus, as well as any other material relating to the shares which are the subject of the offering contemplated by this prospectus supplement, do not constitute an issue prospectus pursuant to Articles 652a and/or 1156 of the Swiss Code of Obligations. The shares will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the shares, including, but not limited to, this prospectus supplement and the accompanying prospectus, do not claim to comply with the disclosure standards of the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange. The shares of common stock are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the shares with the intention to distribute them to the public. The investors will be individually approached by the issuer from time to time. This prospectus supplement and the accompanying prospectus as well as any other material relating to the shares are personal and confidential and do not constitute an offer to any other person. This prospectus supplement and the accompanying prospectus may only be used by those investors to whom they have been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without express consent of the issuer. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

**Notice to Prospective Investors in the Dubai International Financial Centre**

This prospectus supplement and the accompanying prospectus relate to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This

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prospectus supplement and the accompanying prospectus are intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. They must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement and the accompanying prospectus nor taken steps to verify the information set forth herein or therein and has no responsibility for this prospectus supplement and the accompanying prospectus. The shares to which this prospectus supplement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus supplement and the accompanying prospectus you should consult an authorized financial advisor.

**Notice to Prospective Investors in Hong Kong**

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the prospectus supplement and accompanying prospectus being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

**Notice to Prospective Investors in Japan**

The shares offered in this prospectus supplement and the accompanying prospectus have not been registered under the Securities and Exchange Law of Japan. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Securities and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

**Notice to Prospective Investors in Singapore**

This prospectus supplement and the accompanying prospectus have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and the accompanying prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

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Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

where no consideration is or will be given for the transfer; or

where the transfer is by operation of law.

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**VALIDITY OF THE COMMON STOCK**

Certain legal matters will be passed upon for us by Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York. Certain legal matters relating to Maryland law will be passed upon for us by Ballard Spahr LLP, Baltimore, Maryland. Sidley Austin LLP, San Francisco, California, will act as counsel for the underwriters.

**EXPERTS**

The consolidated financial statements, and the related financial statement schedules, as of December 31, 2010 and for the year then ended incorporated in this prospectus supplement by reference from HCP, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2010 and the effectiveness of HCP, Inc.'s internal control over financial reporting as of December 31, 2010 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements and financial statement schedules have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements and schedules of HCP, Inc. as of December 31, 2009 and for each of the two years in the period ended December 31, 2009 appearing in HCP, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2010 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon, included therein, and incorporated herein by reference. Such consolidated financial statements and schedules are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of HCR Properties, LLC as of December 31, 2010 and 2009 and for the three years ended December 31, 2010, which are incorporated in this prospectus supplement by reference to HCP's Current Report on Form 8-K, filed on March 22, 2011, have been audited by Ernst & Young LLP, independent auditors as set forth in their report thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

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**PROSPECTUS**

**HCP, Inc.**

**Common Stock  
Preferred Stock  
Depositary Shares  
Debt Securities  
Warrants or Other Rights  
Stock Purchase Contracts  
Units**

HCP, Inc. from time to time may offer to sell the securities listed above. The preferred stock, debt securities, warrants, rights and stock purchase contracts may be convertible into or exercisable or exchangeable for common or preferred stock or other securities of HCP or debt or equity securities of one or more other entities. Our common stock is quoted on the New York Stock Exchange (the "NYSE") under the symbol "HCP."

HCP may offer and sell these securities directly or to or through one or more underwriters, dealers and/or agents, or directly to purchasers on a continuous or delayed basis.

This prospectus describes some of the general terms that may apply to these securities and the general manner in which they may be offered. The specific terms of any securities to be offered, and the specific manner in which they may be offered, will be described in a supplement to this prospectus.

**You should consider the risks discussed in "Risk Factors" beginning on page 4 of this prospectus before you invest in our securities.**

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**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

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The date of this prospectus is September 4, 2009

HCP, Inc.  
3760 Kilroy Airport Way, Suite 300  
Long Beach, California 90806  
(562) 733-5100

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*All references in this prospectus to "HCP," "we," "us" or "our" mean HCP, Inc., its majority-owned subsidiaries and other entities controlled by HCP, Inc. except where it is clear from the context that the term means only the issuer, HCP, Inc. Unless otherwise stated, currency amounts in this prospectus are stated in United States dollars.*

**When acquiring any securities discussed in this prospectus, you should rely only on the information contained or incorporated by reference in this prospectus and the applicable prospectus supplement. We have not authorized anyone else to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. An offer to sell these securities will not be made in any jurisdiction where the offer and sale is not permitted. You should not assume that the information appearing in this prospectus, as well as information we previously filed with the Securities and Exchange Commission and incorporated by reference, is accurate as of any date other than the date mentioned on the front cover of those documents. Our business, financial condition, results of operations and prospects may have changed since that date.**

## ABOUT THIS PROSPECTUS

This prospectus is part of an automatic shelf registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or the SEC, as a "well-known seasoned issuer" as defined in Rule 405 under the Securities Act of 1933, as amended. As allowed by the SEC rules, this prospectus does not contain all of the information included in the registration statement. For further information, we refer you to the registration statement, including its exhibits. Statements contained in this prospectus about the provisions or contents of any agreement or other document are not necessarily complete. If the SEC's rules and regulations require that an agreement or document be filed as an



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exhibit to the registration statement, please see that agreement or document for a complete description of these matters.

You should read this prospectus and any prospectus supplement together with any additional information you may need to make your investment decision. You should also read and carefully consider the information in the documents we have referred you to in "Where You Can Find More Information" below. Information incorporated by reference after the date of this prospectus is considered a part of this prospectus and may add, update or change information contained in this prospectus. Any information in such subsequent filings that is inconsistent with this prospectus will supersede the information in this prospectus or any earlier prospectus supplement.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any materials we file with the SEC at its public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of this information by mail from the public reference room of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities. Our SEC filings are also available to the public from commercial document retrieval services and at the web site maintained by the SEC at <http://www.sec.gov>. You may inspect information that we file with The New York Stock Exchange, as well as our SEC filings, at the offices of The New York Stock Exchange at 20 Broad Street, New York, New York 10005.

The SEC allows us to "incorporate by reference" certain information we file with the SEC, which means that we can disclose important information to you by referring to the other information we have filed with the SEC. We incorporate by reference the following documents we filed with the SEC pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (other than any portions of any such documents that are not deemed "filed" under the Securities Exchange Act of 1934 in accordance with the Securities Exchange Act of 1934 and applicable SEC rules):

our Current Reports on Form 8-K filed on March 2, 2009, May, 4, 2009 (relating to the revision to our historical financial statements), May 8, 2009, June 3, 2009 and August 10, 2009;

our Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2009;

our Annual Report on Form 10-K for the fiscal year ended December 31, 2008;

the description of our common stock contained in our registration statement on Form 10 dated May 7, 1985 (File No. 1-08895), including the amendments dated May 20, 1985 and May 23, 1985, and any other amendment or report filed for the purpose of updating such description, including the description of amendments to our charter contained in our Quarterly Reports on Form 10-Q for the quarters ended June 30, 2001, June 30, 2004 and September 30, 2007;

the description of our 7.25% Series E Cumulative Redeemable Preferred Stock as set forth in our registration statement filed under the Securities Exchange Act of 1934 on Form 8-A on September 12, 2003, including any amendment or report for the purpose of updating such description; and

the description of our 7.1% Series F Cumulative Redeemable Preferred Stock as set forth in our registration statement filed under the Securities Exchange Act of 1934 on Form 8-A on December 2, 2003, including any amendment or report for the purpose of updating such description.

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We are also incorporating by reference additional documents that we may file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus and prior to the termination of the offering of the securities described in this prospectus (other than any portions of any such documents that are not deemed "filed" under the Securities Exchange Act of 1934 in accordance with the Securities Exchange Act of 1934 and applicable SEC rules). These documents include periodic reports, such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as Proxy Statements. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

Documents incorporated by reference are available from us without charge, excluding all exhibits unless we have specifically incorporated by reference the exhibit in this prospectus. You may obtain documents incorporated by reference in this prospectus by requesting them in writing or by telephone from:

Legal Department  
HCP, Inc.  
3760 Kilroy Airport Way, Suite 300  
Long Beach, California 90806  
(562) 733-5100  
legaldept@hcpi.com

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**RISK FACTORS**

We have included discussions of cautionary factors describing risks relating to our business and an investment in our securities in our Annual Report on Form 10-K for the year ended December 31, 2008, which is incorporated by reference into this prospectus. See "Where You Can Find More Information" for an explanation of how to get a copy of this report. Additional risks related to our securities may also be described in a prospectus supplement. Before purchasing our securities, you should carefully consider the risk factors we describe in any prospectus supplement or in any report incorporated by reference into this prospectus or such prospectus supplement, including our Annual Report on Form 10-K for the year ended December 31, 2008. Although we discuss key risks in those risk factor descriptions, additional risks not currently known to us or that we currently deem immaterial also may impair our business. Our subsequent filings with the SEC may contain amended and updated discussions of significant risks. We cannot predict future risks or estimate the extent to which they may affect our financial performance.

**CAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS**

Statements in this prospectus and the information incorporated by reference in this prospectus or any prospectus supplement within the meaning of the Private Securities Litigation Reform Act of 1995 that are not historical factual statements are "forward-looking statements." We intend to have our forward-looking statements covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and include this statement for purposes of complying with those provisions. Forward-looking statements include, among other things, statements regarding our and our officers' intent, belief or expectations as identified by the use of words such as "may," "will," "project," "expect," "believe," "intend," "anticipate," "seek," "forecast," "plan," "estimate," "could," "would," "should" and other comparable and derivative terms or the negatives thereof. In addition, we, through our officers, from time to time, make forward-looking oral and written public statements concerning our expected future operations, strategies, securities offerings, growth and investment opportunities, dispositions, capital structure changes, budgets and other developments. Readers are cautioned that, while forward-looking statements reflect our good faith belief and reasonable assumptions based upon current information, we can give no assurance that our expectations or forecasts will be attained. Therefore, readers should be mindful that forward-looking statements are not guarantees of future performance and that they are subject to known and unknown risks and uncertainties that are difficult to predict. As more fully set forth under "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2008, factors that may cause our actual results to differ materially from the expectations contained in the forward-looking statements include:

- (a) Changes in national and local economic conditions, including a prolonged recession;
- (b) Continued volatility in the capital markets, including changes in interest rates and the availability and cost of capital;
- (c) The ability of the Company to manage its indebtedness level and changes in the terms of such indebtedness;
- (d) Changes in federal, state or local laws and regulations, including those affecting the healthcare industry that affect our costs of compliance or increase the costs, or otherwise affect the operations of our operators, tenants and borrowers;
- (e) The potential impact of existing and future litigation matters, including related developments;
- (f) Competition for tenants and borrowers, including with respect to new leases and mortgages and the renewal or rollover of existing leases;

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- (g) The ability of the Company to reposition its properties on the same or better terms if existing leases are not renewed or the Company exercises its right to replace an existing operator or tenant upon default;
- (h) Availability of suitable properties to acquire at favorable prices and the competition for the acquisition and financing of those properties;
- (i) The ability of our operators, tenants and borrowers to conduct their respective businesses in a manner sufficient to maintain or increase their revenues and to generate sufficient income to make rent and loan payments to us;
- (j) The financial weakness of some operators and tenants, including potential bankruptcies and downturns in their businesses, which results in uncertainties regarding our ability to continue to realize the full benefit of such operators' and/or tenants' leases;
- (k) The risk that we will not be able to sell or lease properties that are currently vacant, at all or at competitive rates;
- (l) The financial, legal and regulatory difficulties of significant operators of our properties, including Sunrise Senior Living, Inc.;
- (m) The risk that we may not be able to integrate acquired businesses successfully or achieve the operating efficiencies and other benefits of acquisitions within expected time-frames or at all, or within expected cost projections;
- (n) The ability to obtain financing necessary to consummate acquisitions or on favorable terms; and
- (o) Changes in the reimbursement available to our tenants and borrowers by governmental or private payors, including changes in Medicare and Medicaid payment levels and the availability and cost of third party insurance coverage.

Except as required by law, we undertake no, and hereby disclaim any, obligation to update any forward-looking statements, whether as a result of new information, changed circumstances or otherwise.

**THE COMPANY**

We invest primarily in real estate serving the healthcare industry in the United States. We are a Maryland corporation and were organized to qualify as a REIT in 1985. We are headquartered in Long Beach, California, with offices in Chicago, Illinois; Nashville, Tennessee; and San Francisco, California. We acquire, develop, lease, manage and dispose of healthcare real estate and provide financing to healthcare providers. Our portfolio is comprised of investments in the following five healthcare segments: (i) senior housing, (ii) life science, (iii) medical office, (iv) hospital, and (v) skilled nursing. We make investments within our five healthcare segments using the following five investment products: (i) properties under lease, (ii) investment management, (iii) developments, (iv) mezzanine loans, and (v) non-managing member LLC's.

Our executive offices are located at 3760 Kilroy Airport Way, Suite 300, Long Beach, California 90806, and our telephone number is (562) 733-5100.

**RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS**

The following table sets forth our ratios of earnings to fixed charges and our ratios of earnings to combined fixed charges and preferred stock dividends for the periods indicated. In computing the ratios of earnings to fixed charges, earnings have been based on consolidated income from continuing operations before fixed charges (exclusive of capitalized interest). Fixed charges consist of interest on



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debt, including amounts capitalized, an estimate of interest in rental expense, and interest expense related to the guaranteed debt of the partnerships and limited liability companies in which we hold an interest. In computing the ratios of earnings to combined fixed charges and preferred stock dividends, preferred stock dividends consist of dividends on our 7.25% Series E Cumulative Redeemable Preferred Stock and 7.10% Series F Cumulative Redeemable Preferred Stock.

	Year Ended December 31,					For the Six Months Ended
	2004	2005	2006	2007	2008	June 30, 2009
Ratio of Earnings to Fixed Charges	1.53	1.41	1.13	1.28	1.51	1.63
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	1.24	1.18	1.03	1.22	1.43	1.53

**USE OF PROCEEDS**

Unless otherwise specified in the applicable prospectus supplement for any offering of securities, the net proceeds, after estimated expenses, we receive from the sale of these securities will be used for general corporate purposes, which may include:

funding investments in, or extensions of credit to, our subsidiaries;

funding investments in non-affiliates;

reducing, repaying or refinancing debt;

repurchasing or redeeming outstanding securities;

financing possible acquisitions; and

working capital.

Pending such use, we may temporarily invest net proceeds. We will disclose in the prospectus supplement relating to an offering of securities any intention to use the net proceeds from such offering in connection with an acquisition or to reduce or refinance outstanding debt.

**DESCRIPTION OF CAPITAL STOCK WE MAY OFFER**

*Please note that in this section entitled "Description of Capital Stock We May Offer," references to "holders" mean those who own shares of common stock or preferred stock, registered in their own names, on the books that the registrar or we maintain for this purpose, and not those who own beneficial interests in shares registered in street name or in shares issued in book-entry form through one or more depositaries. Owners of beneficial interests in shares of common stock should also read the section entitled "Legal Ownership and Book-Entry Issuance."*

*The following description summarizes the material provisions of the common stock and preferred stock we may offer. This description is not complete and is subject to, and is qualified in its entirety by reference to our charter and our bylaws and applicable provisions of the Maryland General Corporation Law, or the MGCL. The specific terms of any series of preferred stock will be described in the applicable prospectus supplement. Any series of preferred stock we issue will be governed by our charter and by the articles supplementary related to that*

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*series. We will file the articles supplementary with the SEC and incorporate it by reference as an exhibit to our registration statement at or before the time we issue any preferred stock of that series of authorized preferred stock.*

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Our authorized capital stock consists of 750,000,000 shares of common stock, par value \$1.00 per share, and 50,000,000 shares of preferred stock, par value \$1.00 per share. The following description does not contain all the information that might be important to you.

**Common Stock**

As of September 1, 2009, there were 293,137,745 shares of common stock outstanding. All shares of common stock participate equally in dividends payable to holders of common stock, when, as and if authorized by our board and declared by us, and in net assets available for distribution to holders of common stock on liquidation, dissolution, or winding up. Each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of our stockholders. Holders of common stock do not have cumulative voting rights in the election of directors.

All issued and outstanding shares of common stock are, and the common stock offered by this prospectus will be upon issuance, validly issued, fully paid and nonassessable. Holders of common stock do not have preference, conversion, exchange or preemptive rights. The common stock is listed on The New York Stock Exchange (NYSE Symbol: HCP).

The Transfer Agent and Registrar for our common stock is Wells Fargo Shareowner Services.

**Preferred Stock**

Under our charter, our board is authorized without further stockholder action to establish and issue, from time to time, up to 50,000,000 shares of our preferred stock, in one or more series, with such designations, preferences, powers and relative participating, optional or other special rights, and the qualifications, limitations or restrictions thereon, including, but not limited to, dividend rights, dividend rate or rates, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), the redemption price or prices, and the liquidation preferences as shall be stated in the resolution providing for the issue of a series of such stock, adopted, at any time or from time to time, by our board. As of September 1, 2009, we had outstanding 4,000,000 shares of 7.25% Series E Cumulative Redeemable Preferred Stock, or Series E Preferred Stock, with a liquidation preference of \$100,000,000 and 7,820,000 shares of 7.10% Series F Cumulative Redeemable Preferred Stock, or Series F Preferred Stock, with a liquidation preference of \$195,500,000.

The following description of the terms of the preferred stock sets forth certain general terms and provisions of the preferred stock to which any prospectus supplement may relate. The preferred stock shall have the dividend, liquidation, redemption and voting rights set forth below unless otherwise provided in a prospectus supplement relating to a particular series of the preferred stock. The terms of any particular series of preferred stock will be described in the prospectus supplement relating to that particular series of preferred stock, including:

the number of shares constituting the series and the distinctive designation thereof;

the voting rights, if any, of the series;

the rate of dividends payable on the series, the time or times when dividends will be payable, the preference to, or any relation to, the payment of dividends to any other class or series of stock and whether the dividends will be cumulative or non-cumulative;

whether there shall be a sinking or similar fund for the purchase of shares of the series and, if so, the terms and provisions that shall govern the fund;

the rights of the holders of shares of the series upon our liquidation, dissolution or winding up;

the rights, if any, of holders of shares of the series to convert their shares into or to exchange the shares for, shares of any other class or classes or any other series of the same or of any





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other class or classes of stock of the corporation or any other securities, the price or prices or rate or rates of exchange, with such adjustments as shall be provided, at which the shares shall be convertible or exchangeable, whether such rights of conversion or exchange shall be exercisable at the option of the holder of the shares or upon the happening of a specified event and any other terms or conditions of such conversion or exchange; and

any other preferences, powers and relative participating, optional or other special rights and qualifications, limitations or restrictions of shares of the series.

The preferred stock will, when issued, be fully paid and nonassessable and will have no preemptive rights. Unless otherwise stated in a prospectus supplement relating to a particular series of preferred stock, each series of preferred stock will rank on a parity as to dividends and distributions of assets with each other series of preferred stock. The rights of the holders of each series of preferred stock will be subordinate to those of our general creditors.

***Dividend Rights of Preferred Stock***

Holders of shares of preferred stock of each series will be entitled to receive, when, as and if declared by our board of directors, out of funds legally available therefor, cash dividends on the dates and at rates as will be set forth in, or as are determined by the method described in, the prospectus supplement relating to the series of preferred stock. The rate may be fixed or variable or both. Each dividend will be payable to the holders of record as they appear on our stock books on the record dates fixed by our board of directors, as specified in the prospectus supplement relating to the series of preferred stock.

Dividends may be cumulative or noncumulative, as provided in the prospectus supplement relating to the series of preferred stock. If our board of directors fails to declare a dividend payable on a dividend payment date on any series of preferred stock for which dividends are noncumulative, then the holders of the series of preferred stock will have no right to receive a dividend in respect of the dividend period ending on the dividend payment date, and we will have no obligation to pay the dividend accrued for such period, whether or not dividends on the series are declared payable on any future dividend payment dates. Dividends on the shares of each series of preferred stock for which dividends are cumulative will accrue from the date on which we initially issue shares of the series.

So long as the shares of any series of preferred stock are outstanding, except as otherwise provided in the prospectus supplement relating to such series, we may not declare any dividends on our common stock or any other stock ranking as to dividends or distributions of assets junior to the series of preferred stock or make any payment on account of, or set apart money for, the purchase, redemption or other retirement of, or for a sinking or other analogous fund for, any shares of junior stock or make any distribution in respect thereof, whether in cash or property or in obligations or stock, other than junior stock which is neither convertible into, nor exchangeable or exercisable for, any securities other than junior stock:

unless, if the preferred stock is cumulative, full dividends for prior dividend periods shall have been paid or declared and set apart for payment on all outstanding shares of preferred stock of the series and all other series of our preferred stock (other than junior stock); and

unless we are not in default or in arrears with respect to the mandatory or optional redemption or mandatory repurchase or other mandatory retirement of, or with respect to any sinking or other analogous fund for, any shares of preferred stock of the series or any shares of any other series of our preferred stock (other than junior stock).

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***Liquidation Preference***

In the event of any liquidation, dissolution or winding up of us, voluntary or involuntary, the holders of each series of the preferred stock will be entitled to receive out of our assets legally available for distribution to stockholders, before any distribution of assets or payment is made to the holders of common stock or any other shares of our stock ranking junior as to such distribution or payment to such series of preferred stock, the amount set forth in the prospectus supplement relating to such series of preferred stock. If, upon any voluntary or involuntary liquidation, dissolution or winding up of us, the amounts payable with respect to the preferred stock of any series and any other shares of preferred stock (including any other series of the preferred stock) ranking as to any such distribution on a parity with such series of preferred stock are not paid in full, the holders of the preferred stock of such series and of such other shares of preferred stock will share ratably in any such distribution of our assets in proportion to the full respective preferential amounts to which they are entitled. After payment to the holders of the preferred stock of each series of the full preferential amounts of the liquidating distribution to which they are entitled, the holders of each such series of preferred stock will be entitled to no further participation in any distribution of our assets.

If such payment shall have been made in full to all holders of shares of preferred stock, our remaining assets will be distributed among the holders of any other classes of stock ranking junior to the preferred stock upon liquidation, dissolution or winding up, according to their respective rights and preferences and in each case according to their respective number of shares. For such purposes, our consolidation or merger with or into any other corporation, or the sale, lease or conveyance of all or substantially all of our property or business, shall not be deemed to constitute a liquidation, dissolution or winding up of us.

In determining whether a distribution (other than upon voluntary or involuntary liquidation) by dividend, redemption or other acquisition of shares of our stock or otherwise is permitted under the MGCL, no effect shall be given to amounts that would be needed, if we would be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of shares of our stock whose preferential rights upon dissolution are superior to those receiving the distribution.

***Redemption***

A series of preferred stock may be redeemable, in whole or from time to time in part, at our option, and may be subject to mandatory redemption pursuant to a sinking fund or otherwise, in each case upon terms, at the times and at the redemption prices set forth in the prospectus supplement relating to such series. Shares of the preferred stock redeemed by us will be restored to the status of authorized but unissued shares of preferred stock.

In the event that fewer than all of the outstanding shares of a series of the preferred stock are to be redeemed, whether by mandatory or optional redemption, the number of shares to be redeemed will be determined by lot or pro rata (subject to rounding to avoid fractional shares) as may be determined by us or by any other method as may be determined by us in our sole discretion to be equitable. From and after the redemption date (unless default shall be made by us in providing for the payment of the redemption price plus accumulated and unpaid dividends, if any), dividends shall cease to accumulate on the shares of the preferred stock called for redemption and all rights of the holders thereof (except the right to receive the redemption price plus accumulated and unpaid dividends, if any) shall cease.

So long as any dividends on shares of any series of preferred stock or any other series of preferred stock ranking on a parity as to dividends and distributions of assets with such series of preferred stock are in arrears, no shares of any such series of the preferred stock or such other series of preferred stock will be redeemed (whether by mandatory or optional redemption) unless all such shares are simultaneously redeemed, and we will not purchase or otherwise acquire any such shares. However, the foregoing will not prevent the purchase or acquisition of such shares of preferred stock of such series

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or of shares of such other series of preferred stock in order to ensure that we continue to meet the requirements for qualification as a REIT for federal and state income tax purposes or pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding shares of preferred stock of such series and, unless the full cumulative dividends on all outstanding shares of any cumulative preferred stock of such series and any other stock ranking on a parity with such series as to dividends and upon liquidation shall have been paid or contemporaneously are declared and paid for all past dividend periods, we will not purchase or otherwise acquire directly or indirectly any shares of preferred stock of such series (except by conversion into or exchange for our stock) ranking junior to the preferred stock of such series as to dividends and upon liquidation.

Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of record of shares of preferred stock to be redeemed at the address shown on our stock transfer books. After the redemption date, dividends will cease to accrue on the shares of preferred stock called for redemption and all rights of the holders of such shares will terminate, except the right to receive the redemption price without interest plus accumulated and unpaid dividends, if any.

***Conversion Rights***

The terms, if any, on which shares of preferred stock of any series may be exchanged for or converted (mandatorily or otherwise) into shares of common stock or another series of preferred stock will be set forth in the prospectus supplement relating thereto.

***Voting Rights***

Except as indicated below or in a prospectus supplement relating to a particular series of preferred stock, the holders of the preferred stock will not be entitled to vote for any purpose.

So long as any shares of preferred stock remain outstanding, we will not, without the consent or the affirmative vote of the holders of two-thirds of the shares of each series of preferred stock outstanding at the time given in person or by proxy, either in writing or at a meeting (such series voting separately as a class):

authorize, create or issue, or increase the authorized or issued amount of, any series of stock ranking prior to such series of preferred stock with respect to payment of dividends, or the distribution of assets on liquidation, dissolution or winding up or reclassifying any of our authorized stock into any such shares, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase any such shares; or

repeal, amend or otherwise change any of the provisions of our charter applicable to the preferred stock of such series in any manner which materially and adversely affects the powers, preferences, voting power or other rights or privileges of such series of preferred stock or the holders thereof; provided, however, that any increase in the amount of the authorized preferred stock or the creation or issuance of other series of preferred stock, or any increase in the amount of authorized shares of such series or of any other series of preferred stock, in each case ranking on a parity with or junior to the preferred stock of such series, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of the preferred stock shall have been redeemed or called for redemption and sufficient funds shall have been deposited in trust to effect such redemption.

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**Series E Preferred Stock**

***Voting Rights***

Holders of Series E Preferred Stock generally do not have any voting rights, except in limited circumstances.

If dividends on any shares of Series E Preferred Stock are in arrears for six or more quarterly periods, whether or not consecutive, the holders of Series E Preferred Stock (voting separately as a class with all other classes or series of preferred stock upon which like voting rights have been conferred and are exercisable) are entitled to vote for the election of a total of two additional directors of HCP at a special meeting called by the holders of record of at least 25% of the Series E Preferred Stock or the holders of any other class or series of preferred stock so in arrears or at the next annual meeting of stockholders. These voting rights continue at each subsequent annual meeting until all dividends accumulated on such shares of Series E Preferred Stock for the past dividend periods and the dividend for the then current dividend period shall have been fully paid or declared and set aside for payment. In such case, our entire board is increased by two directors.

So long as any shares of Series E Preferred Stock remain outstanding, we shall not, without the consent or the affirmative vote of the holders of at least two-thirds of the shares of Series E Preferred Stock outstanding at the time, given in person or by proxy, either in writing or at a meeting, with the Series E Preferred Stock voting separately as a class:

authorize, create or issue, or increase the authorized or issued amount of, any class or series of stock ranking prior to the Series E Preferred Stock with respect to the payment of dividends, or the distribution of assets on liquidation, dissolution or winding up;

reclassify any of our authorized stock into any such shares, or authorize, create or issue any obligation or security convertible into or evidencing the right to purchase any class or series of stock ranking prior to the Series E Preferred Stock with respect to the payment of dividends, or the distribution of assets on liquidation, dissolution or winding up; or

repeal, amend or otherwise change any of the provisions applicable to the Series E Preferred Stock in any manner which materially and adversely affects the powers, preferences, voting power or other rights or privileges of the Series E Preferred Stock. However, an increase in the amount of authorized preferred stock, the creation or issuance of other classes or series of preferred stock or any increase in the amount of authorized shares of Series E Preferred Stock or of any other class or series of preferred stock, in each case ranking on a parity with or junior to the Series E Preferred Stock, will not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

The consent of the holders of Series E Preferred Stock is not required for the taking of any corporate action, including any merger or consolidation involving us or a sale of all or substantially all of our assets, regardless of the effect that such merger, consolidation or sale may have upon the rights, preferences or voting power of the holders of the Series E Preferred Stock, except as expressly set forth in the provisions of our charter.

***Rank***

With respect to dividend rights and rights upon liquidation, dissolution or winding up of HCP, the Series E Preferred Stock ranks:

senior to the common stock, and to all equity securities issued by us ranking junior to the Series E Preferred Stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of HCP;

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on a parity with all equity securities issued by us the terms of which specifically provide that such equity securities rank on a parity with the Series E Preferred Stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of HCP; and

junior to all equity securities issued by us the terms of which specifically provide that such equity securities rank senior to the Series E Preferred Stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of HCP.

The term "equity securities" does not include convertible debt securities, which rank senior to the Series E Preferred Stock prior to conversion.

***Dividends***

Holders of shares of the Series E Preferred Stock are entitled to receive, when, as, and if declared by our board out of funds legally available for the payment of dividends, cumulative preferential annual cash dividends at the rate of 7.25% of the liquidation preference (equivalent to \$1.8125 per annum per share).

Dividends on the Series E Preferred Stock are cumulative from the date of original issue and payable quarterly in arrears on or about the last day of each March, June, September and December or, if not a business day, the next succeeding business day.

No dividends may be declared by our board or paid or set apart for payment on the Series E Preferred Stock if the terms of any of our agreements, including any agreement relating to its indebtedness, prohibits such a declaration, payment or setting apart for payment or provides that such declaration, payment or setting apart for payment would constitute a breach of or default under such an agreement. Likewise, no dividends may be declared by our board or paid or set apart for payment if such declaration or payment is restricted or prohibited by law.

Dividends on the Series E Preferred Stock accrue, however, whether or not we have earnings, whether or not there are funds legally available for the payment of such dividends and whether or not such dividends are declared. Accrued but unpaid dividends on the Series E Preferred Stock do not bear interest and holders of the Series E Preferred Stock are not entitled to any dividends in excess of full cumulative dividends described above. Any dividend payment made on the Series E Preferred Stock is first credited against the earliest accrued but unpaid dividend due that remains payable.

No full dividends may be declared or paid or set apart for payment on any class or series of preferred stock ranking, as to dividends, on a parity with or junior to the Series E Preferred Stock, other than a dividend in shares of any class of stock ranking junior to the Series E Preferred Stock as to dividends and upon liquidation, for any period unless full cumulative dividends have been or contemporaneously are declared and paid or declared and set apart for such payment on the Series E Preferred Stock for all past dividend periods and the then current dividend period. When dividends are not paid in full, or full payment is not so set apart, upon the Series E Preferred Stock and the shares of any other class or series of preferred stock ranking on a parity as to dividends with the Series E Preferred Stock, all dividends declared upon the Series E Preferred Stock and any other class or series of preferred stock ranking on a parity as to dividends with the Series E Preferred Stock are declared pro rata so that the amount of dividends declared per share of Series E Preferred Stock and such other class or series of preferred stock shall in all cases bear to each other the same ratio that accrued dividends per share on the Series E Preferred Stock and such other class or series of preferred stock, which cannot include any accrual in respect of unpaid dividends for prior dividend periods if such preferred stock does not have a cumulative dividend, bear to each other.

Except as provided in the preceding paragraph, unless full cumulative dividends on the Series E Preferred Stock have been or contemporaneously are declared and paid or declared and set apart for payment for all past dividend periods and the then current dividend period, then, other than the

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payment of dividends in shares of common stock or other shares of capital stock ranking junior to the Series E Preferred Stock as to dividends and upon liquidation:

no dividends may be declared or paid or set aside for payment upon the common stock, or any other of our capital stock ranking junior to or on a parity with the Series E Preferred Stock as to dividends or upon liquidation;

no other distribution may be declared or made upon the common stock, or any other of our capital stock ranking junior to or on a parity with the Series E Preferred Stock as to dividends or upon liquidation; and

no shares of common stock, or any other shares of our capital stock ranking junior to or on a parity with the Series E Preferred Stock as to dividends or upon liquidation may be redeemed, purchased or otherwise acquired for any consideration by us, except by conversion into or exchange for other of our capital stock ranking junior to the Series E Preferred Stock as to dividends and upon liquidation or for the purpose of preserving our qualification as a real estate investment trust.

***Liquidation Preferences***

Upon any liquidation, dissolution or winding up of the affairs of HCP, the holders of Series E Preferred Stock are entitled to be paid out of our assets legally available for distribution to our stockholders a liquidation preference of \$25 per share, plus an amount equal to any accrued and unpaid dividends to the date of payment, before any distribution of assets is made to holders of common stock or any other class or series of our capital stock that ranks junior to the Series E Preferred Stock as to liquidation rights.

In determining whether a distribution (other than upon voluntary or involuntary liquidation) by dividend, redemption or other acquisition of shares of our stock or otherwise is permitted under the MGCL, no effect is given to amounts that would be needed if we would be dissolved at the time of the distribution, to satisfy the preferential rights upon distribution of holders of shares of our stock whose preferential rights upon distribution are superior to those receiving the distribution.

***Maturity; Redemption***

The Series E Preferred Stock has no stated maturity, is not subject to any sinking fund or mandatory redemption. We are entitled to purchase shares of the Series E Preferred Stock in order to preserve our status as a real estate investment trust for federal or state income tax purposes at any time. We may, at our option, redeem the Series E Preferred Stock at \$25 per share (\$100,000,000 in the aggregate), plus accrued and unpaid dividends.

***Transfer and Ownership Restrictions***

See " Transfer and Ownership Restrictions Relating to our Preferred Stock."

**Series F Preferred Stock**

***Voting Rights***

Holders of the Series F Preferred Stock generally do not have any voting rights, except in limited circumstances.

If dividends on any shares of Series F Preferred Stock are in arrears for six or more quarterly periods, whether or not consecutive, the holders of Series F Preferred Stock (voting separately as a class with all other classes or series of preferred stock upon which like voting rights have been conferred and are exercisable, including the Series E Preferred Stock) are entitled to vote for the

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election of a total of two additional directors of HCP at a special meeting called by the holders of record of at least 25% of the Series F Preferred Stock or the holders of any other class or series of preferred stock so in arrears or at the next annual meeting of stockholders. These voting rights continue at each subsequent annual meeting until all dividends accumulated on such shares of Series F Preferred Stock for the past dividend periods and the dividend for the then current dividend period shall have been fully paid or declared and set aside for payment. In such case, our entire board is increased by two directors.

So long as any shares of Series F Preferred Stock remain outstanding, we shall not, without the consent or the affirmative vote of the holders of at least two-thirds of the shares of Series F Preferred Stock outstanding at the time, given in person or by proxy, either in writing or at a meeting, with the Series F Preferred Stock voting separately as a class:

authorize, create or issue, or increase the authorized or issued amount of, any class or series of stock ranking prior to the Series F Preferred Stock with respect to the payment of dividends, or the distribution of assets on liquidation, dissolution or winding up;

reclassify any of our authorized stock into any such shares, or authorize, create or issue any obligation or security convertible into or evidencing the right to purchase any class or series of stock ranking prior to the Series F Preferred Stock with respect to the payment of dividends, or the distribution of assets on liquidation, dissolution or winding up; or

repeal, amend or otherwise change any of the provisions applicable to the Series F Preferred Stock in any manner which materially and adversely affects the powers, preferences, voting power or other rights or privileges of the Series F Preferred Stock. However, an increase in the amount of authorized preferred stock, the creation or issuance of other classes or series of preferred stock or any increase in the amount of authorized shares of Series F Preferred Stock or of any other class or series of preferred stock, in each case ranking on a parity with or junior to the Series F Preferred Stock, will not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

The consent of the holders of Series F Preferred Stock is not required for the taking of any corporate action, including any merger or consolidation involving us or a sale of all or substantially all of our assets, regardless of the effect that such merger, consolidation or sale may have upon the rights, preferences or voting power of the holders of the Series F Preferred Stock, except as expressly set forth in the provisions of our charter.

***Rank***

With respect to dividend rights and rights upon liquidation, dissolution or winding up of HCP, the Series F Preferred Stock ranks:

senior to the common stock, and to all equity securities issued by us ranking junior to the Series F Preferred Stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of HCP;

on a parity with the Series E Preferred Stock and with all equity securities issued by us the terms of which specifically provide that such equity securities rank on a parity with the Series F Preferred Stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of HCP; and

junior to all equity securities issued by us the terms of which specifically provide that such equity securities rank senior to the Series F Preferred Stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of HCP.



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The term "equity securities" does not include convertible debt securities, which rank senior to the Series F Preferred Stock prior to conversion.

***Dividends***

Holders of the Series F Preferred Stock are entitled to receive, when, as, and if declared by our board, out of funds legally available for the payment of dividends, cumulative preferential annual cash dividends at the rate of 7.10% of the liquidation preference (equivalent to \$1.775 per annum per share).

Dividends on the Series F Preferred Stock are cumulative from the date of original issue and payable quarterly in arrears on or about the last day of each March, June, September and December or, if not a business day, the next succeeding business day. Any dividend payable on the Series F Preferred Stock, including dividends payable for any partial dividend period, are computed on the basis of a 360-day year consisting of twelve 30-day months.

No dividends may be declared by our board or paid or set apart for payment on the Series F Preferred Stock if the terms of any of our agreements, including any agreement relating to its indebtedness, prohibits such a declaration, payment or setting apart for payment or provides that such declaration, payment or setting apart for payment would constitute a breach of or default under such an agreement. Likewise, no dividends may be declared by our board or paid or set apart for payment if such declaration or payment is restricted or prohibited by law.

Dividends on the Series F Preferred Stock accrue, however, whether or not we have earnings, whether or not there are funds legally available for the payment of such dividends and whether or not such dividends are declared. Accrued but unpaid dividends on the Series F Preferred Stock do not bear interest and holders of the Series F Preferred Stock are not entitled to any dividends in excess of full cumulative dividends described above. Any dividend payment made on the Series F Preferred Stock is first credited against the earliest accrued but unpaid dividend due that remains payable.

No full dividends may be declared or paid or set apart for payment on any class or series of preferred stock ranking, as to dividends, on a parity with or junior to the Series F Preferred Stock, other than a dividend in shares of any class of stock ranking junior to the Series F Preferred Stock as to dividends and upon liquidation, for any period unless full cumulative dividends have been or contemporaneously are declared and paid or declared and set apart for such payment on the Series F Preferred Stock for all past dividend periods and the then current dividend period. When dividends are not paid in full (or full payment is not so set apart) upon the Series F Preferred Stock and the shares of any other class or series of preferred stock ranking on a parity as to dividends with the Series F Preferred Stock, including the Series E Preferred Stock, all dividends declared upon the Series F Preferred Stock and any other class or series of preferred stock ranking on a parity as to dividends with the Series F Preferred Stock are declared pro rata so that the amount of dividends declared per share of Series F Preferred Stock and such other class or series of preferred stock shall in all cases bear to each other the same ratio that accrued dividends per share on the Series F Preferred Stock and such other class or series of preferred stock, which shall not include any accrual in respect of unpaid dividends for prior dividend periods if such preferred stock does not have a cumulative dividend, bear to each other.

Except as provided in the preceding paragraph, unless full cumulative dividends on the Series F Preferred Stock have been or contemporaneously are declared and paid or declared and set apart for payment for all past dividend periods and the then current dividend period, then, other than the

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payment of dividends in shares of common stock or other shares of capital stock ranking junior to the Series F Preferred Stock as to dividends and upon liquidation:

no dividends may be declared or paid or set aside for payment upon the common stock, or any other of our capital stock ranking junior to or on a parity with the Series F Preferred Stock as to dividends or upon liquidation;

no other distribution may be declared or made upon the common stock, or any other of our capital stock ranking junior to or on a parity with the Series F Preferred Stock as to dividends or upon liquidation; and

no shares of common stock, or any other shares of our capital stock ranking junior to or on a parity with the Series F Preferred Stock as to dividends or upon liquidation may be redeemed, purchased or otherwise acquired for any consideration by us, except by conversion into or exchange for other of our capital stock ranking junior to the Series F Preferred Stock as to dividends and upon liquidation or for the purpose of preserving our qualification as a real estate investment trust.

***Liquidation Preferences***

Upon any liquidation, dissolution or winding up of the affairs of HCP, the holders of Series F Preferred Stock are entitled to be paid out of our assets legally available for distribution to our stockholders a liquidation preference of \$25 per share, plus an amount equal to any accrued and unpaid dividends to the date of payment, before any distribution of assets is made to holders of common stock or any other class or series of our capital stock that ranks junior to the Series F Preferred Stock as to liquidation rights.

In determining whether a distribution, other than upon voluntary or involuntary liquidation, by dividend, redemption or other acquisition of shares of our stock or otherwise is permitted under the MGCL, no effect is given to amounts that would be needed if we would be dissolved at the time of the distribution, to satisfy the preferential rights upon distribution of holders of shares of our stock whose preferential rights upon distribution are superior to those receiving the distribution.

***Maturity; Redemption***

The Series F Preferred Stock has no stated maturity, is not subject to any sinking fund or mandatory redemption. We are entitled to purchase shares of the Series F Preferred Stock in order to preserve our status as a real estate investment trust for federal or state income tax purposes at any time. We may, at our option, redeem the Series F Preferred Stock at \$25 per share (\$195,500,000 in the aggregate), plus accrued and unpaid dividends.

***Transfer and Ownership Restrictions***

See " Transfer and Ownership Restrictions Relating to our Preferred Stock."

**Transfer and Ownership Restrictions Relating to our Common Stock**

Our charter contains restrictions on the ownership and transfer of our voting stock that are intended to assist us in complying with the requirements to continue to qualify as a REIT. Subject to limited exceptions, no person or entity may own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Internal Revenue Code, more than 9.8% (by number or value, whichever is more restrictive) of the outstanding shares of our common stock. Our board may, but is in no event required to, waive the applicable ownership limit with respect to a particular stockholder if it determines that such ownership will not jeopardize our status as a REIT and our board otherwise decides such action would be in our best interests.

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These charter provisions further prohibit:

any person from actually or constructively owning shares of our stock that would result in our being "closely held" under Section 856(h) of the Internal Revenue Code or otherwise cause us to fail to qualify as a real estate investment trust (including but not limited to ownership that would result in us owning, actually or constructively, an interest in a tenant as described in Section 856(d)(2)(B) of the Internal Revenue Code if the income derived by us, either directly or indirectly, from such tenant would cause us to fail to satisfy any of the gross income requirements of Section 856(c) of the Internal Revenue Code); and

any person from transferring shares of our capital stock if such transfer would result in shares of our stock being beneficially owned by fewer than 100 persons (determined without reference to any rules of attribution).

Any person who acquires or attempts or intends to acquire actual or constructive ownership of shares of our stock that will or may violate any of these restrictions on ownership and transfer is required to give notice immediately to us and provide us with such other information as we may request in order to determine the effect of the transfer on our status as a REIT. Under our charter, if any purported transfer of our stock or any other event would otherwise result in any person violating the applicable ownership limit or such other limit as permitted by our board, then any such purported transfer is void and of no force or effect with respect to the purported transferee as to that number of shares of our stock in excess of the ownership limit or such other limit, and the transferee will acquire no right or interest in such excess shares. Any excess shares described above are transferred automatically, by operation of law, to a trust, the beneficiary of which is a qualified charitable organization selected by us. Such automatic transfer will be deemed to be effective as of the close of business on the business day prior to the date of such violative transfer. Within 20 days of receiving notice from us of the transfer of shares to the trust, the trustee of the trust is required to sell the excess shares to a person or entity who could own the shares without violating the applicable ownership limit, or such other limit as permitted by our board, and distribute to the prohibited transferee an amount equal to the lesser of the price paid by the prohibited transferee for the excess shares or the sales proceeds received by the trust for the excess shares. Any proceeds in excess of the amount distributable to the prohibited transferee are distributed to the benef